



Citizens' Annual Financial Report

FISCAL YEAR ENDING JUNE 30, 2022
RALEIGH, NORTH CAROLINA

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Report Overview

The fiscal year 2022 (FY22) **Citizens' Annual Financial Report** provides citizens and other interested parties with a user-friendly overview of the City's financial results and is produced to increase awareness of the City's fiscal operations. The report includes long-term planning initiatives, accolades and other City demographics that may be of interest to readers. This report also highlights the overall financial position and trends of the City. The financial information presented within this report is obtained from the audited financial statements of the City's FY22 Annual Comprehensive Financial Report (ACFR), the City's formal financial annual report.

The Citizens' Annual Financial Report is not required to present the same level of detail as the ACFR and, therefore, may not fully conform to generally accepted accounting principles (GAAP). The FY22 ACFR was audited by Cherry Bekaert LLP and has received an unmodified or "clean" audit opinion. This report may be viewed on the City's website at [Annual Comprehensive Financial Report | Raleighnc.gov](https://www.Raleighnc.gov/AnnualComprehensiveFinancialReport)

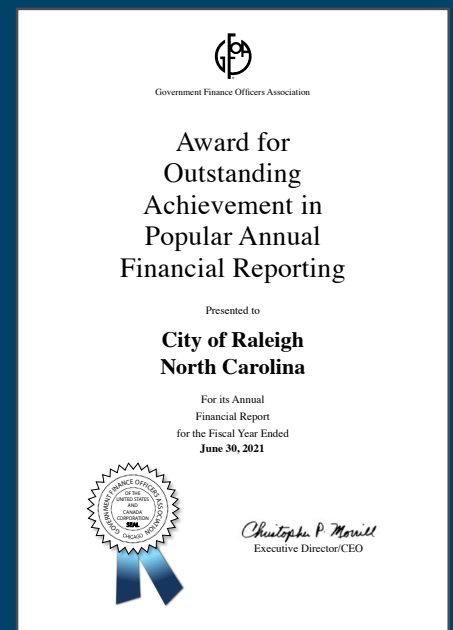
About the Cover and Spotlight Article

Pictured on the front cover is the downtown Raleigh skyline, including the Raleigh Convention Center Complex and highlights the Shimmer Wall depicting an oak tree that flutters in the wind.

The City of Raleigh's Convention Center Complex continues to establish itself as a leader in the event management and hospitality industry. From winning awards and earning certifications to adopting inclusivity-focused policies, the Complex welcomed back events, led the pack in adopting the gold standard in cleanliness, safety, inclusivity, and venue excellence. The Raleigh Convention Center Complex is featured in our Spotlight article starting on page 16 of this report.

GFOA Award

The Government Finance Officers Association (GFOA) represents public finance officials throughout the United States and Canada, whose shared mission is to promote excellence in state and local government financial management. The City of Raleigh participates in the GFOA Award Program for Outstanding Achievement in Popular Annual Financial Reporting. The award shown is for last year's report.



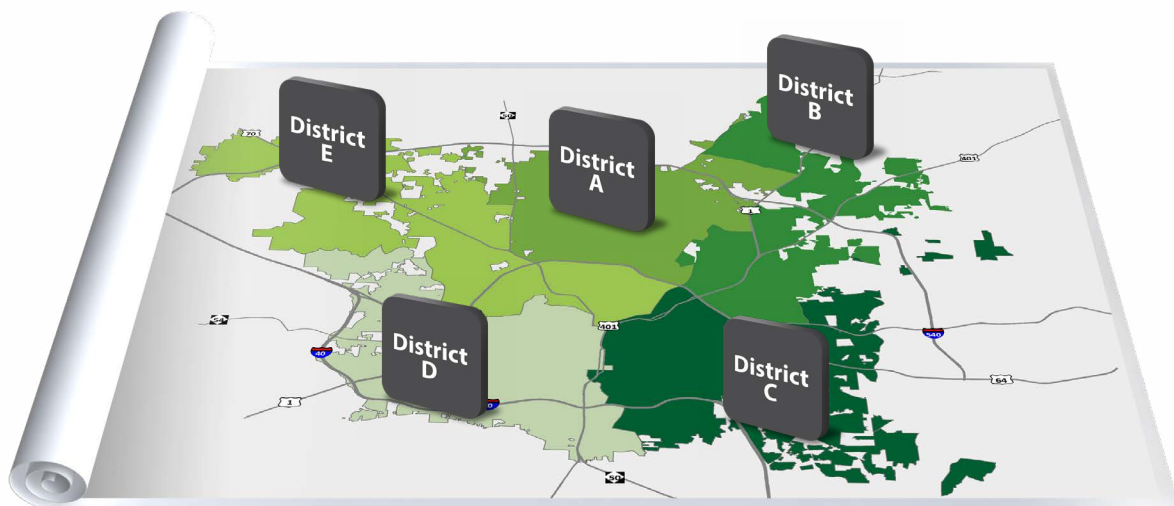
Raleigh City Council | 2022



Bottom Row: **Nicole Stewart, David Cox, Stormie D. Forte, Mary-Ann Baldwin**
Top Row: **Jonathan Melton, Corey D. Branch, Patrick Buffkin, David Knight**

Mary-Ann Baldwin – MAYOR
Patrick Buffkin – DISTRICT A
David Cox – DISTRICT B
Corey D. Branch – DISTRICT C

Stormie D. Forte – DISTRICT D
David Knight – DISTRICT E
Jonathan Melton – AT LARGE
Nicole Stewart – AT LARGE





"the annual budget process does much to advance the City's vision of creating *A Raleigh for All*"

Leadership | From the City Manager

Dear Readers:

The City of Raleigh prides itself on delivering high-quality service by strategically applying resources to serve the needs of the City, its residents and visitors. Driven by a strong economy and an outstanding quality of life, Raleigh is consistently ranked among the nation's best places to live, work and play. The City remains committed to adapting to the rapid rate of growth and continues to provide services in a more efficient manner, and to seek innovative and sustainable measures for improvement.

The City places emphasis on maintaining a strong workforce, sustaining operations, and investing in critical infrastructure. Additionally, the City incorporated both strategic investments and reductions intended to minimize impacts from the pandemic-induced economic downturn. The annual budget presented important investments that enabled the delivery of key services and amenities to the community, preserved natural resources, and maintained a balanced approach to fiscal stewardship and growth management. In summary, the annual budget process does much to advance the City's vision of creating *A Raleigh for All*.

