



# *Annual Comprehensive Financial Report*

**FISCAL YEAR ENDING JUNE 30, 2024**  
RALEIGH, NORTH CAROLINA





OFFICE OF THE  
CITY MANAGER  
919.996.3070

OFFICE OF THE  
CHIEF FINANCIAL OFFICER  
919.996.3215

POST OFFICE BOX 590  
RALEIGH, NORTH CAROLINA 27602



City of Raleigh

NORTH CAROLINA

# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by the Finance Department  
Allison E. Bradsher  
Chief Financial Officer



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# Introductory Section

SPEED  
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# Raleigh City Council 2023-2024



Bottom Row: **Stormie D. Forte, Mary Black, Mary-Ann Baldwin, Christina Jones, Jane Harrison**  
Top Row: **Jonathan Melton, Megan Patton, Corey Branch**

Mary-Ann Baldwin – Mayor  
Mary Black – District A  
Megan Patton – District B  
Corey Branch – District C

Jane Harrison - District D  
Christina Jones – District E  
Stormie D. Forte – At Large  
Jonathan Melton – At Large

## City Administrative, Legal and Financial Staff

**Marchell Adams-David**  
City Manager

**Tansy Hayward**  
Deputy City Manager

**Vacant**  
Assistant City Manager

**Evan Raleigh**  
Assistant City Manager

**Michael Moore**  
Assistant City Manager

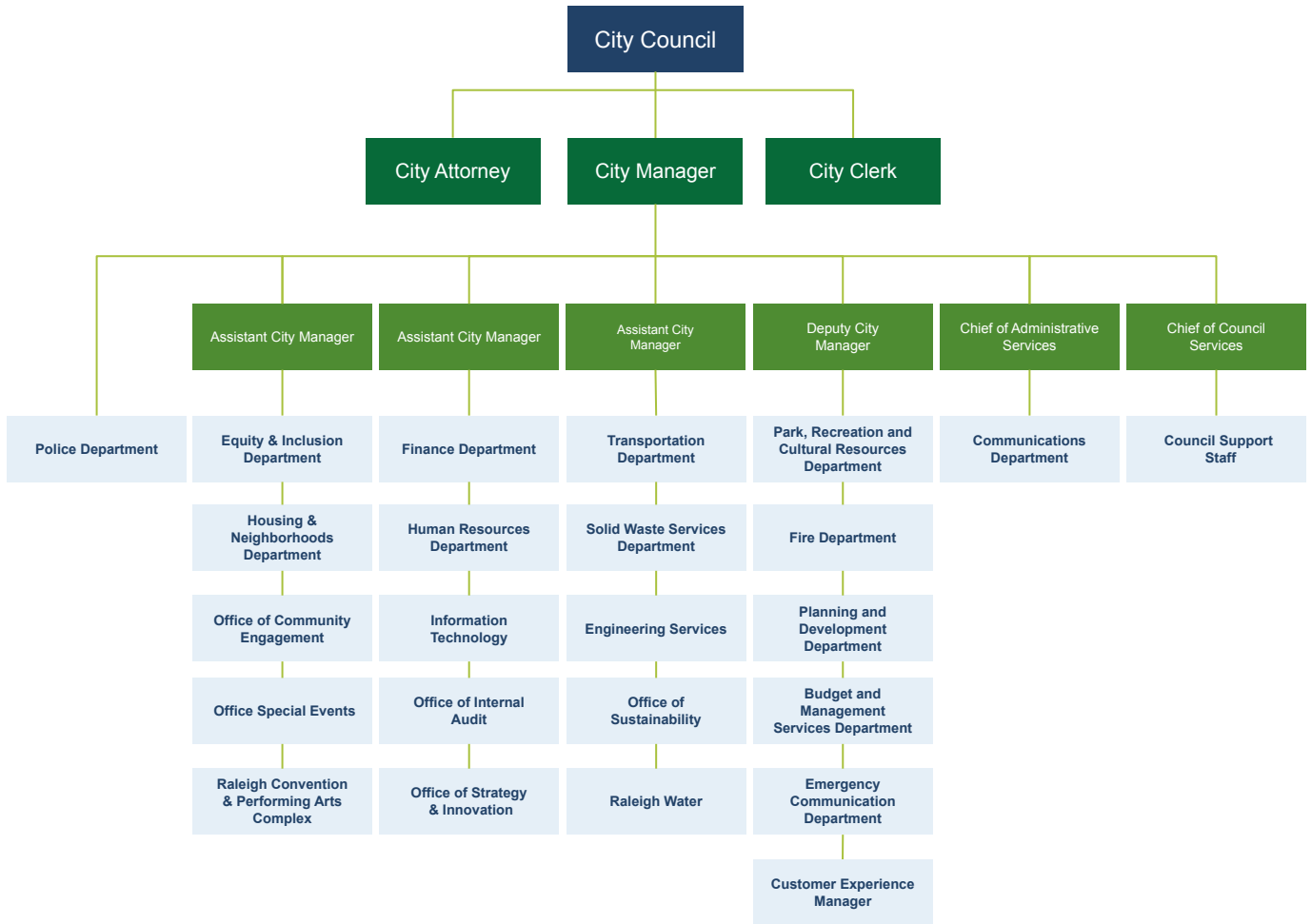
**Michele Mallette**  
Chief of Staff

**Louis Buonpane**  
City Clerk

**Karen McDonald**  
City Attorney

**Allison E. Bradsher**  
Chief Financial Officer

# City of Raleigh Organization Chart





October 28, 2024

**TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
AND RESIDENTS OF THE CITY OF RALEIGH, NORTH CAROLINA**

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Raleigh, North Carolina for the fiscal year ended June 30, 2024. The City's Mission is, "To build a stable platform of evolving services for our community through which we champion positive and sustainable growth and realize visionary ideas for all." Demonstrating financial strength and prudence is core to meeting that mission and State law requires that all general-purpose local governments annually publish a complete set of financial statements. The financial statements must be presented in accordance with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with these requirements.

City management assume full responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures; based upon a comprehensive framework of internal control that it has established for this purpose. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the data presented is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of the City's financial activities over the last fiscal year.

The City's financial statements as required by North Carolina General Statute 159-34 have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor concluded that the City's financial statements, for the fiscal year ended June 30, 2024, are fairly presented and in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements is part of a broader federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These auditor reports are available in the Single Audit section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.



City of Raleigh – Downtown Photo

***The City of Raleigh is the capital of North Carolina, home to several colleges and universities, with a vibrant performing arts community. Fueled by an impressive mix of education, ingenuity and collaboration, North Carolina's capital city has become an internationally recognized leader in life science and technology innovation.***

## CITY OF RALEIGH GOVERNMENT

The North Carolina General Assembly purchased land for the original site of the City. Raleigh is among the few cities in the United States that was planned and built specifically to serve as a state capital and its original boundaries were formed by North, East, West, and South streets. The City was established in 1792 by an act of the General Assembly and has utilized a council-manager form of government since 1947. The Mayor and two Council members are elected at-large, and the remaining five Council members are elected from five districts within the City. The Mayor and Council members serve two-year terms, and all have an equal vote. The City Manager is responsible for the management and operation of city services.

During the fiscal year, the Council voted to extend Council member terms to four years with staggered elections starting in 2026, which means Council members and the Mayor will serve for four years, with approximately half of the members running every two years. Another change is to switch to a non-partisan primary election format, all candidates in a district will be on the March primary ballot and the top two candidates are chosen for the November ballot. The City Council sets policies, enacts ordinances, and appoints the City Manager, City Attorney and City Clerk

The City of Raleigh provides direct and internal supportive services. The City is considered a full-service city directly providing the full range of governmental services, including police, fire, and emergency dispatch; solid waste management; water and sanitary sewer services; and a variety of transportation and public infrastructure programs.

## STRATEGIC PLAN

The City of Raleigh's Strategic Plan is a testament to the City's dedication to enhancing the quality of life for our vibrant community. The Plan serves as a dynamic, comprehensive roadmap that charts the course for the City's future by focusing efforts on our current and future priorities. The Plan serves as a dynamic, comprehensive roadmap that charts the course for the City's future by focusing efforts on our current and future priorities. The Plan articulates areas of strategic focus which target the City's efforts and resources in ways intended to have the greatest impact. The Strategic Plan's six overarching key focus areas, and underlying objectives, initiatives, and performance measures allow the City to be transparent about its goals, focused on its efforts, and aware of its results. The City remains committed to adapting to the rapid rate of growth and continues to provide services in a more efficient manner and seeks innovative and sustainable measures for improvement.

**Mission: To build a stable platform of evolving services for our community through which we champion positive and sustainable growth and realize visionary ideas for all.**

**Vision: To pursue world-class quality of life by actively collaborating with our community towards a fulfilling and inspired future for all.**

The priorities outlined in the Strategic Plan are organized into six key focus areas.



**ARTS & CULTURAL RESOURCES**

Embrace Raleigh's diverse offerings of arts, parks, and cultural resources as iconic celebrations of our community that provide entertainment, community, and economic benefit.



**ECONOMIC DEVELOPMENT & INNOVATION**

Maintain and grow a diverse economy through partnerships and innovation to support large and small businesses and entrepreneurs, while leveraging technology and providing equitable employment opportunities for all community members.



**GROWTH & NATURAL RESOURCES**

Encourage a diverse, vibrant built environment that preserves and protects the community's natural resources, strives for environmental equity and justice, and encourages sustainable growth that complements existing development.



**ORGANIZATIONAL EXCELLENCE**

Foster a transparent, nimble organization of employees challenged to provide high quality, responsive, and innovative services efficiently, effectively, and equitably.



**SAFE, VIBRANT & HEALTHY COMMUNITY**

Promote a clean, engaged community environment where people feel safe and enjoy access to affordable housing and community amenities that support a high quality of life.



**TRANSPORTATION & TRANSIT**

Develop an equitable and accessible citywide transportation network for pedestrians, cyclists, automobiles and transit that is linked to regional municipalities, rail, and air hubs.



## LOCAL ECONOMY

The City of Raleigh is the second-largest city in North Carolina with a population of 488,854. Raleigh continues to be one of the fastest growing cities in the country and is the 40<sup>th</sup> most populous in the United States. Raleigh and the surrounding region continue to experience growth in population and commercial activity. Raleigh is both the county seat of Wake County, the most populated county in North Carolina and the capital of the state. Driven by a strong economy and an outstanding quality of life, Raleigh is consistently ranked among the nation's best places to live and to operate a business.



Raleigh's economy remains financially strong and continues to draw new people to the area, this is in large part due to the diverse business environment; six public and private institutions of higher education, including North Carolina State University, the largest university in North Carolina; and outstanding health care facilities. Raleigh has a significant concentration of businesses that have been relatively resistant to broader economic

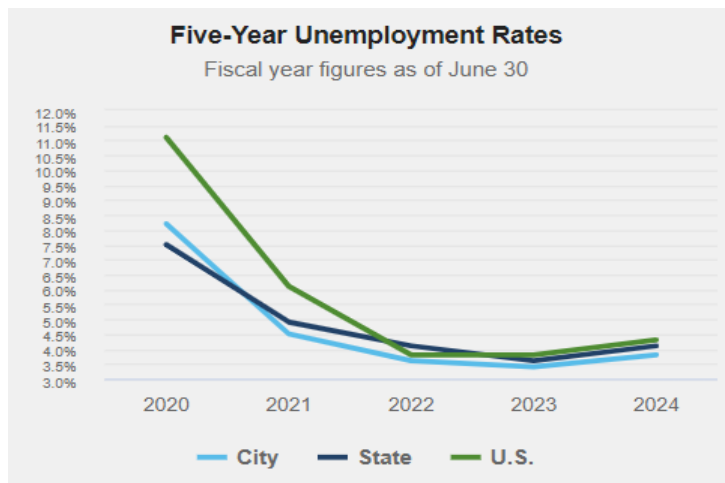
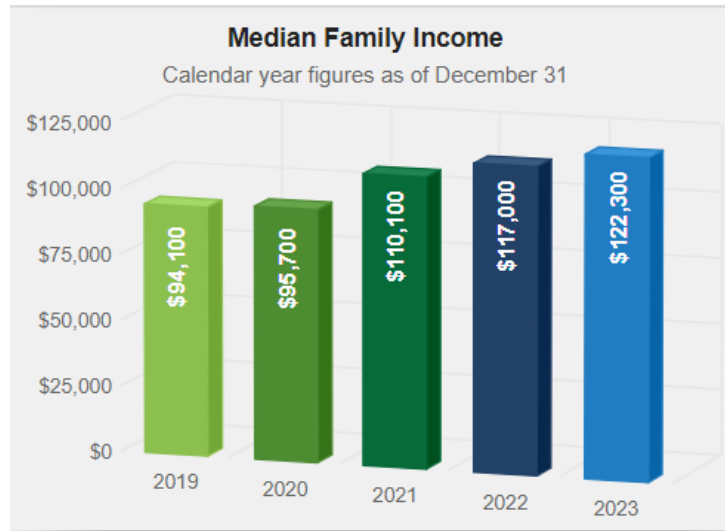
conditions, including principal executive, judicial and regulatory offices of State government; education; and life sciences. Raleigh continues to be recognized as a City of innovation with access to a strong pipeline of talent largely due to the number of universities and colleges located in and around the City. Raleigh continues to perform well in economic vitality measures such as job creation and wage growth. The local economy and surrounding region continue to display positive economic trends which indicate that Raleigh remains well positioned for the future. In addition, North Carolina's economy continually ranks as one of the best in the country. Raleigh is widely recognized by independent sources as one of the nation's most attractive metropolitan areas.

***In June of 2024, US News and World Report ranked Raleigh the #6 Best Places to Live in the US. The data used in the ranking included housing affordability, household income, access to healthcare, crime rates, quality of education, commute times, air quality and more factors.***

Additional accolades received in FY24 include:

- 2nd in the Best Performing large city (February 2024, Milken Institute)
- 2nd in the Hottest Housing Market (February 2024, US News & World Report)
- One of the Best Cities for New jobs (January 2024, WalletHub)
- 5th Best City for Job Seekers in 2024 (December 2023, Indeed)
- 1st in Top Spot to Launch a Small Business (November 2023, LendingTree)

Median family income continued an upward trend, rising to \$122,300 in calendar year 2023, an increase of 4.5%. Median household income reflects the relative wealth of a community, the financial resources of its citizens, and the ability of citizens to afford the cost of living within a region.



The City unemployment rate on June 30, 2024, was 3.8%, which increased over the prior year, however, is lower than both the State of North Carolina at 4.1% and the U.S. rate at 4.3% as shown on the chart.

Fortune Magazine's annual Fortune 500 list, which ranks American businesses by revenue, ranked two Raleigh headquarters within the top 500, First Citizens Bank at #182 and Advance Auto Parts at #358. Another local company headquartered in Raleigh, Martin Marietta, which specializes in building materials such as rock and sand landed at the #516 spot.

The nearby Research Triangle Park (RTP) was founded in 1959 for industrial, governmental, and scientific research and spans more than 7,000 acres in both Wake and Durham counties and sits between three Tier-1 research universities. Its primary objective is attracting research related institutions to the area and is one of the largest research parks in the US.

The Triangle has many large satellite offices for some of the country's biggest companies and many are in RTP. Its corporate residents currently consist of more than 375 organizations. The largest 10 employers include Fidelity Investments, IBM Corporation, Cisco Systems, NetApp, GlaxoSmithKline, Labcorp, National Institute of Environmental Health Sciences, Biogen, US Environmental Protection

Agency and RTI International. RTP companies employ more than 60,000 full-time equivalent employees and contract workers. Industries such as micro-electronics, telecommunications, biotechnology, chemicals, pharmaceuticals, and environmental sciences also invest more than twice the national average in research and development at the region's universities each year.

Across Raleigh, the value of construction permits remained strong at \$2.4 billion in 2024, with numerous large-scale projects continuing to change the city's landscape. Below are highlights from the Downtown Raleigh Alliance (DRA), Hillsborough Street Community Service Corporation and Midtown Raleigh Alliance.

According to the DRA 2024 State of Downtown report, a staggering \$7.4 billion in development pipeline of projects planned, under construction or completed since 2015. There has been significant residential growth with over 9,000 residential units and 13,000 residents who call downtown home. An economic development strategy was commissioned by the City and the Downtown Raleigh Alliance to ensure Raleigh builds on its strengths as it looks to the future. A series of four focus areas is highlighted in the chart.

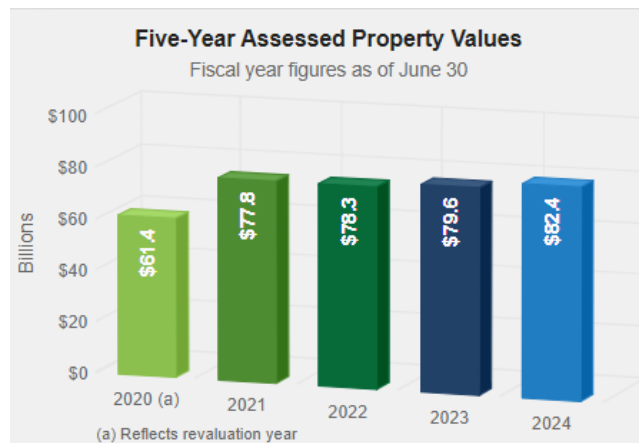


The Hillsborough Street Community Service Corporation, a municipal service district which covers a 3-mile-long corridor, released a report in May of 2024 specific to the private development within its boundaries. The report highlights that since 2019 the district has had a total of 17 projects totaling \$324 million which are completed, proposed or under construction.

The Midtown Raleigh Alliance, which promotes Midtown as a destination for economic development, reports the highest average Class A commercial rate with approximately 1 million sq. ft. of office space under construction. The report highlights that 47,000 people work in Midtown and housing units has increased 32% over the last 13 years, with 33,000 people calling Midtown home.

The City is authorized to levy a property tax on real and certain personal properties located within its boundaries. Subject to various stipulations set by the North Carolina General Assembly, it is also authorized to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

In North Carolina, real estate reappraisals are required to be conducted at least once every eight years. Wake County performs reappraisals on a four-year cycle. The city's taxable property base remains balanced with industrial and commercial properties which complement its residential base. Wake County's reappraisal process occurred for the calendar year January 1, 2024, and will be reflected in the fiscal year 2025 budget process.



## TRANSPORTATION AND TRANSIT

The Raleigh-Durham International Airport (RDU) reported it was the fastest-growing Top 50 airport in the country in 2023, growing at a rate of 22% over the previous year. This breaks its previous record for passenger traffic, with more than 14.5 million travelers flying through RDU. The airport serves 57 non-stop destinations with 17 major airlines and has approximately 360 daily arrivals and departures. A ceremonial groundbreaking for a new primary runway at RDU was held in October and the new infrastructure will allow for destinations including the West Coast and Europe to continue to meet demand.



According to Amtrak, Raleigh is one of the top five stations in the Southeast with ridership of 231,229 for 2023. Raleigh Union Station, a joint initiative of the City, GoTriangle, the State Department of Transportation/Rail Division and the Federal Railroad Administration, is a \$100 million investment in rail infrastructure in the downtown area of the City. A multimodal hub, the project has relocated Amtrak service to the emerging Warehouse District in downtown Raleigh. Union Station serves as a transportation hub for local and regional commuter and passenger rail, buses, taxis, bicyclists, and pedestrians. Raleigh Union Station Bus Facility, also known as RUS Bus, is a public transit facility in the

Warehouse District of downtown Raleigh. The facility, funded by GoTriangle, will include bike and pedestrian-friendly spaces, along with providing seamless connections between intercity rail and local, regional and express bus services. Another exciting aspect of the project is a private component that will include a residential tower which will include affordable units, active plaza and parking.

The North Carolina Department of Transportation (DOT) received \$1.1 billion of federal funding in December 2023 for a rail project connecting Raleigh to Wake Forest. The project includes new and upgraded tracks for the 18-mile section and is a section of the larger Raleigh to Richmond (R2R) which will provide future high-performance passenger rail services connecting communities from Raleigh to Richmond, Va. The North Carolina Department of Transportation said it intends to apply for additional federal funding for future segments of the line and this project is being done in partnership between the N.C. Department of Transportation and the Virginia Rail Passenger Authority.



The North Carolina Turnpike Authority financed and constructed a partially completed outer loop (Interstate 540), also called the "Triangle Expressway." The segment of the Interstate 540 loop currently open and in use spans from Holly Springs (southwest of the City) clockwise around the greater Raleigh area and currently terminates in Knightdale (east of the City). Portions of Interstate 540 are user-toll based. Efforts to extend and complete the Interstate 540 loop are currently underway. The "Complete 540 - Phase 1" project began in 2019 and will extend the existing Interstate 540 loop from Holly Springs to the southeast approximately 17.8 miles to a newly constructed interchange with Interstate 40 (south of the City). Phase 1 is currently projected to be complete in late 2024. The "Complete 540 - Phase 2" project will be the final segment of the Interstate 540 loop and will extend Interstate 540 from the Interstate 40 interchange (south of the City) to the northeast and connect to existing Interstate 540 in Knightdale. Phase 2 is currently expected to be bid out in 2029.

***Federal Transit Administration defines Bus Rapid Transit (BRT) as a high-capacity bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms and enhanced stations.***

Wake County voters' approval of a ½ cent sales tax in November of 2016 for public transit initiatives created an ongoing partnership with Wake County's Transit Planning Advisory Committee which enables municipalities throughout the region to broadly coordinate for future transit needs. The plan calls for building approximately 20 miles of transit lanes along four bus rapid transit (BRT) corridors within Wake County (Wake BRT). The Wake County Transit Plan has received federal funding, and a groundbreaking was held in November 2023 with construction to begin in the Fall of 2024 on the first corridor, the New Bern Bus (BRT) project. To compliment the work there are ongoing community efforts; equitable development around transit (EDAT) and art integration.