One of the unique services the City provides is the Raleigh Convention and Performing Arts Complex. On pages 16-19 of this year's Citizens' Annual Financial Report, please read about the dedicated team that has worked tirelessly over the last several years to bring safe meetings and events back to Raleigh. Whether its theater, live music, meeting events, conventions, or other great amenities; the Convention Center Complex adds to the experiences of life in Raleigh and is an important asset in the City's cultural backbone.

I certainly hope that you enjoy and find useful the FY22 Citizens' Annual Financial Report.

Sincerely |

Marchell Adams-Davis | City Manager



"City's overall
fiscal health
remains strong"

From the Chief Financial Officer

To Our Citizens:

An important element of the City's financial mission is to be accountable and transparent to its citizens and visitors. As a large municipality, the City of Raleigh shares with every household the need to manage resources with a commitment to proper planning, balanced budgets, and a sustainable financial position. The City's Finance Department prepares the Citizens' Annual Financial Report with a goal of explaining key financial objectives for the City in a similar context to your own finances.

The Citizens' Annual Financial Report is a communication tool to provide the public with the City's financial story in a user-friendly and understandable manner. The report utilizes the Annual Comprehensive Financial Report (ACFR), which is available to you on the City's website, www.raleighnc.gov. The ACFR provides detailed financial statements, notes, and other schedules that provide valuable information on the City's finances. The ACFR is audited annually by an independent certified public accounting firm and is presented to City Council to ensure transparency.

The City continues to be proactive in managing the financial impacts associated with the global pandemic and was able to meet or exceed financial policies as well as continue the commitment to fund long-term obligations. In addition, the City was able to maintain the strongest credit ratings available in the marketplace. The City's overall fiscal health remains strong even as we look ahead to the uncertain economic conditions ahead.

The City of Raleigh has received numerous awards from the Government Finance Officers Association (GFOA) for excellence in financial reporting. Thank you for your support as the City seeks to maintain a high standard of service. The City's finance team hopes you find the Citizens' Annual Financial Report helpful and use it as a tool to understand Raleigh's financial operations.

Sincerely |

A handwritten signature in black ink that reads "Allison E. Bradsher". The signature is written in a cursive, flowing style.

Allison E. Bradsher | Chief Financial Officer

The City of Raleigh and the surrounding Research Triangle Region growth has consistently and significantly outpaced the nation. Fueled by an impressive mix of education, ingenuity and collaboration, Raleigh is an internationally recognized leader in life science and technology innovation. It also happens to be a really great place to live.





The City of Raleigh | Everyone's Household

The City of Raleigh is the level of government that touches the daily lives of citizens the most. The City provides a full range of governmental services, including public safety, regulating quality of housing and construction, paving roads, solid waste management, water and sewer services, providing public transit and parking options, maintaining parks and recreational facilities, and hosting convention and performing arts events. These services are provided to ensure Raleigh remains one of the top places to live, work and play. Over the last 30 years, growth in Raleigh and the surrounding region has consistently and significantly outpaced the nation, further driving the City to strategically invest in its financial sustainability well into the future. The City applies the same financial fundamentals to the management of the City's finances that apply to individual households. Highlighted below are a few of the ways the City's financial management practices continue to ensure a strong financial position.

Budget and planning

The City responsibly plans for its future financial needs in various ways, including relying on key financial policies and procedures, financial projections, a 5-year capital improvement plan (CIP), long-term rate studies and financial models. Like the average citizen, the City uses a balanced budget to ensure that it maintains a healthy financial position and uses its resources effectively. North Carolina law requires local governments to approve a balanced budget each year. The City's annual budget process includes a review of current economic conditions to develop a fiscally sound funding plan that ensures revenues are sufficient to cover budgeted operational needs for each department. The proposed budget is presented in May to City Council, which approves the final budget document on or prior to the start of the fiscal year July 1.

The City's annual Operating and CIP budgets can be found on the City's website at <https://raleighnc.gov/services/grants-and-funding/current-city-budget>.

Financial standards

Comparable to a household's need to borrow for a house or car, the City has taken on moderate debt levels to provide necessary infrastructure impacting citizen's daily lives, such as streets and parks. The City's credit rating from the three national credit rating agencies – Moody's, S&P Global and Fitch – are all AAA/Aaa. This represents the highest credit ratings available and provides an independent view of the City's overall financial well-being. Details summarizing FY22 City debt activities are captured on page 14 of this report.

Saving and investing for the future

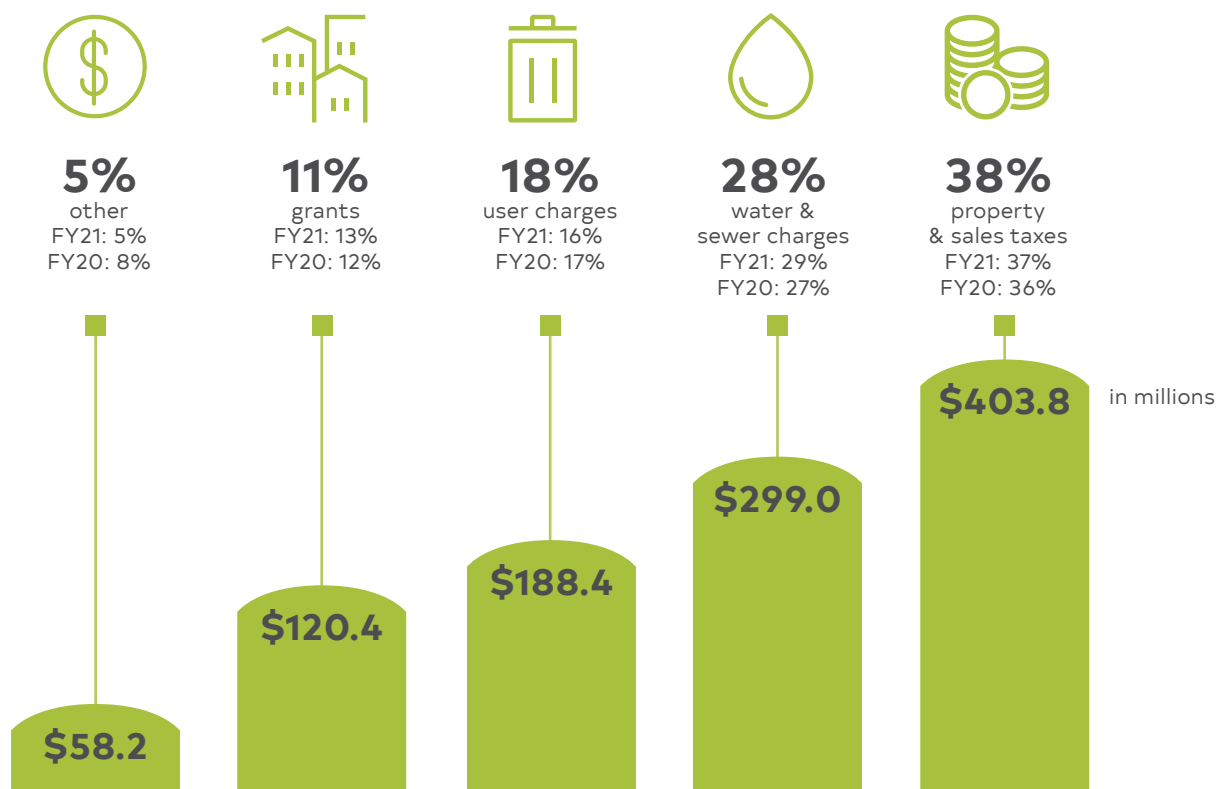
Saving for the future is an important aspect of the City's financial stewardship, similar to your own household budget planning. The City utilizes various policies and guidelines, models, and fiscal analyses that enable management to address short-term as well as plan for long-term financial needs. Collectively, these financial tools allow City Council and City Management to make informed decisions regarding future investments within our growing community, while also maintaining an adequate level of savings.