EDAT focuses on zoning rules to encourage the type of development that will support BRT transportation and station area planning along the corridor. The art integration along with BRT projects will transform civic spaces and will celebrate unique stories and the City's collective history. The Northern Corridor will connect Downtown Raleigh to Midtown Raleigh and Triangle Town Center and is in the planning phase. The Southern Corridor will connect downtown Raleigh with the North South Station and Rupert Road in Garner and the Western Corridor will connect downtown Raleigh to downtown Cary and are in the various stages of the design phase.



## VISITOR AND RECREATIONAL CENTERS

According to the Greater Raleigh Convention and Visitors Bureau, Wake County welcomed a record 18.5 million visitors in 2023 for conferences, special events, shopping, and other attractions, which was an increase of 3.9% from 2022. A record-breaking \$3.2 billion was spent in our community because of visitation. Visitor experiences are enhanced by facilities such as the Raleigh Convention Center, Red Hat Amphitheater, PNC Arena, Coastal Credit Union Music Park at Walnut Creek, the Martin Marietta Center for the Performing Arts, numerous state museums, and major retail shopping malls.

The Convention Center held 141 events with 353,759 attendees and the Martin Marietta Center for the Performing Arts held 615 events with 380,191 attendees. The Red Hat Amphitheater held 75 events and brought 174,089 attendees downtown.

In 2023, the amphitheater produced \$17.6 million in total economic impact from 26 concerts. In 2023, total attendance was 143,749 which yielded 65,189 overnight visitors. For the 2024 concert season, the venue will host more than 50 concerts and to-date, more than 260,000 tickets have already been sold.



It is anticipated that the resulting economic impact for the current amphitheater season will far exceed the figures from 2023 and from all prior years as well.

The Coastal Credit Union Music Park, which specializes in hosting large concerts, held 34 events with attendance of over 416,000 during the 2024 concert series.



The PNC Arena is home to the Carolina Hurricanes, National Hockey League's 2006 Stanley Cup champion, North Carolina State University's Wolfpack basketball team, and the Centennial Authority's Concert Series. Memorial Auditorium, at the Martin Marietta Center for the Performing Arts, hosted a diversified series of plays and performances including productions of the NC Theatre and the Broadway Series South. The Martin Marietta Center for the Performing Arts is also the home of the North Carolina Symphony and the Carolina Ballet and features four performing arts theaters.

***Annually PNC Arena\* welcomes over 1.5 million guests and plays host to more than 150 events including major concert tours, and family shows.***

\* Prior to publication the name of the PNC Arena was changed to the Lenovo Center

Raleigh is referred to as the "Smithsonian of the South" with a rich cultural array of museums. The North Carolina Museum of Natural Sciences is North Carolina's most visited museum with over 1.0 million visitors annually and Southeast's largest natural history museum. The Museum of Art covers over 5,000 years of art and history and includes a 164-acre park. Both museums are free. CAM Raleigh is an art museum located in the downtown warehouse district which supports emerging contemporary artists. The Museum of History explores the history of the state of North Carolina and the City of Raleigh Museum is dedicated to preserving Raleigh's past. Marbles Kids Museum, which opened in 2007, caters to children of all ages with hands-on learning, themed exhibits and an IMAX theater featuring documentary and feature films.

The City is a music festival hotspot hosting live music covering many music genres. For several years, the Dreamville Festival has been held in April at Dorothea Dix Park. The festival is an outdoor weekend music celebration curated by internationally acclaimed hip-hop superstar, J. Cole. The 2024 sold-out 2-day event welcomed 52,000 music enthusiasts to Dorothea Dix Park each day from all 50 states and 20 countries. The 2023 event had an economic impact of \$145.9 million.



Hopscotch Music Festival, known for its

adventurous lineups, has been held in downtown for many years and features more than 120 bands. The 13<sup>th</sup> annual event drew attendance of 25,000 music lovers in September. The IBMA Bluegrass Festival, held downtown, is the largest urban bluegrass festival in the world with hundreds of performers.

The City hosts many festivals and cultural events throughout the year in its downtown core, several are highlighted here. Brewgaloo, North Carolina's largest craft beer festival is held annually in downtown. The festival celebrates all things local and is a two-day event featuring N.C. craft beer, food, vendors and bands. As the longest running art festival in Raleigh, Artsposure featured over 175 artists in an art market to celebrate its 45<sup>th</sup> year. Aside from the market, visitors will find musical performances to magic shows to a variety of crafts. The African American Cultural Festival of Raleigh and Wake County is an annual celebration of African American culture and features music, arts, crafts and food vendors. The family friendly is free and held its 14<sup>th</sup> annual event in September with close to 60,000 attendees and featured local and national talent which showcase R&B, jazz, hip hop, gospel and more. La Fiesta del Pueblo celebrated its 29<sup>th</sup> year in the Fall of 2023 as the Triangle's largest and most diverse festival of Latin American culture. The event features activities for the whole family and includes dance performances, artist, food trucks and activities with attendance reaching 25,000.

In addition to music and other events, the N.C. State Fair is held in the Fall with a mission to "showcase and promote the state's agriculture, agribusiness, arts, crafts and culture through the annual agriculture fair". The event features educational attractions, carnival rides, crafts, demonstrations, music stages, competitions and food. Visitor attendance records for the 11-day event reached over 926,000 in 2023.



Thanks to a recent eight-year agreement with the Atlantic Coast Conference (ACC), the Greater Raleigh Sports Alliance (GRSA), Duke University, and the University of North Carolina at Chapel Hill (UNC), Lake Wheeler's status as a premier rowing destination will continue to grow. Women's rowing teams from eighteen colleges and universities descended upon the 650-acre lake for The Lake Wheeler Invitational. Teams cut through the waters of Lake Wheeler for more than 40 different races. The agreement provides

for upgrades to the rowing facilities. It also means the Lake Wheeler Invitational will take place every year, and the ACC Championships will take place here six times over the term of the agreement.



The Wake County Board of Commissioners and the Raleigh City Council approved funding commitments to support enhancements to the PNC Arena, a Convention Center Hotel and a Convention Center Expansion using Wake County occupancy and prepared food and beverage taxes. These projects will support continued growth and success of the Raleigh Convention Center and broader downtown tourism. The new development will include an upscale convention hotel of approximately 550 rooms which, when developed, will allow the City to host larger conferences. To host these events, the Convention Center expansion design is now underway for the \$387.5 million expansion relocation of Red Hat Amphitheater. The highly anticipated convention center expansion is anticipated to open in 2028 and will include approximately 80,000 square feet of flexible event space and 30 meeting rooms. These projects remain a unique, once-in-a-lifetime opportunity to develop a convention center hotel on a prime vacant lot in downtown Raleigh which will support the Convention Center expansion and continued visitation. Innovation, quality design and construction, and sustainability are important values to the City for these transformational projects.

### MAJOR INITIATIVES

The City continues to make sustained progress on a number of strategic priorities which include improving infrastructure and transportation networks citywide, enhancing public safety, expanding affordable housing options, investing in activities that promote continued economic growth and prosperity, advancing sustainability initiatives, and upgrading the city's expansive park networks and cultural amenities, among many other activities. The City allocated significant dedicated funding to support affordable housing initiatives, street resurfacing and pavement management as well as park maintenance.



***Bloomberg Philanthropies chose Raleigh based on the City's leadership and ambition to build resilient, equitable communities. Despite facing significant vulnerabilities, including flooding and extreme heat, Raleigh has persisted in advancing community prosperity and economic development.***

Bloomberg Philanthropies selected Raleigh for the Bloomberg American Sustainable Cities initiative. According to the charity, Raleigh was selected based on "the city's leadership and ambition to build resilient equitable communities". Only 25 cities were selected for this three-year initiative which is designed to help cities with local solutions to build low-carbon, resilient, and economically thriving communities. Raleigh will receive an innovation team with dedicated staff with expertise in data analysis, insight development, human-centered design and project management.

The City boasts an award-winning park system with 120 miles of greenways, 115 playground locations, 60 ballfields, 22 athletic field open spaces, 112 tennis courts, 12 pickleball courts, 1 futsal court, 8 aquatic facilities, 10,300 acres of parks and greenways and 38 neighborhood and community centers. Every ten years, Raleigh creates a Parks Plan to invest in the future of parks and programs with the last park plan completed in 2014. The Parks Plan is a community-based project to help create the system of tomorrow and includes three project milestones, identifying needs, visioning and acting.



The City remains committed to providing financial resources and to exploring and enacting new policy solutions that support its goal of enhancing the development and preservation of affordable housing. The Housing and Neighborhoods Department continues

to undertake many key initiatives in pursuit of these goals.

- An unsheltered homelessness response pilot program was launched to provide a holistic approach to supporting individuals living unsheltered in the City while addressing the root cause of homelessness, the lack of affordable housing. The pilot consists of direct housing assistance, homelessness services system support and coordinated community response.
- City Council took a step towards creating the City's first affordable "cottage court." A cottage court community is a type of housing development that consists of small individual homes, typically around a shared greenspace. By authorizing an Option to Purchase, and approving a request for gap funding, Council paved the way for the development of The Cottages of Idlewild (project). The proposed project will be developed by the Raleigh Area Land Trust, Inc. (RALT) and consist of 18 affordable housing units. These will serve residents with lower incomes, earning up to 30 percent to 80 percent of Area Median Income (AMI).
- City Council approved \$5 million in funding for the Battle Bridge development which is in southeast Raleigh and within a half mile of a shopping center including a a grocery store, pharmacy, and bus stop. The City is eager to bring this much-needed affordable housing to our community. Battle Bridge is a 200-unit development that will serve senior households with low incomes. The project will provide 100 one-bedroom units and 100 two-bedroom units. All units will serve households earning below 80% of the Area Median Income, with deeper income targeting and supportive units.

The Bioenergy Recovery Project is currently 95% complete and is scheduled to begin initial energy production in the fall of 2024. The project scope included twenty acres of site work, deep utilities, eleven process buildings totaling 75,000 square feet, two anaerobic digesters, steam production, gas flares, and renewable natural gas cleaning and compression.

The City has continued to maintain its focus on improving its transportation network and completed a wide variety of transportation projects including bikeways, sidewalks, bridge maintenance, neighborhood traffic management programs, and street maintenance projects.



The City of Raleigh won the prestigious Community-Wide Award for the implementation of our [Community Climate Action Plan](#) (CCAP). Raleigh won the award in the 2024 American Planning Association (APA) Sustainable Communities Division Awards for Excellence in Sustainability. The APA award was given to Raleigh for our leadership in the design of CCAP and for our ongoing implementation of high-impact climate action strategies. Raleigh's CCAP stood out for its comprehensive and innovative approach to tackling climate change. The CCAP was one of the first plans in the country to center climate action around three primary goals:

- Reducing community-wide greenhouse gas emissions;
- Addressing equity, environmental justice and community health; and,
- Building community resilience to the impacts of climate change.

A significant step in achieving the City's Community Climate Action Plan as the City of Raleigh is moving a portion of its fleet to run on renewable propane. Nearly half of the City's total greenhouse gas (GHG) emissions come from transportation, and reducing vehicle emissions is a critical part of the City's climate action strategy. Raleigh is mapping out a "clean transportation" future that involves transitioning from fossil fuels to cleaner alternatives like electric vehicles and renewable propane.

The City held a groundbreaking ceremony for the new Raleigh City Hall which represents an important enhancement for the customer experience and in bringing city employees under one roof. The building will be a 17-story office tower, including 13 floors of departmental office space and conference facilities for staff members, and public-facing government functions. The new building will allow for the consolidation of most of the City's downtown workforce from multiple office buildings, to offer the public convenient, efficient, customer-focused services in one central location.

In June, the City launched a weekly Podcast – “Big Ideas Raleigh”. Listeners can dive deep into the heartbeat of Raleigh by exploring hidden gems, thriving food scene, rich history and beautiful parks. The Podcast will also discuss the programs, people and ideas that are shaping the city, tackling big challenges like growth, transportation and housing.



The City was awarded \$73.2 million in funding from the U.S. Treasury - American Rescue Plan Act (ARPA) and has been diligent in investing in unique projects that help to improve and transform the community. Some ARPA funding highlights which occurred during the fiscal year are listed below:

- Purchased of the previous Division of Motor Vehicles (DMV) headquarters to ensure beneficial redevelopment of the site which is located along New Bern Ave which is currently under construction to support the City's first Bus Rapid Transit (BRT). This property purchase allows for significant investments to be made in affordable housing along the new BRT corridor to enhance mobility for vulnerable residents.
- Approved a one-time retention bonus to employees with a focus on lower-paid positions and roles that have experienced recruitment, retention, and compensation challenges.
- As the City continues to progress with spending remaining ARPA funds, community engagement remains a top priority, and we continue to seek active participation from our residents in shaping the future of Raleigh. By leveraging the collective wisdom and insights of our diverse community, we aim to ensure that our recovery plan aligns with the needs and aspirations of all our constituents.

## FINANCIAL PLANNING AND CONTROLS

The City strives to maintain a strong financial position as is evidenced by successive years receiving AAA/Aaa ratings from the three major credit rating agencies. Meeting this objective requires regular long-term planning of operating and capital requirements for its major general government and enterprise programs. In doing so, the City relies on key financial policies and procedures for managing future needs in financially responsible ways. Annually, the City creates a 10-year Capital Improvement Program (CIP) that looks ahead to plan for capital needs. Phase I is adopted and encompasses the first 5 years of the CIP and addresses both project needs and financial strategies. The capital plan consists of initiatives spanning transportation, water and sewer, parks and cultural resources, housing, stormwater, technology, convention & performing arts, and other general public improvements. Raleigh Water, which is a regional utility, represents the largest portion of the CIP with continuing infrastructure needs. Phase II of the CIP program spans the second 5-year period and includes longer range projects identified for the continuation of expanding and existing service levels to the residents of the City and regional utility.

A key financial goal of the City is the maintenance of a minimum unassigned fund balance level in the general fund. As a part of the City's continued fiscal stewardship and commitment to long-term financial planning, City Council approved a recommendation in the Fall of 2023 to increase the City's General Fund annual excess fund balance goal from 14% to 17% beginning in FY24. In addition, the City seeks to appropriate a consistent level of fund balance each year resulting from positive budget variances. Both goals were achieved during the 2023-24 fiscal year end and are reflected in the 2024-25 operating budget.

Financial models are also used in the budget process and provide a means of projecting long-term resource requirements. These tools include general and enterprise debt models, rate sensitivity analyses and financial proformas. The City's financial practices are designed to avoid using one-time revenues to meet recurring expenditure needs and to ensure an appropriate mix of pay-as-you-go funding and long-term debt for capital needs. Raleigh remains committed to strong fiscal stewardship through its history of sound fiscal policies and practices.

The City adheres to management practices that ensure financial resources are managed in a prudent and fiscally responsible manner. These practices are embedded as a part of the annual budget process. Aside from fund balance levels and long-term planning, other examples of these practices regularly include evaluation and setting fees at levels designed to support the full cost of enterprise operations, quarterly monitoring and reporting of financial results. City management is responsible for establishing and maintaining a comprehensive internal framework. The framework is designed to protect City assets from loss, theft, or misuse; and compiles sufficient reliable information for the preparation of the City's financial statement. In conformance with accounting principles generally accepted in the United States of America. The City's comprehensive framework of internal controls is designed to provide reasonable assurance that the financial statements are free of material misstatement. Management attests to the best of our knowledge and believes that this report is complete and accurate.

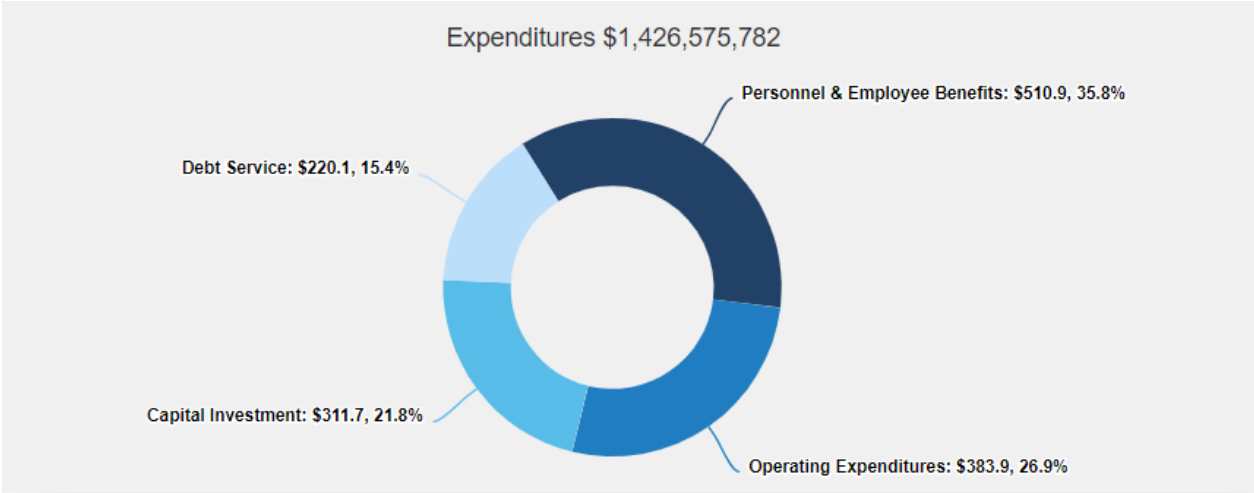
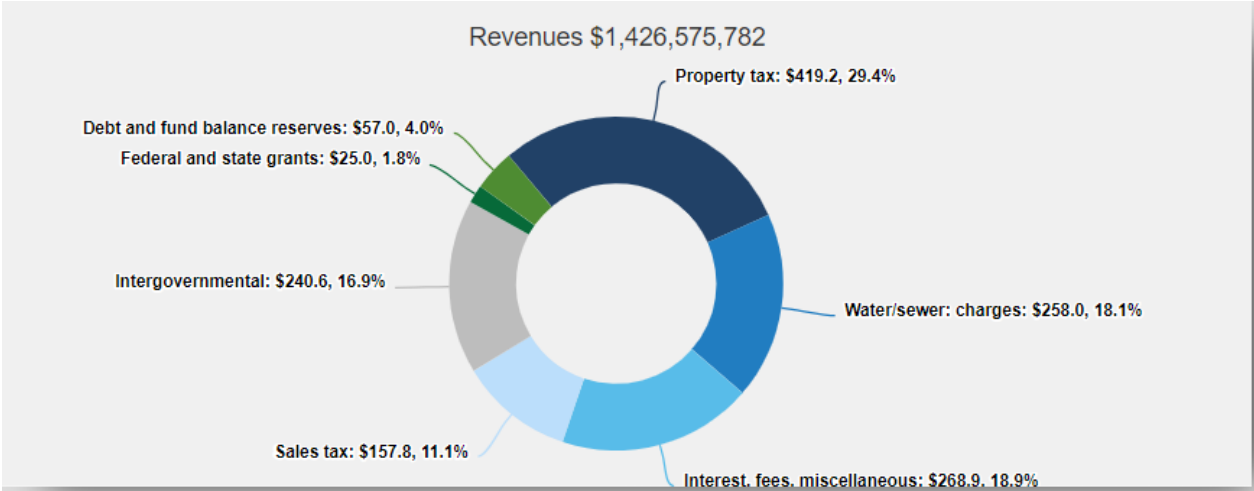
As a result of the City's financial planning strategy, prudent policies and internal control frameworks, the City remains well positioned to deliver resources needed to support operations and critical capital infrastructure for our growing City.

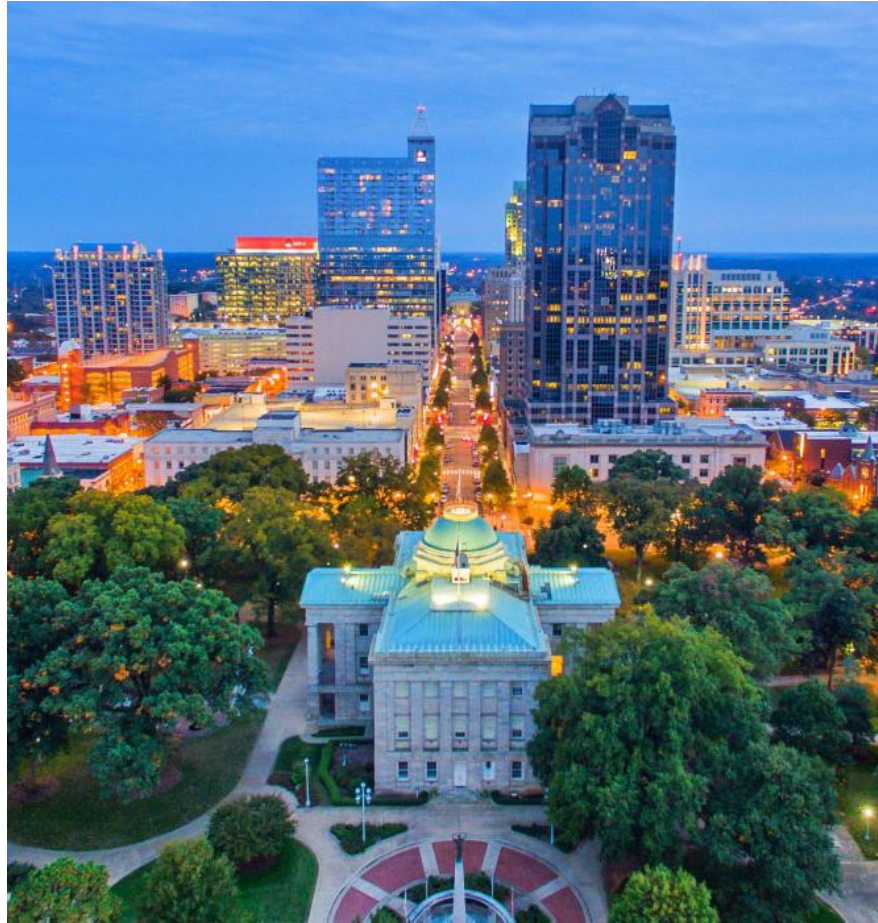
The Annual Budget serves as a foundation of the City's financial planning and fiscal control. The City Council is required to hold a public hearing on the proposed budget and to annually adopt a budget no later than June 30, the close of the City's fiscal year.