Sources | City Funds

The City has various funding sources that provide for governmental and business-type services. The three-year trend illustrated below shows City funding sources remain relatively consistent over time. The City's largest revenues are **property and sales taxes**. These tax collections predominately fund basic government services, including investments in public safety, public infrastructure, and leisure services. **Water and sewer charges** are the second largest category of revenues and reflect City Council approved rates for the regional utility system consistent with long-term financial planning models. **User charges** capture a variety of City services, and fees are collected specifically from those who directly benefit and utilize these services. Examples include solid waste services fees, stormwater fees, development permitting activities, parks and recreation fees, convention center activities, and parking charges. The FY22 budget included an approved rate increase in user charges for solid waste services to maintain service levels. Enterprise user rates are predominately aligned to long-term planning models, ensuring the City can sustain existing service levels and pay for future capital infrastructure needs. The City also receives federal and state **grants**, as well as other funding allocations from external sources that support specific initiatives, such as road repairs, parks and recreation, housing development projects and community outreach. **Other sources** include interest income and miscellaneous revenues.

FISCAL YEAR 2022 (FY22) ADOPTED BUDGET

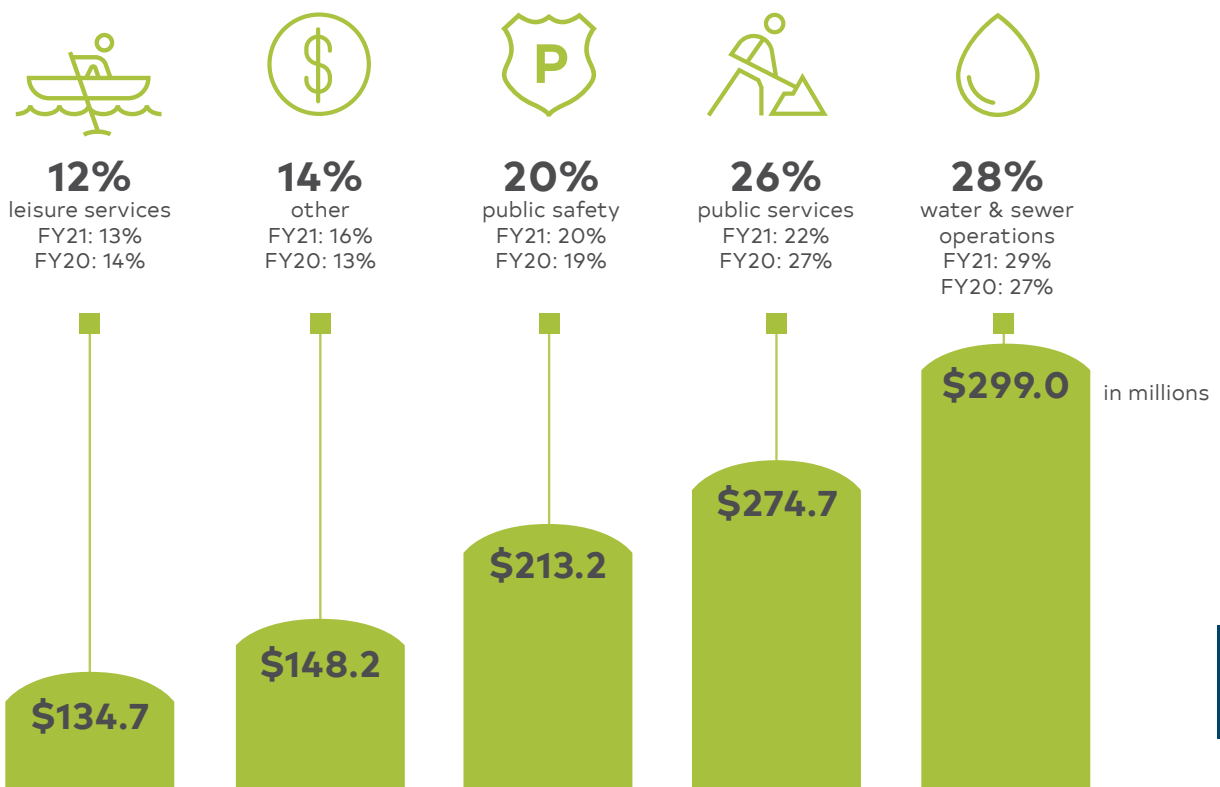
FY22 City-wide Adopted Operating and Capital budgets total \$1,069.8 million. The categories shown highlight the sources (revenues) and uses (expenses) as a percentage of the total. Budget priorities for FY22 were aligned to the City's Strategic Plan. A few of the top initiatives are included to the right:



Uses | City Funds

The City provides many comprehensive services to citizens. The three-year trend illustrated below displays how the City's uses of funds continue to remain relatively consistent over time. **Water and sewer operations** represent the largest budgeted category for the City with a focus on providing clean drinking water and effective wastewater management services, which protect both the environment and public health. **Public services** captures a wide variety of work efforts, including solid waste services, stormwater, development activities, parking and public transit. Public services budgeted uses increased year over year more than other categories, reflecting the City's FY22 strategic investment in capital improvements and infrastructure management. **Public safety** accounts for budgeted funding uses associated with fire, police and emergency communication operations, which are funded predominately by general tax revenues. The City's support of public safety initiatives provides for the continued safety of our growing service area. **Leisure services** include parks, recreation, and cultural resources, as well as the Convention Center Complex where citizens and visitors enjoy amenities and cultural programs. Reductions in this category from the prior year reflect the impacts to events and other functions as a result of the global pandemic. Additional uses listed as **other** include internal service organizations, various housing assistance and other community initiatives.