The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may approve budget transfers within a fund up to \$10,000, while transfers between \$10,000 and \$50,000 require approval from the City Manager or designee. Transfer greater than \$50,000 and transfer of appropriations between funds require approval of the City Council.

The breakout of FY25 revenue and expenditures are shown below.





## LOOKING AHEAD - FISCAL YEAR 2024-25

The fiscal year 2024-25 budget and the five-year capital improvement plan (CIP) were guided by the City's Strategic Plan, City Council's priorities and community input. The theme for the year is "Investing in Raleigh's Future" through consistent and conscientious investments in our people and our infrastructure. The City Council, City staff, community partners, and the public have continued to develop new policy priorities to address existing and emerging needs in our community. With this budget, the City will continue to support strategic initiatives that have begun in recent years and implement new pilot initiatives.

The budget reflects increased spending across five areas:

- Workforce investments
- Policy-driven initiatives
- Financial roadmap
- Cost of business
- Service enhancements



City Council adopted the fiscal year 2024-25 Budget and fiscal years 2025-2029 Capital Improvement Program at the June 10, 2024, Budget Work Session. The combined capital and operating budget for the fiscal year beginning July 1, 2024, totals \$1.43 billion, which represents a 11.8% increase from the prior fiscal year's adopted budget.

The fiscal year budget included:

- A proposed tax rate of 35.50 cents per \$100 generates property tax funding at \$419 million. This represents a tax increase of \$3.8 cents above revenue neutral. This additional funding will be utilized for employee market adjustments, compensation study implementation, deferred capital maintenance, and other critical operational enhancements.
- \$1.70 increase per month in Solid Waste Services to meet operational costs increases and continue its transition to a self-supporting enterprise fund.
- \$1.58 increase per month for the average Raleigh Water residential customer to maintain the system and offset operational cost increases.
- \$0.29 increase per month for Stormwater to support staffing and capital projects that protect creeks and streams from runoff.

The fiscal years 2025-2029 Capital Improvement Program totals \$1.7 billion, with \$490.1 million planned for fiscal year 2024-25. The City's capital improvement program includes major facility and equipment needs, establishes capital priorities, and schedules funded projects.

Information on the budget can be found on the City's website, including Budget Highlights, Adopted Operating and the Adopted Capital Improvement Program book. It should be noted that the City's budget document received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the fiscal year beginning July 1, 2023. The information is available at the department link below: <https://raleighnc.gov/budget-and-management-services>

## AWARDS AND ACKNOWLEDGMENTS

***GFOA's Triple Crown recognizes governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.***

The City has participated in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program since 1980. GFOA recognizes governmental units that issue their annual comprehensive financial report substantially in conformity with generally accepted accounting principles and all legal requirements. The City has received this award for its annual comprehensive financial report for forty-three (43) consecutive years.

A Certificate of Achievement is valid for a period of one year only. The Finance Department is confident that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

Additionally, the City received a GFOA award for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year 2023. To receive the award, the report is designed to be easily understandable to the public. The award is valid for a period of one year. The City has received this award for the past 10 years and will submit the Fiscal Year 2024 report into the certificate program.

The preparation of this report has been accomplished by the City's Finance Department. The contributions of all are invaluable and clearly reflect the high standards set at the City of Raleigh. We commend all City employees for their integrity, professional competency, and dedication to the work of the city throughout the year. Their commitment to maintaining the highest standards of professionalism is the foundation to the City's financially strong health.

We also credit the Mayor and members of the City Council for the excellent financial position of the City through their support and leadership in planning and conducting the financial affairs of the City.

Respectfully submitted,



**Marchell Adams-David • City Manager**



**Allison E. Bradsher • Chief Financial Officer**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Raleigh  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



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# Financial Section

SPEED  
LIMIT  
35



## Report of Independent Auditor

To the Honorable Mayor and Members of the City Council  
City of Raleigh, North Carolina

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raleigh, North Carolina, (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual financial statements and schedules and Schedule of Expenditures of Federal and State Awards ("SEFSA") as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.



In our opinion, the combining and individual financial statements and schedules and SEFSA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the *introductory* and *statistical* sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
October 28, 2024

# Management's Discussion and Analysis

As management of the City of Raleigh (*the City*), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

The 2023-24 fiscal year ended with the City achieving key indicators of a sound financial position. These key indicators included positive budget variances, increases to fund balance based upon positive operational results, growth of general tax and business-type revenues, and continued funding of long-term obligations such as risk management claims, Local Governmental Employees' Retirement System (LGERS), other post-employment benefits (OPEB) and law enforcement officers' special separation allowance (LEOSSA) liabilities on an actuarial basis.

Summarized financial highlights are shown below for the fiscal year ended June 30, 2024:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$3,897.2 million (*net position*).
  - This amount represents a \$421.4 million increase in operating results from the prior year, or 12.1%
  - Of this amount, \$766.8 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors
  
- The City's governmental funds reported combined ending fund balances of \$973.1 million.
  - \$623.8 million, or 64.1% is assigned for specific purposes
    - \$241.2 million for future debt service
    - \$70.1 million for subsequent years' appropriation
  - \$137.4 million, or 14.1% is unassigned in the general fund and is available for spending
  - \$23.6 million, or 2.4% is considered nonspendable
  - \$183.1 million, or 18.8% is restricted by outside agencies
  
- The fund balance for the general fund was \$544.1 million, a 15.6% increase over the prior year and exceeded the City's policy associated with unassigned fund balance.

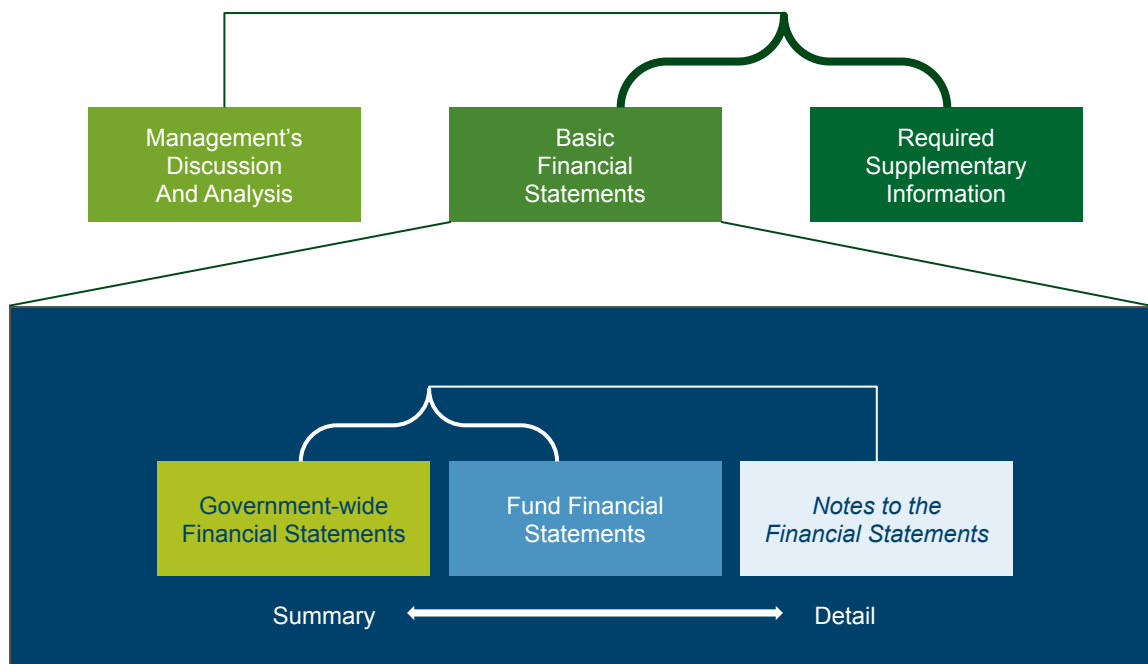
- Highlights of financing activities for the City are as follows:
  - The City has consistently maintained its Aaa rating from Moody's Investors Service and AAA ratings from Standard & Poor's Rating Services as well as Fitch Ratings. These ratings have been maintained for both general obligation and water and sewer bonds.
  - The City continued its General Obligation Bond Anticipation Note (BAN) program which includes an \$85.0 million tax-exempt portion and a \$25.0 million taxable portion. The program allows for draws associated with voter-approved general obligation bonds for streets, parks and housing and \$52.1 million was outstanding at year end.
  - The City continued its \$215.0 million Revenue BAN program supporting water and sewer capital projects that started in the spring of 2023. The Revenue BAN program allows for draws to finance capital projects for the regional Raleigh Water enterprise operation and \$83.2 million was outstanding at year end.
  - A new \$100.0 million Limited Obligation BAN program was started in the spring of 2024. The program allows for draws associated with the City's new City Hall and public safety needs across the City. As of June 30, 2024, \$18.6 million was outstanding.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The City provides both an introductory and financial section in the Annual Comprehensive Financial Report (ACFR). As Figure A-1 shows, the financial section has three components – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements, as follows:
  - Governmental fund statements illustrate how general government services, such as public safety and public infrastructure, for example, were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates as a business, including the water and sewer enterprise, the convention and performing arts complex (referred to as convention center), and the operations of mass transit, stormwater management, parking facilities and solid waste services. Internal service funds are also presented within this section.
  - Fiduciary fund statements provide information about the financial relationships – for example, the retirement plan for the City's employees – in which the City acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

## A-1: Components of the Financial Section



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements, specifically data related to the employee retirement systems and pension plans. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The *statement of net position* presents information on all the City's assets and deferred outflows of resources compared to liabilities and deferred inflows of resources, with the difference between reported as *net position*. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases and decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). This is intended to simplify and summarize the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities. The governmental activities of the City include general government, community development services, public infrastructure, public safety, leisure services, and economic development programs. The business-type activities of the City include water and sewer, convention center complex, mass transit, stormwater management operations, parking facilities and solid waste services.

The government-wide financial statements include the Walnut Creek Financing Assistance Corporation (*WCFAC, a blended component unit*), an organization formed to be the financing conduit for certain debt issuances, such as certificate of participation. The WCFAC, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 1-4 of this report.

**Fund financial statements.** Traditional users of governmental fund financial statements will find the fund financial statements presentation more familiar. However, the focus is on major funds, rather than the individual fund types. The fund financial statements provide a more detailed look at the City's most significant activities.

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Raleigh, like all other governmental entities in North Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the general statutes or the City's budget ordinance. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

While the focus of governmental funds is narrower than that of the government-wide financial statements, it is still useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is a major fund. Data from the other fifteen

non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 5-10 of this report.

**Proprietary funds.** The City maintains two different types of *proprietary funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, convention center operations, parking facilities, mass transit, stormwater management operations, and solid waste services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally amongst the City's various functions. The City uses internal service funds to account for governmental and business-type activities, such as risk management, employees' health benefits trust and vehicle fleet services. The City also maintains equipment replacement funds for governmental, solid waste services and public utilities. These internal services benefit government-wide functions except for the public utilities and solid waste services equipment replacement funds, which benefit business-type functions. These services have been included within their respective predominant activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the six enterprise funds, all reported as major. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 11-18 of this report.

**Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 19-20 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-72 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Raleigh's progress in funding its obligation to provide pension benefits to City employees, which includes Other Post-Employment Benefits (OPEB), Local Government Employees' Retirement System (LGERS), as well as Law Enforcement Officers' Special Separation Allowance (LEOSSA). Required supplementary information can be found on pages 73-80 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 81-132 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of a government's financial condition. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,897.2 million at the close of the most recent fiscal year, which increased by \$421.4 million from the previous fiscal year.

The following table reflects the condensed Statement of Net Position:

City of Raleigh's Net Position (in millions of dollars)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 1,064.9	\$ 1,163.9	\$ 743.2	\$ 769.0	\$ 1,808.1	\$ 1,932.9
Capital assets	1,417.7	1,491.7	2,649.9	2,872.1	4,067.6	4,363.8
<b>Total assets</b>	<b>2,482.6</b>	<b>2,655.6</b>	<b>3,393.1</b>	<b>3,641.1</b>	<b>5,875.7</b>	<b>6,296.7</b>
Deferred outflows of resources	149.0	140.7	58.7	52.5	207.7	193.2
<b>Total assets and deferred outflows of resources</b>	<b>2,631.6</b>	<b>2,796.3</b>	<b>3,451.8</b>	<b>3,693.6</b>	<b>6,083.4</b>	<b>6,489.9</b>
Long-term liabilities outstanding	683.2	684.7	1,174.7	1,166.6	1,857.9	1,851.3
Net pension liabilities	366.2	363.7	112.1	115.8	478.3	479.5
Other liabilities	112.7	84.0	86.7	111.6	199.4	195.6
<b>Total liabilities</b>	<b>1,162.1</b>	<b>1,132.4</b>	<b>1,373.5</b>	<b>1,394.0</b>	<b>2,535.6</b>	<b>2,526.4</b>
Deferred inflows of resources	47.5	44.4	24.6	22.0	72.1	66.4
<b>Total liabilities and deferred inflows of resources</b>	<b>1,209.6</b>	<b>1,176.8</b>	<b>1,398.1</b>	<b>1,416.0</b>	<b>2,607.7</b>	<b>2,592.8</b>
Net investment in capital assets	837.5	872.6	1,522.4	1,745.7	2,359.9	2,618.3
Restricted	456.6	512.1	-	-	456.6	512.1
Unrestricted	128.0	234.9	531.3	531.9	659.3	766.8
<b>Total net position</b>	<b>\$ 1,422.1</b>	<b>\$ 1,619.6</b>	<b>\$ 2,053.7</b>	<b>\$ 2,277.6</b>	<b>\$ 3,475.8</b>	<b>\$ 3,897.2</b>

By far the largest portion of the City's net position (\$2,618.3 million or 67.2%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and intangible right to use lease and IT subscription assets) net of any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$512.1 million or 13.1%) represents resources that are subject to external restrictions on the use of these resources. The largest portions of restricted net position are for capital

projects (\$230.0 million) and other purposes detailed within the notes (\$197.0 million). The remaining balance of unrestricted net position (\$766.8 million or 19.7%) may be used to meet the City's ongoing operations.

**Changes in Net Position:** The City's results yielded a \$421.3 million increase in net position. The increase from prior year is a direct result of the City's revenue growth relating to general property and other taxes as well as charges for services both in the governmental and business-type activities. The City continued its investment in capital infrastructure and diligent monitoring of expenditures which also yielded positive fiscal impacts. During 2024, the City's separation allowance was moved to a formal trust.

### City of Raleigh's Changes in Net Position (in millions of dollars)

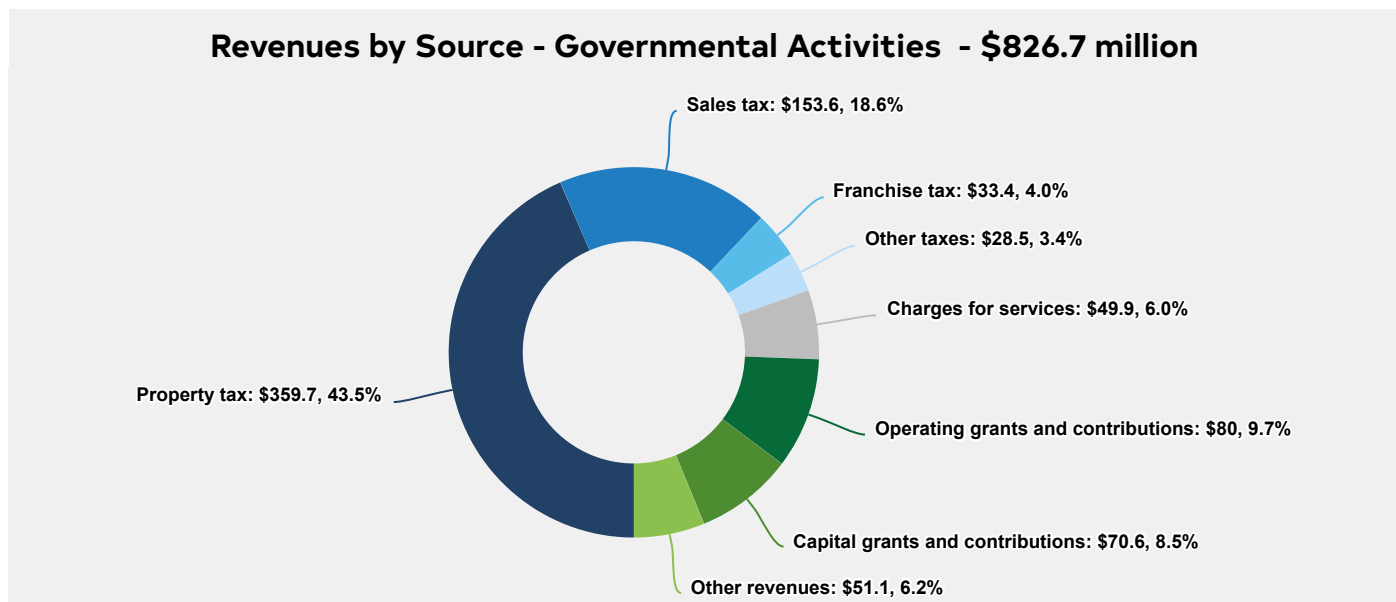
	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2024	2023	2024	2023	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 55.3	\$ 49.9	\$ 403.0	\$ 424.9	\$ 458.3	\$ 474.8
Operating grants and contributions	76.5	80.0	35.7	50.2	112.2	130.2
Capital grants and contributions	60.2	70.6	34.5	74.8	94.7	145.4
General revenues:						
Property taxes	315.8	359.7	-	-	315.8	359.7
Other taxes	209.0	215.5	-	-	209.0	215.5
Other	25.1	51.1	11.1	31.5	36.2	82.6
<b>Total revenues</b>	<b>741.9</b>	<b>826.8</b>	<b>484.3</b>	<b>581.4</b>	<b>1,226.2</b>	<b>1,408.2</b>
<b>Expenses:</b>						
General government	89.3	93.3	-	-	89.3	93.3
Community development services	34.2	37.1	-	-	34.2	37.1
Public infrastructure	105.8	108.6	-	-	105.8	108.6
Public safety	204.8	214.8	-	-	204.8	214.8
Leisure services	76.4	83.2	-	-	76.4	83.2
Economic development programs	4.8	17.6	-	-	4.8	17.6
Interest on long-term debt	17.4	19.3	-	-	17.4	19.3
Water and sewer	-	-	216.3	231.9	216.3	231.9
Convention center complex	-	-	37.7	39.5	37.7	39.5
Mass transit	-	-	50.6	52.3	50.6	52.3
Parking facilities	-	-	13.9	15.1	13.9	15.1
Solid waste services	-	-	44.1	45.7	44.1	45.7
Stormwater management	-	-	25.9	28.5	25.9	28.5
<b>Total expenses</b>	<b>532.7</b>	<b>573.9</b>	<b>388.5</b>	<b>413.0</b>	<b>921.2</b>	<b>986.9</b>
Increase in net position before transfers	209.2	252.9	95.8	168.4	305.0	421.3
Transfers in (out)	(54.8)	(55.5)	54.8	55.5	-	-
Increase in net position	154.4	197.4	150.6	223.9	305.0	421.3
Net position, beginning of year	1,267.7	1,422.1	1,903.2	2,053.8	3,170.9	3,475.9
<b>Net position, end of year</b>	<b>\$ 1,422.1</b>	<b>\$ 1,619.5</b>	<b>\$ 2,053.8</b>	<b>\$ 2,277.7</b>	<b>\$ 3,475.9</b>	<b>\$ 3,897.2</b>



## GOVERNMENTAL ACTIVITIES

Revenues for the City's governmental activities were \$826.8 million, while expenses were \$573.9 million. The increase in net position from operations for governmental activities (after transfers out of \$55.5 million) was \$197.4 million.

The current year revenue increase was driven primarily by strong sales tax collections, property tax collections, development user fees activity, and interest income that was positively driven by the interest rate environment. The composition of revenue sources was consistent with prior year actuals. Current year expenses increased moderately and are in-line with expected annual operating increases.