- Invest in public safety initiatives, including outreach, education, and programs for a vibrant and thriving community
- Reimagine community engagement using a people-focused process to identify measurable projects, programs, and activities to lead positive, long-term, systemic change
- Ensure long-term financial sustainability and financial strength
- Invest in our employees to provide high quality, responsive, and innovative services
- Manage growth through investment in various infrastructure initiatives
- Create, preserve, and encourage the development of affordable housing units in Raleigh; reduce or eliminate homelessness
- Maintain parks and greenways, and aid in pedestrian and bicycle improvements
- Foster a diverse local economy through partnerships and innovation, and fund Minority, Woman and Business Enterprise Disparity Study for additional business assistance
- Develop an Equity Action Plan focused on inclusive engagement and equitable planning, development and support for our community and workforce



FY22 | Governmental Activities

The Governmental activities section in the City's financial statements includes programs predominately supported by taxes, federal and state grants, and other general funds. In comparison, the City's Business-type activities, described on page 12, are predominately funded by user charges. Governmental revenue sources are utilized for various community services, including public safety efforts for fire, police, and emergency communications; parks, recreation, and cultural resources initiatives; infrastructure management; planning and neighborhoods; and general government administration. Governmental activities also include capital project activities which support infrastructure across the City.

Balance sheet

Amounts in millions	FY22	FY21	Change
Assets	\$ 2,285	\$ 2,166	\$ 119
Deferred Outflows of Resources	115	105	10
Liabilities	(1,028)	(1,059)	31
Deferred Inflows of Resources	(104)	(41)	(63)
Net Position	\$ 1,268	\$ 1,171	\$ 97

A **balance sheet** provides a snapshot of what the City currently owns (assets) and owes (liabilities), as well as sources (deferred inflows) and uses (deferred outflows) that will be recognized in future years. **Net position** represents the City's investment in the assets it uses in providing services to its citizens. Increases in net position serve as a useful indicator of the strength of the City's financial position.

Net position is a snapshot of the overall financial condition of the City and is comprised of capital assets, restricted funds for needs such as debt commitments, and the remaining is unrestricted and available to support ongoing operations. The majority (or 69%) of the City's \$1,268 million net position represents investments in capital assets, including land, buildings and other infrastructure that are used to provide services to citizens. As shown in the tables, the City's change in net position increased by \$97 million. The City's continued investment in capital assets, continued growth in key revenues, and diligent monitoring of expenditures yielded positive fiscal impacts.

Income statement

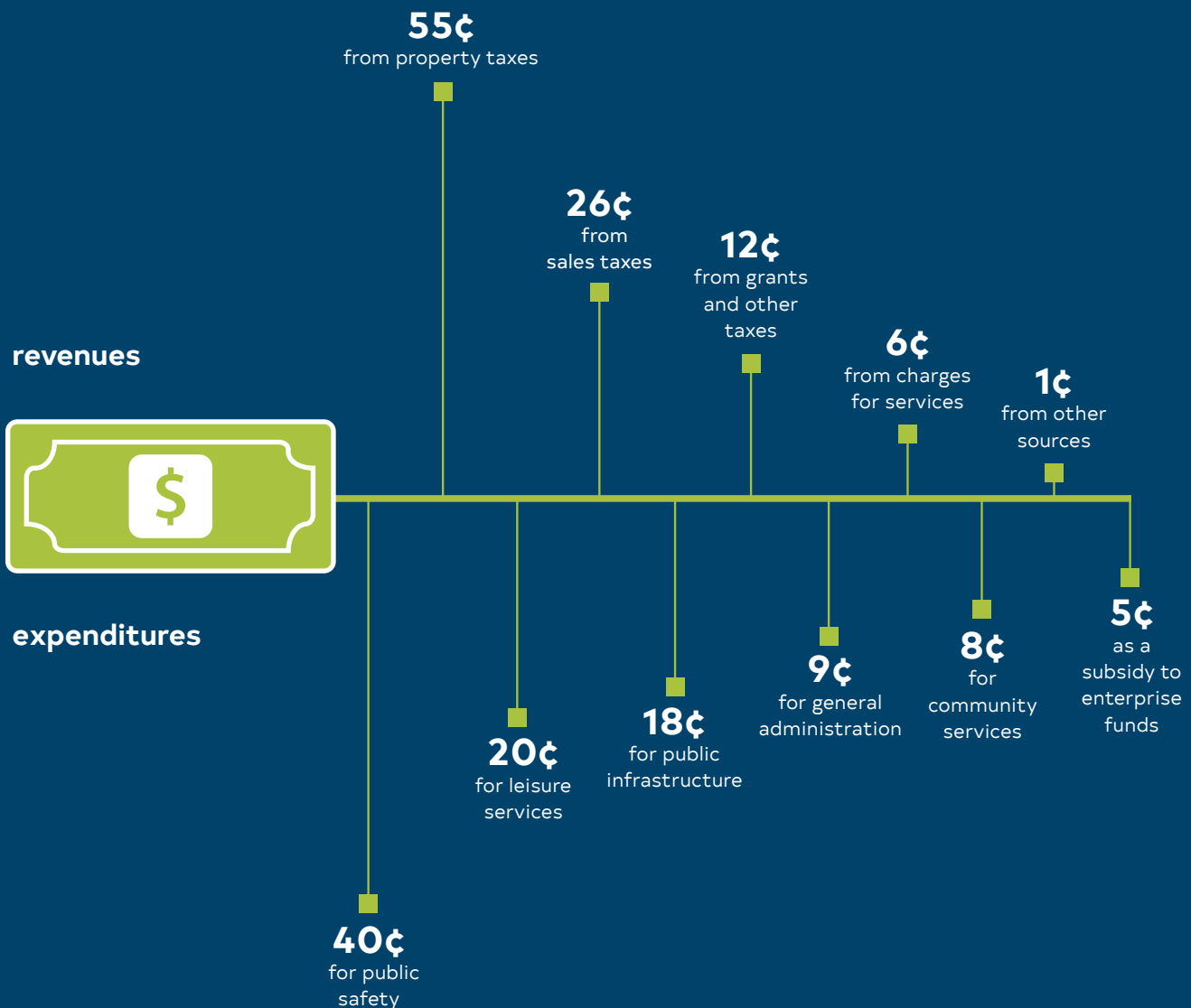
Amounts in millions	FY22	FY21	Change
Revenues	\$ 631	\$ 586	\$ 45
Expenses	(475)	(464)	(11)
Transfers In (Out)	(59)	(57)	(2)
Change in Net Position	\$ 97	\$ 65	\$ 32

An **income statement** provides a summary of amounts received (revenues) and amounts spent (expenses). The difference between revenues and expenses shows the City's **change in net position**. A positive change in net position indicates the City had enough revenues to cover its obligations and the ability to save for the future.