The reported results for the fiscal year for the governmental activities:

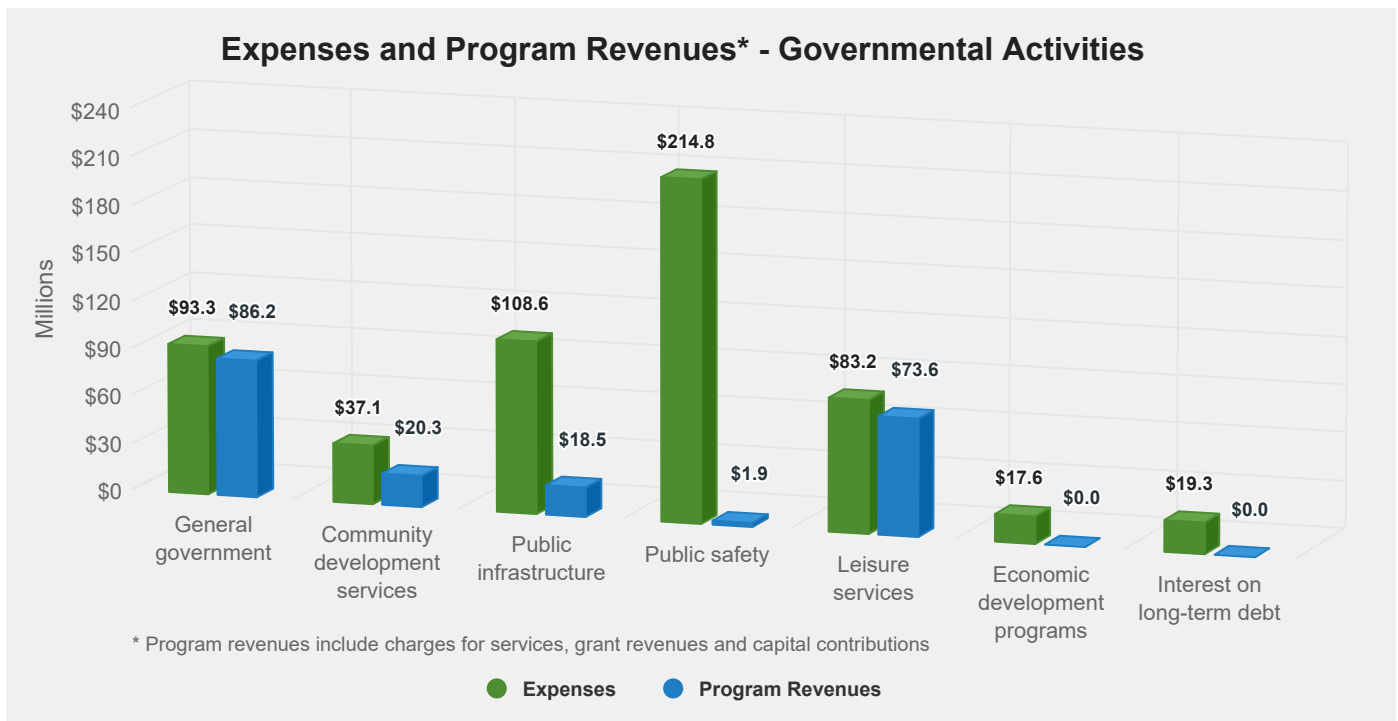
- The City received \$626.3 million (or 75.7%) in general revenues from taxes and other revenues:
  - Property taxes - \$359.7 million
  - Sales taxes - \$153.6 million
  - Franchise taxes - \$33.4 million
  - Other taxes - \$28.5 million
  - Other revenues - \$51.0 million primarily representing unrestricted investment earnings
- General revenues are used to pay for the \$373.4 million net cost of governmental activities, which represents the cost of services not covered by program revenues.
- Those who directly benefited from governmental service-fee based programs, such as ones involving parks, recreation and cultural resources and development and inspection related fees, paid \$49.9 million in charges for those services.
- Other governments and organizations subsidized certain City programs with grants and contributions totaling \$150.6 million.

- Support from various federal, state, and local agencies – \$104.0 million
  - Interlocal support from Wake County for debt service and other expenses on the convention center complex - \$46.6 million.
- The total cost of all governmental activities this year was \$573.9 million. This cost was incurred to provide comprehensive municipal services. These services include but are not limited to public safety (police, fire, emergency communication), public infrastructure (street maintenance, transportation), leisure services (parks, recreation and cultural resources), and general government (examples include, city management, finance, human resources and information technology).

The City's four largest governmental programs represent 87.1% of the total governmental activities:

- Public safety – 37.4%
- Public infrastructure – 18.9%
- General government – 16.3%
- Leisure services – 14.5%

As depicted on the chart below, program expenses exceed program revenues for all governmental activities. This is expected as other general sources of revenue such as property taxes and sales taxes received by the City are routinely used to subsidize the gap between program expenditures and program revenues.



## BUSINESS-TYPE ACTIVITIES

Revenues of the City's business-type activities were \$581.4 million, and expenses were \$413.0 million. The increase in net position from operations for business-type activities (after transfers in of \$55.5 million) was \$223.9 million.

The following table shows the total cost and net cost or revenue for these services.

Net Cost of Business-Type Activities (in millions of dollars)					
	Total Cost of Services		Net (Cost) Revenue of Services		
	2023	2024	2023	2024	
Water and sewer	\$ 216.3	\$ 231.9	\$ 107.8	\$ 148.4	
Convention center complex	37.7	39.5	(18.5)	(20.3)	
Mass transit	50.6	52.3	(7.8)	5.4	
Parking facilities	13.9	15.1	0.6	(1.1)	
Solid waste services	44.1	45.7	(6.1)	(2.8)	
Stormwater management	25.9	28.5	8.6	7.4	
<b>Total</b>	<b>\$ 388.5</b>	<b>\$ 413.0</b>	<b>\$ 84.6</b>	<b>\$ 137.0</b>	

The largest business-type operation is the City's regional water and sewer utility. Water and sewer utility operations are supported by financial models to ensure both operational and capital infrastructure needs are maintained and properly funded. In addition, the department utilizes an Asset Management Plan, which is a risk-based prioritization process of infrastructure replacement needs in order to mitigate risks of failure. Water and sewer operating revenue of \$311.0 million in 2023-24 reflects an increase of 5.5% from the prior year. The increase in revenue was consistent with management's expectations, primarily due to approved rate increases required to achieve financial investments associated with the ongoing demands of capital infrastructure improvements. Operating expenses of \$203.1 million moderately increased 8.7% from prior year primarily due to increased personnel costs and other operational increases and are in line with management's expectations.

The Convention Center and Performing Arts Complex operations recognized \$19.2 million of operating revenues in 2023-24, a 0.1% decrease from prior year. The convention center complex operating revenues have stabilized and are consistent with prior year results. Operating expenses of \$32.2 million increased 3.9% from 2022-23 as events and operations returned and resulted in the need for additional operating expenses and personnel required to support event operations. The Convention Center Complex is partially funded by outside sources, specifically the Wake County interlocal room occupancy tax as well as prepared food and beverage tax. In addition, the general fund provides a subsidy to the Performing Arts Center. The Convention Center Complex met management expectations with the volume of concerts, conventions, and other business events.

The Parking enterprise operations generated \$14.0 million of operating revenues in 2023-24, a decrease of 3.3% from prior year. The demand for on-street, off-street and special event parking continues to be tempered by the utilization of hybrid remote work environments and changes in commuter habits. Operating

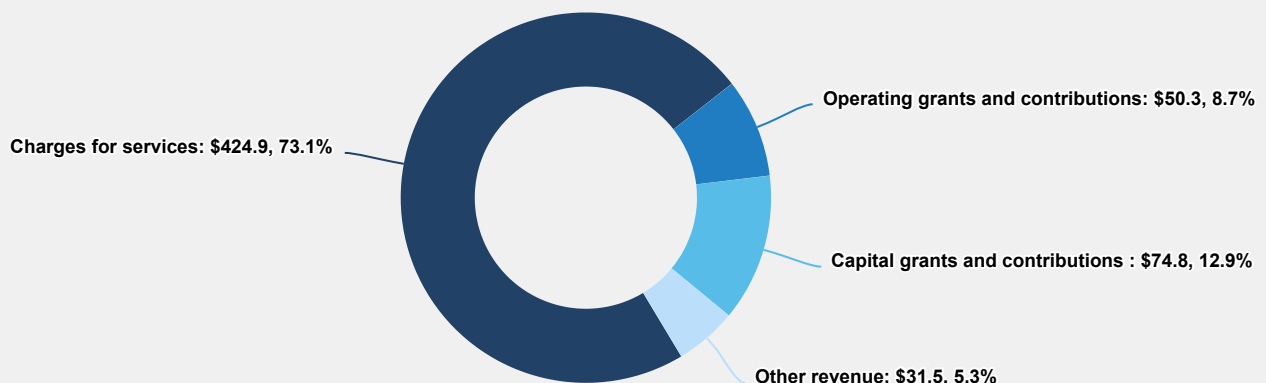
expenses of \$13.1 million are higher than the prior year, and management continues to monitor the parking enterprise.

Mass transit operating revenues of \$1.9 million in 2023-24 reflects a slight decrease of 8.2% over the prior year as the City Council elected to continue to suspend fares. Operating expenses increased to \$52.2 million, or a 3.2% increase compared to the prior year primarily due to the restoration of normalized route operating and maintenance costs. The mass transit operations continue to be subsidized by the general fund, by federal and state grant funds as well as the Wake County Transit Plan, which is funded by a half-cent sales tax collected within the county to support new and improved transit services. Management continues to monitor operations.

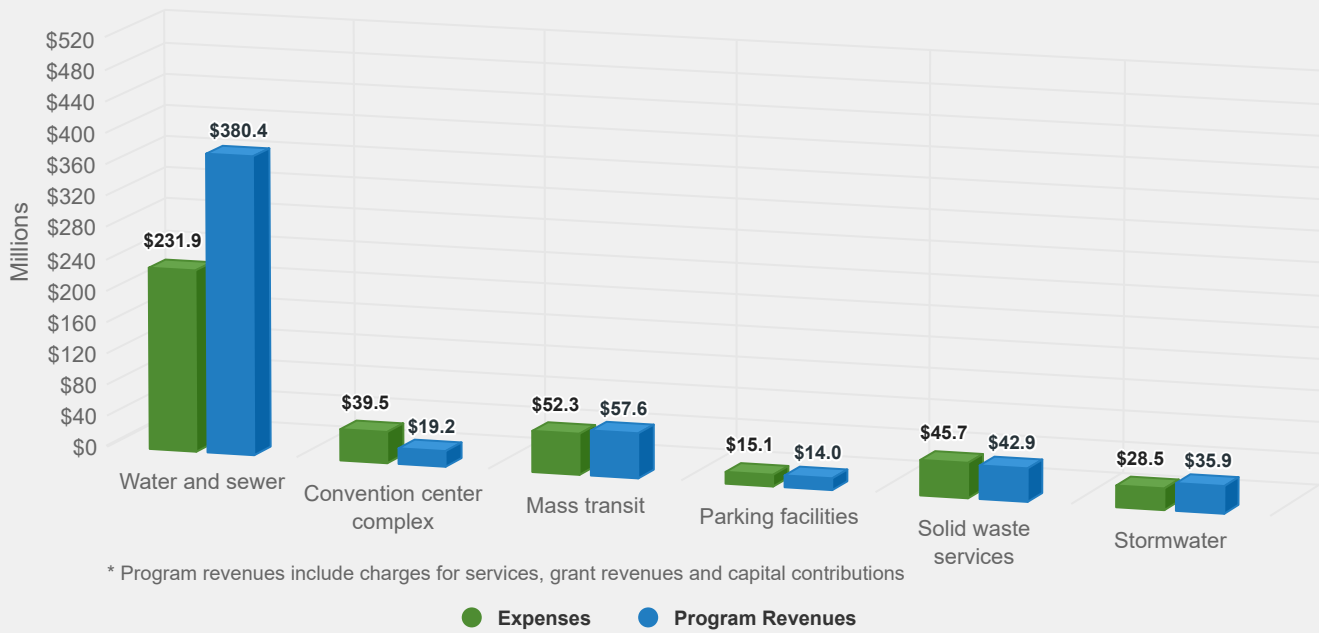
Stormwater management generated operating revenues of \$35.9 million in 2023-24, an increase of 4.0% from prior year, the result of \$0.18 per month increase per Single-Family Equivalent Unit (SFEU). The approved rate increase was implemented to support Stormwater's operating and capital improvement program. Stormwater management is deploying a long-term financial model designed to consider the future capital infrastructure. Operating expenses of \$28.4 million increased 9.5% from 2022-23, which reflects an increase in personnel services required to support the growing enterprise capital plan initiatives. Results are consistent with management's expectations.