The FY22 revenue increase in the City's governmental activities was driven primarily by exceptionally strong sales tax collections, property tax collections, and development user fees activity. City programs and services, such as those sponsored by parks, recreation, and cultural resources, saw an increase in attendance which is a reflection both of continued growth in the region as well as a return to normal activities. The City maintains a focus on expense management to ensure mission-critical services and initiatives are able to be met. Current year expenses increased moderately and are in-line with anticipated operating increases. Transfers out increased from the prior year as the budget included funding to support critical business needs, such as the City's capital improvement program.

FY22 | General Fund Results

The General Fund is the City's main operating fund supporting key operations, such as public safety, public infrastructure, and leisure services. This page displays FY22 actual results in cents to provide an easy-to-understand illustration of General Fund revenue sources and expenditure uses. **Property taxes** and **sales taxes** are the two largest sources of General Fund revenue totaling 81 cents of every dollar received. **Public safety** (fire, police, and emergency communications) accounts for the largest area of General Fund spending at 40 cents, followed by **leisure services** (parks, recreation, and cultural resources) at 20 cents and **public infrastructure** (city planning, inspections, and roadways) at 18 cents. This breakdown of the General Fund's revenues and expenditures is similar to prior year, and the City's FY22 results met expectations as compared to the budget.



FY22 Business-Type Activities

Business-type activities encompass the City's enterprise fund operations. The City manages six enterprises: Raleigh Water, Convention Center Complex, Public Transit, Stormwater, Parking, and Solid Waste Services. These business-type operations are primarily funded by fees charged to customers who directly benefit from the services provided.

Balance sheet

Amounts in millions	FY22	FY21	Change
Assets	\$ 3,235	\$ 2,962	\$ 273
Deferred Outflows of Resources	62	91	(29)
Liabilities	(1,345)	(1,302)	(43)
Deferred Inflows of Resources	(49)	(15)	(34)
Net Position	\$ 1,903	\$ 1,736	\$ 167

A **balance sheet** provides a snapshot of what the City currently owns (assets) and owes (liabilities), as well as sources (deferred inflows) and uses (deferred outflows) that will be recognized in future years. **Net position** represents the City's investment in the assets it uses in providing services to its citizens. Increases in net position serve as a useful indicator of the strength of the City's financial position.

Net position is a snapshot of the overall financial condition of the City and is comprised of the investment in capital assets, while the remaining net position is unrestricted and available to support ongoing operations. The majority or 73% business-type net position represents investment in capital assets that are used to provide services to our citizens. The largest examples of capital assets are water and sewer treatment plants and the supporting infrastructure pipelines. As shown in the tables, the City's change in net position for business-type activities increased by \$167 million. The increase in net position generated from normal operations continues to demonstrate strength in our fiscal stability and allows for future financial planning. The City's continued investment in capital assets and ongoing operations yielded positive fiscal impacts.

Income statement

Amounts in millions	FY22	FY21	Change
Revenues	\$ 445	\$ 400	\$ 45
Expenses	(337)	(323)	(14)
Transfers In (Out)	59	57	2
Change in Net Position	\$ 167	\$ 134	\$ 33

An **income statement** provides a summary of amounts received (revenues) and amounts spent (expenses). The difference between revenues and expenses shows the City's **change in net position**. A positive change in net position indicates the City had enough revenues to cover its obligations and the ability to save for the future.

The City experienced many positive trends and growth in business-type activities during FY22. The year over year revenue increase for the City's business-type activities was driven primarily by growth in activities that had been impacted at the height of the pandemic. The Convention Center Complex welcomed back patrons to numerous cultural events hosted both at indoor and outdoor facilities. As local businesses in the downtown area also reopened, Parking operations improved with increased demand for on-street, off-street, and special events parking. While these revenue streams improved since prior year, they have not yet returned to pre-pandemic levels. Expenses met expectations and service levels were maintained. City management continues to monitor user charges while leveraging financial projection models for long-term planning.



FY22 | Capital Improvement Plan

The City utilizes a multi-year Capital Improvement Plan (CIP) as one element in the City's long-term planning process. The CIP outlines future investments needed for the growing community. Long-term studies as well as citizen input are important elements in identifying new projects and making informed decisions. The CIP analyzes the City's major facility, equipment and other infrastructure needs within the context of establishing priorities, estimating available fiscal resources, and phasing the development of funded projects over a 5 year horizon. The entire CIP process is completed in a strategic, thoughtful, and impactful way to maximize community growth and improve quality of life in alignment with the City Council's vision. Capital project initiatives generally include buildings, land, major technology projects, infrastructure and general improvements which allow the City to develop or expand services. The CIP is approved by City Council annually as part of the adopted budget.

The five-year adopted CIP plan can be found at:

Budget and Management Services | raleighnc.gov

During FY22, the City completed numerous projects outlined in the City's Capital Improvement Plan, including the following:

Raleigh Water and Stormwater Projects:

- Various projects around the City and service area including meter replacements and capacity projects.
- Stormwater completed projects which effectively managed stormwater runoff and protected local water quality.

Other Infrastructure Projects:

- Enterprise and governmental equipment acquisitions, including purchases of police and fire vehicles for the continuation of responsive public safety efforts.
- Transit projects including facility upgrades, vehicle replacement and the compressed natural gas (CNG) Refueling Station.
- Building upgrades to the Convention Center Complex.
- Public safety facility improvements and maintenance, as well as the completion of the Law Enforcement Training Center (LETC).
- Park site improvements and park land acquisitions to enhance citizen and visitor experiences, including major renovations at the River Bend Park, playground and community garden at Fischer Street Park, and other maintenance efforts at Apollo Heights Park, Optimist Community Center, Tarboro Road gymnasium, and Theatre in the Park.
- Affordable housing projects to address homelessness, expand emergency shelter capacity, and provide opportunities for transitional housing and small-scale affordable housing options. This included completion of Abbingdon Square and Capital Towers improvements.
- Continued completion of street and sidewalk projects.

In addition, the adopted FY22 CIP provided funding for new or continuing capital projects consistent with the City's strategic and comprehensive plans ranging from investments in capital maintenance and renovations, long-term public transit expansions, housing and community outreach, and other general public improvements.



FY22 | Understanding City Debt

A priority of the City is to maintain long-term financial sustainability of operations. This strong commitment to the future sustainability has resulted in the City maintaining Aaa ratings from Moody's Investors Service and AAA ratings from S&P Global and Fitch ratings. All three of these top credit rating agencies represent the highest rating available on both the general government and Raleigh Water debt. Raleigh is one of the few cities in the nation to have achieved these superior credit ratings, providing benefits such as obtaining the lowest interest rates for the City's debt issuances.

The City maintains a healthy balance of debt to support general government activities, such as public safety facilities, streets, affordable housing and park improvements, while also supporting capital infrastructure needs for business-type activities that provide services to our citizens. Given the capital intensive-nature of the business-type activities (pipes, pumps, and treatment plants), a majority (53%) of the City's total debt portfolio is repaid from business-type user charges. The remaining portion (47%) of the City's debt portfolio supports governmental activities is paid for by general governmental revenues.

Governmental activities

General governmental outstanding debt totals \$555.5 million, a decrease over prior year. The City has the ability to extend \$402.9 million for future debt needs that would support transportation, parks and recreation, and housing projects.

FY22 New Debt

- The City continued the existing Public Improvement Bond Anticipation Notes (BANs) program pertaining to capital improvements for the City's general governmental needs. The BAN program allows for up to \$163.4M in BAN's associated with voter general obligation bonds to finance capital projects for streets, housing, public safety and parks

10.0% - FY22 actual debt payments compared to General Fund budget. City policy allows for a maximum of 15.0%.

Business-type activities

Most of the City debt is associated with enterprise funds, primarily Raleigh Water, with a much smaller portion for Convention Center Complex and Parking. Business-type outstanding debt totals \$1.1 billion, which is consistent with prior year.

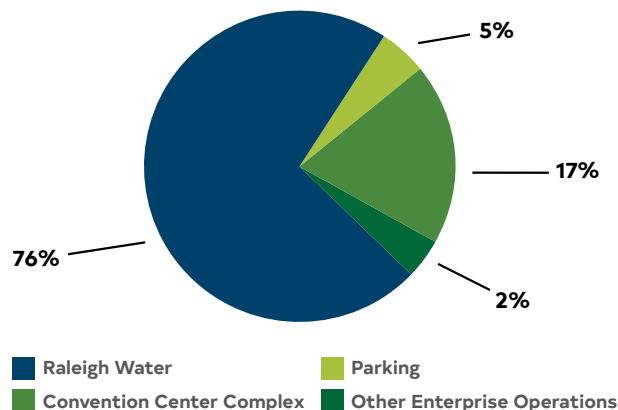
FY22 New Debt

The City continued the Revenue BAN program pertaining to water and sewer capital projects that allows for draws up to \$200.0 million supporting the Raleigh Water enterprise operation.

Debt management

The City's Finance department is dedicated to ensuring prudent debt management that allow for future City planning needs.

More detailed schedules specifically on City debt can be found in the FY22 ACFR.



FY22 | Raleigh Accolades and Demographics

Raleigh continues to be ranked among the best places in the United States to live, work, play and more.

Below are a few accolades the City has received:

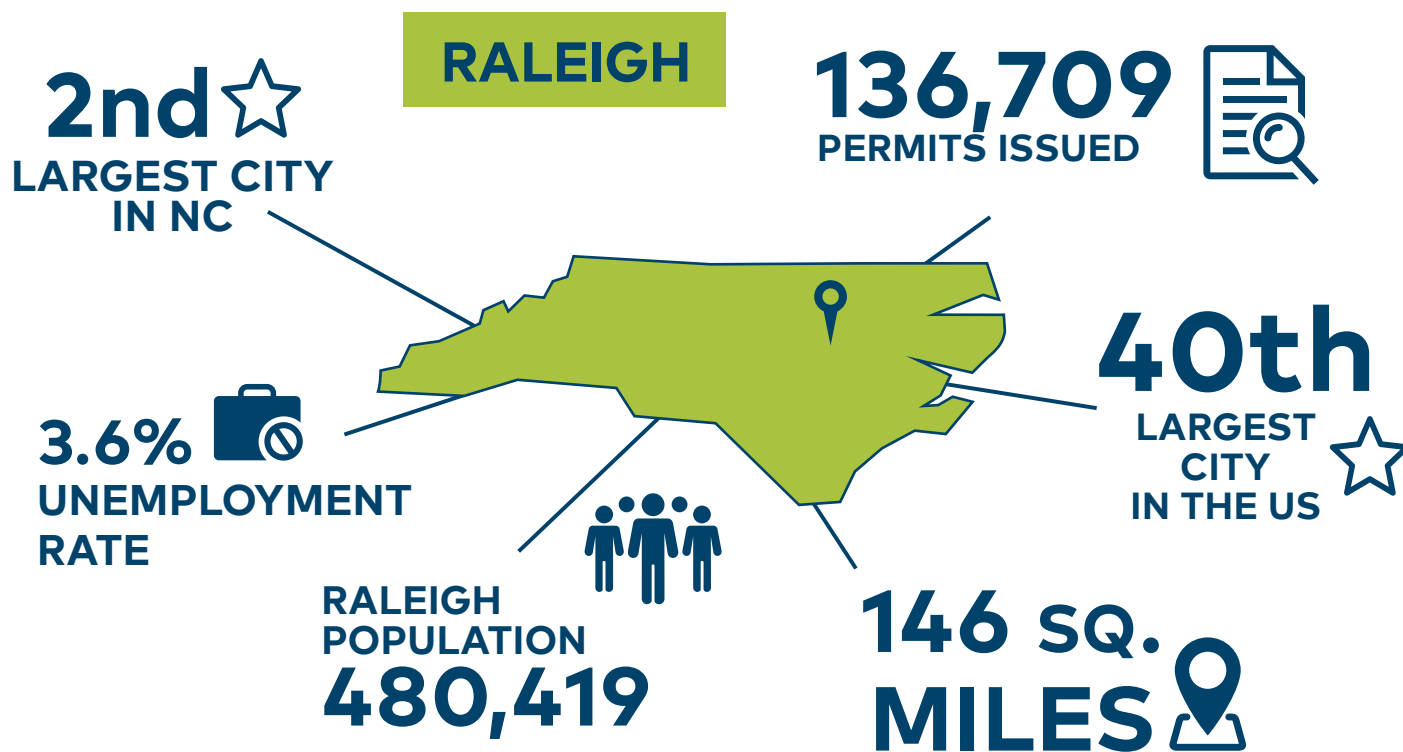
- 2nd Best Place to Live (tied with Durham) (July 2021, U.S. News & World Report)
- 10th Most Popular City for People Moving to a New Metro Area (October 2021, IndyWeek)
- 2nd in safest State Capitals (January 2022, Wallet Hub)
- 1st in best city for working women (March 2022, ApartmentList)
- Top 3 hottest job markets in America (April 2022, Wall Street Journal and Moody's Analysis)
- Top 10 Best Cities for Senior Citizens - (April 2022, Age in Place)

Major Industries & Employers:

As the capital of the State, the City derives its economic profile from a diverse combination of business and employment centers, including Federal and State government, higher education, information technology, scientific research, healthcare, and retail trade.

The top ten employers within the City include:

- | | |
|------------------------------------|------------------------------|
| • State of North Carolina | • Wake County Government |
| • Wake County Public School System | • City of Raleigh |
| • Wake Med Health and Hospitals | • Conduent Business Services |
| • North Carolina State University | • Duke Energy Progress |
| • UNC Rex Healthcare | • First Citizens Bank |



If you would like to read more about the City's accolades, please visit the City's website at www.raleighnc.gov.



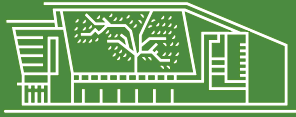
Spotlight On:

Raleigh Convention Center Complex

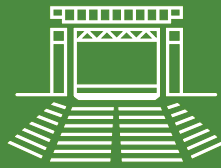
The Raleigh Convention and Performing Arts Complex (Complex) accelerates sustainable economic growth by increasing convention and entertainment business and stimulates an innovative, artistic, and cultural presence within the community. Through innovation, fiscally sound decision management, a consistent focus on diversity, and excellent service, the Complex will elevate Raleigh as a leading entertainment and meeting destination.

The Complex has continued to push forward to establish itself as a leader in the venue and hospitality industry. From winning awards and earning certifications to adopting inclusivity-focused policies, we've used the past year not only to welcome back events, but to lead the pack in adopting the gold standard in cleanliness, safety, inclusivity, and venue excellence.

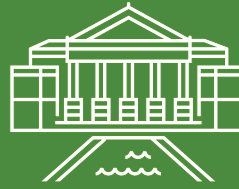
Raleigh Convention Center



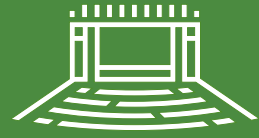
Red Hat Amphitheater



Duke Energy Center for the Performing Arts



Coastal Credit Union Music Park at Walnut Creek



Fun Facts:

- **184,900 of continental breakfasts** catered to clients at the complex
- **2,293 Southern Fried Chicken Sliders** served to attendees at Raleigh Convention Center
- **18,512 pretzels** sold in concession stands at Raleigh Convention Center, Duke Energy Center, and Red Hat Amphitheater Performing Arts
- **9,284 sq. ft. of aluminum panels** in the Shimmer Wall (and 31 upgraded light fixtures to make it more colorful)
- **1,114 total hours** of staff training in calendar year 2021-2022
- **834 female African elephants** could fit in our 150,000 sq. ft. Exhibit Hall
- **Diverted 219,574 pounds of waste** from landfills through composting in partnership with our in-house caterer, Centerplate, since 2017
- **Our compost** goes to the Camden Street Learning Garden, managed by the Inter-faith Food Shuttle

Leadership in the Venue Industry

Although most of the cleaning in our venues happens behind the scenes, our dedication to health and safety is always front and center.

The Raleigh Convention Center, Duke Energy Center for the Performing Arts, and Red Hat Amphitheater strengthened its commitment to ensuring a safe environment through the award of the Global Biorisk Advisory Council (GBAC) STAR™ accreditation, expanding facility cleaning methods and increasing its meticulous catering and food operations. Our venues were the first multi-venue accreditation in the state of North Carolina and received recertification in 2021.

GBAC STAR™ is the cleaning industry's only outbreak prevention, response, and recovery accreditation program for public and commercial facilities. Its 20 elements establish requirements for facilities to implement the highest standards of work practices, protocols, procedures, and systems to control risks associated with infectious agents, such as SARS-CoV-2, the virus responsible for COVID-19.

In addition to the GBAC STAR™, The Complex led the way in venue management during the pandemic. Beginning in 2020, all four venues operated by our department – the Raleigh Convention Center, Duke Energy Center for the Performing Arts, Red Hat Amphitheater, and Coastal Credit Union Music Park at Walnut Creek – were a critical part of the NC Live Coalition, a group of 18 NC-based venues that provided guidance and best practices to ensure safe reopening of arts and entertainment facilities across the state. Kerry Painter, the Complex's Director/General Manager served as the chair of this coalition and led North Carolina's venues to a safe and successful reopening. Earlier this year, the Complex hosted our second-annual Security Day in partnership with the International

Association of Venue Managers (IAVM), Centerplate, the Durham Performing Arts Center, the Greensboro Coliseum Complex, the Town of Cary, the Durham Convention Center, and PNC Arena for security training and certification. Offered free to municipalities, churches, hotels, event spaces and other venue and security staff, we welcomed prestigious guest speakers to demonstrate international best practices in guest safety and security training.

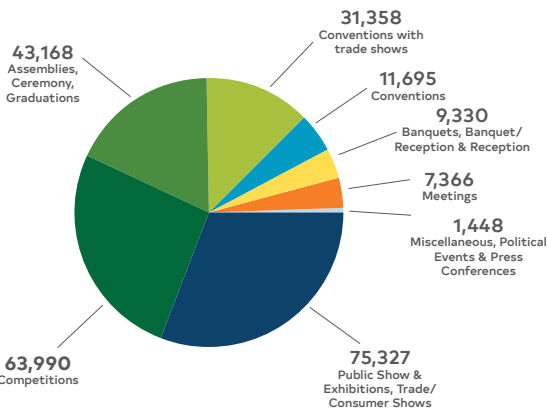
While IAVM has hosted similar Security Day events across the globe, the Complex's Security Day was unique in that it included representatives from churches, museums, schools, hotels, and other non-traditional event venues, in addition to more conventional gathering spaces like convention centers, theaters, amphitheaters, and sports facilities.

Nearly 400 participants converged in our Exhibit Halls, traveling from Raleigh, Durham, Greensboro, Charlotte, Asheville, and others from as far away as Atlanta, GA. Our attendees list included representatives from local universities, international event promotion companies, and NBA teams. This year's participants were more than double the number from the first training in 2019.

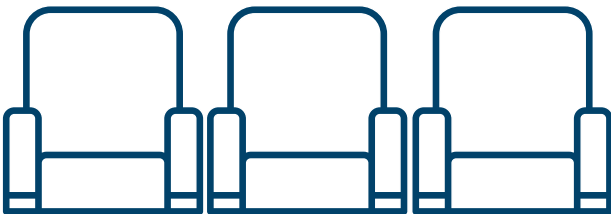
In FY22, the Raleigh Convention Center is proud to have earned recognition at the national level as a four-time consecutive recipient of the Centers of Excellence by Exhibitor Magazine. The Complex was also recognized by the City of Raleigh's Office of Sustainability as a 2021 Climate Action Award for Energy and Waste Reduction and a Venues Now Excellence in Concessions Award for Best Sustainability Initiative.

Events at a Glance:

Convention center attendees in FY22



Theater seating capacity



Raleigh Memorial Auditorium
seating capacity 2,369

Meymandi Concert Hall
seating capacity 1,750

Fletcher Opera Theater
seating capacity 600

Kennedy Theatre
seating capacity 150

134,000 concert goers attended 36 Red Hat Ampitheater shows in 2022

The Raleigh Convention Center welcomed its first post-pandemic event, a 2,300-person volleyball tournament, in February 2021 after being closed to the public for eleven months. In FY22, the center welcomed 243,682 attendees and hosted 129 events, including international esports tournaments, high school graduations, fundraising galas, annual meetings for national associations, and corporate events for Fortune 500 companies.

The Duke Energy Center for the Performing Arts welcomed back performances with a dance competition in March 2021 with 867 audience members. Their five resident companies – NC Theatre, North Carolina Symphony, North Carolina Ballet, NC Opera, and PineCone – have returned to the stage in full force, along with a variety of music, dance, comedy, and drama performances. In FY22, the four-theatre venue hosted 441 events with a total of 236,399 guests. Red Hat Amphitheater kicked off its season on May 27, 2021 after a canceled 2020 concert season. To highlight our community's love of live music and local performers, our Complex organized the Amped Up Music Series at Red Hat Amphitheater, which showcased five nights of talented NC musicians taking the stage for an outdoor, socially distanced audience. With tickets starting at \$5 for acts in a diverse range of genres, these evenings helped bring the community together in uncertain times,

selling 5,695 tickets across five shows. In the 2022 season, the amphitheater hosted 36 concerts and over 134,000 music lovers.

The RINK presented by UNC Health

Upon the conclusion of a successful 2020-2021 Red Hat Amphitheater concert season, we took on a chilly new challenge: creating an ice-skating rink in the amphitheater. From maintaining ice on sunny days to figuring out how to level a substantially sloped amphitheater site, our staff expertly tackled this new activation with excitement. Our efforts paid off in dividends and resulted in many sold out dates as citizens and visitors were able to experience a snowy wonderland in the heart of Downtown Raleigh and we were able to create a new revenue stream in our concert off-season. We welcomed 17,851 ticketed skaters over two months and look forward to welcoming even more for this year's The RINK presented by UNC Health, which began selling tickets in July 2022 to accommodate high demand.

Service and Access For All

In August 2022, the world-renowned John F. Kennedy Center for the Performing Arts brought their Leadership in Arts and Disability (LEAD™) conference to the Raleigh Convention Center and Duke Energy Center for the Performing Arts. The conference was welcomed with record-setting registration numbers in the City of Oaks. This level of interest was fitting as Raleigh has been a part of LEAD™ since the very beginning with the conference's founding members serving as representatives from Raleigh Little Theatre and Duke Energy Center for the Performing Arts.

The Complex, Raleigh Arts, and several major local arts and culture organizations comprised a local organizing committee to create immersive and accessible experiences for conference attendees, including two art exhibits and an evening event, which spotlighted Raleigh's numerous museums and galleries, as well as two theatre performances.

Prioritizing excellent service to all is not new to our staff. Raleigh Convention Center and Duke Energy Center for the Performing Arts have been Kulture City-certified since 2019. This annual certification requires that our staff are trained in providing services to attendees who require sensory accessibility accommodations. In addition to our training and sensory-aware signage throughout the building, we also check out Sensory Bags to guests for whom headphones, fidget spinners, and communication cards can improve their experience in our venues.

With LEAD™ on the horizon, we wanted to push even further in our ability to provide the highest level of customer service to our guests. Shortly before the event, we invited Betty Siegel, Director of The Kennedy Center's Office of Accessibility and VSA, to lead three custom mandatory training sessions for frontline staff and management. These sessions covered everything from an overview of the Americans with Disabilities Act to delivering excellent customer service to all guests.

In preparation for LEAD™, the Raleigh Convention Center embarked on several new accessibility initiatives, including a Service Animal Relief Area, water bowls available for service animals, and a new approach to creating interactive, inclusive art experiences in the facility. Using QR codes, attendees can hear audio descriptions read by performers at Raleigh Little Theatre, access the related scripts, and examine high-resolution photos of artwork. For three-dimensional works, tactile objects served as guides for attendees who prefer to feel a piece of the artwork. These facets can bring art to life for our attendees in an inclusive way. We are so proud to be able to bring this expanded experience to our attendees and grateful to Raleigh Arts for their partnership in making this happen, as well as the hard work from our incredible local arts and culture organizations who participated and hosted events for LEAD™.

A Bold and Bright Horizon

Our staff have worked incredibly hard in the past few years to bring live events back to the heart of Downtown Raleigh. With a Raleigh Convention Center expansion on the horizon and an anticipated new 500-room hotel coming to our Complex's footprint, we are excited to see what lies next for our department, our skyline, and for the City of Raleigh.

We hope to see your loved ones and friends in our venues, in our theater seats, and in the concert crowds.

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