Solid waste services operating revenues of \$42.4 million in 2023-24 reflects a 13.0% increase from the prior year due to an approved \$2.10 per month rate increase on residential waste collections. Solid waste services operations continue to be partially subsidized by the general fund. Operating expenses of \$45.9 million increased slightly by 3.9% driven largely by personnel services and operational costs to support the enterprise. Overall, solid waste services results are in line with management's expectations.

### Revenues by Source - Business-type Activities - \$581.5 million



## Expenses and Program Revenues\* - Business-type Activities



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Raleigh uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *assigned fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City of Raleigh's governmental funds reported combined ending fund balances of \$973.1 million, an increase of \$125.9 million or 14.9%, in comparison with the prior year. The general fund's portion of fund balance represents 55.7% of the total while the remaining portion represents the nonmajor governmental fund categories of special revenue funds (20.6%) and general capital project funds (23.7%). The fund balance increase in 2023-24 was the result of strong financial results and a continued commitment to the management of recurring expenditures.

Classification of fund balance is as follows:

- Approximately 2.4% is *nonspendable*, representing the City's investment in inventories, leases as well as loans receivable arising from community and economic development program initiatives.
- Approximately 18.8% is not available and *restricted* for:
  - Stabilization by state statute - \$78.1 million representing a \$1.9 million increase over the prior year
  - Debt service costs - \$87.4 million, the restriction is specific to the Special Revenue Convention Center Financing fund which accounts for the hotel and motel occupancy as well as prepared food and beverage taxes which finance the Convention Center Complex.

- Unspent capital debt proceeds - \$3.7 million, which relates to bond cash on hand
  - Federal program reserves - \$7.0 million of which \$5.1 million is State and Local Fiscal Recovery fund.
  - Inspections NC state statute 160-414(c) - \$3.2 million is required by state statute to restrict inspection revenues in excess of inspection expenditures.
  - Public safety - \$3.8 million is a restriction within the Special Revenue Emergency Telephone System fund.
- Approximately 64.1% constitutes *assigned* fund balance, which is available for spending at the government's discretion.
- \$241.2 million is assigned for debt service representing the fund balance within the City's general debt fund to be used towards existing and planned capital debt service needs.
  - \$256.8 million is assigned for city projects and subsequent year's appropriation categories, which represent fund balances accumulated within special revenue and general capital projects funds that have been set aside to fund future city projects.
  - \$124.4 million is assigned specifically for community development programs
- Approximately 0.5% is *committed* for the law enforcement officers' separation allowance plan.
- The remaining 14.1% is *unassigned* and represents the City's residual net resources.

### Governmental Fund Balance Classification at June 30, 2024 (in millions of dollars)

	Major General Fund	Nonmajor Governmental	Total Governmental	%
Nonspendable	\$ 23.6	\$ -	\$ 23.6	2.4%
Restricted:				
State statute	78.1	-	78.1	8.0%
Debt service	-	87.4	87.4	9.0%
Unspent capital debt proceeds	-	3.7	3.7	0.4%
Federal programs	1.9	5.1	7.0	0.7%
Inspections	3.1	-	3.1	0.3%
Public safety	-	3.8	3.8	0.4%
Restricted (total)	83.1	100.0	183.1	18.8%
Committed	5.2	-	5.2	0.5%
Assigned	294.8	329.0	623.8	64.2%
Unassigned	137.4	-	137.4	14.1%
<b>Total fund balance</b>	<b>\$ 544.1</b>	<b>\$ 429.0</b>	<b>\$ 973.1</b>	<b>100.0%</b>

The general fund is the primary operating fund which contains the general government operations and governmental debt activities for the City. The fund balance of the general fund increased by \$73.5 million as revenues exceeded expenditures. Revenues were primarily driven by strong property tax collections, in part driven by an improved collection rate, sales tax collections, development services user fees, franchise tax and historic investment earnings. The general fund expenditures results were lower than expected and when coupled with the strong revenue results, drove the increase to fund balance. Revenues were utilized for normal City programs and ongoing operations.

While North Carolina General Statute 159-8(a) defines the fund balance that may be appropriated annually. Sufficient fund balance is essential to strong fiscal health and viability and is a key measure of the prudent use of financial resources and proper financial planning. Beginning with this fiscal year, the City's policy increased the amount to maintain as unassigned fund balance to at least 17.0% of the succeeding year's expenditure budget. Unassigned fund balance of \$137.4 million represents 18.5% of the 2024-25 general fund adopted expenditure budget. Unassigned fund balance is the amount remaining after management's policy designations. Annually, City Council will receive the unassigned fund balance in excess of the 17.0%, referred to as excess general capital reserves. It is at Council discretion, as to the appropriation of the excess general capital reserves for non-recurring uses to support key City initiatives and projects or to maintain as reserves.

**Proprietary funds.** The City of Raleigh's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All enterprise funds are treated as major funds and include the water and sewer, convention and performing arts complex, mass transit, stormwater management, parking facilities and solid waste services funds. Additional discussion concerning the finances of these funds has already been addressed in the discussion of the City's business-type activities.

## BUDGETARY HIGHLIGHTS

During the fiscal year, City Council approved various modifications to the original, approved budget. Generally, budget amendments fall into one of four categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once final information is available; 2) amendments made to recognize new funding amounts from external sources, such as from Federal or State grants; 3) increases in appropriations that become necessary to maintain services; and 4) amounts that are carried over from the previous year and reappropriated for the subsequent year's expenditures.

**General Fund.** General fund revenues overall continued to increase, including the City's primary revenue streams of property tax and local sales tax. Property tax collections exceeded the budget by \$5.1 million. Sales tax collections remained strong, driven by consumer spending and continued elevated inflation rates and exceeded the budget by \$5.6 million. Another driver of revenue collections exceeding budgeted revenues included interest income received as the City continued to benefit from higher interest rate yields on investments, and a dramatic mark to market increase at the close of the fiscal year. Franchise tax collections also exceeded the budget by \$5.1 million due to increases in electricity pricing for consumers. Planning and development fees driven by inspection fee collections, resulted in a positive budget variance of \$5.2 million. General fund revenues exceeded the budget by \$51.7 million for the current year.

General fund expenditures came in below budget, which resulted in a positive budget variance of \$90.7 million with slightly less than half of the variance driven by the City's planned allocation to the general government long-term capital planning model. All expenditure functions and departments reported positive budget variances, which is a result of conservative budget practices as well as the City's continued commitment towards cost management efforts.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The City of Raleigh's cumulative investment in capital assets for its governmental and business-type activities, as of June 30, 2024, amounts to \$4.4 billion (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, watershed protection rights, buildings and machinery, water and sewer systems, streets and sidewalks, parking decks, buses, equipment, furniture and fixtures, enterprise-wide software, intangible right to use lease assets, intangible right to use IT subscription assets, and general improvements. The City's net investment in capital assets for the current fiscal year was \$296.2 million, a 7.3% increase decrease over prior year primarily due to a reduction in construction in progress additions for business-type activities.

Major capital asset investments during the fiscal year included the following:

- Construction began and/or was completed for governmental activities including a variety of street, park and building improvement projects. Total governmental projects completed and capitalized in fiscal year 2023-24 were \$12.2 million, with general and park improvements completed for a total capitalized cost of \$11.2 million
- Governmental equipment acquisitions added \$17.3 million to the City's rolling stock inventory
- Construction in progress for all governmental activities was \$400.8 million
- Construction was completed for various enterprise operations. Total enterprise projects completed and capitalized in fiscal year 2023-24 amounted to \$94.2 million. Highlights of enterprise capital asset investments include:
  - Water & Sewer projects were completed totaling \$86.5 million
  - Stormwater projects were completed for \$2.4 million
  - Convention Center Complex projects were completed for \$4.9 million
- Enterprise equipment acquisitions added \$8.9 million to the City's rolling stock inventory
- Construction in progress for all enterprise activities was \$746.5 million
- Annexations added \$3.4 million to streets for governmental activities and \$68.7 million to water and sewer systems for the business-type activities



## Capital Assets\* (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Activities	
	2023	2024	2023	2024	2023	2024
Land	\$ 233.1	\$ 235.6	\$ 98.2	\$ 107.1	\$ 331.3	\$ 342.7
Construction in progress	312.8	400.8	616.1	746.5	928.9	1,147.3
Watershed protection rights	-	-	4.8	6.3	4.8	6.3
Buildings and machinery	239.7	250.8	224.2	213.8	463.9	464.6
Water and sewer systems	-	-	1,278.7	1,378.7	1,278.7	1,378.7
Streets and sidewalks	318.1	295.9	-	-	318.1	295.9
Parking decks	-	-	85.7	81.7	85.7	81.7
Buses	0.4	0.3	38.5	38.8	38.9	39.1
Equipment	44.5	47.6	28.4	27.4	72.9	75.0
Improvements	235.7	228.0	270.6	267.4	506.3	495.4
Enterprise-wide software	16.3	15.0	-	-	16.3	15.0
Intangible right to use lease assets	13.0	15.9	1.5	2.1	14.5	18.0
Intangible right to use IT subscriptions	4.1	1.8	3.2	2.3	7.3	4.1
<b>Total</b>	<b>\$ 1,417.7</b>	<b>\$ 1,491.7</b>	<b>\$ 2,649.9</b>	<b>\$ 2,872.1</b>	<b>\$ 4,067.6</b>	<b>\$ 4,363.8</b>

\*Amounts shown net of accumulated depreciation and amortization

Additional information on the City's capital assets can be found on pages 34-36 of the notes to the financial statements of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total general obligation bonds outstanding of \$312.2 million. The remainder of the City's debt represents general and limited obligation bond anticipation notes (\$70.8 million), revenue bonds (\$689.5 million), revenue bond anticipation notes (\$83.2 million) and installment financing agreements (\$409.7 million) – installment notes, certificates of participation, limited obligation bonds, etc.) secured solely by specified revenue sources and property. Amounts presented exclude unamortized premiums, leases and IT subscriptions.

## Long-Term Debt (in millions of dollars)

	Governmental Activities		Business-type Activities		2023	2024
	2023	2024	2023	2024		
General obligation bonds	\$ 341.1	\$ 312.2	\$ -	\$ -	\$ 341.1	\$ 312.2
Revenue bonds	-	-	723.0	689.5	723.0	689.5
Installment financing agreements	205.5	177.1	357.7	232.6	563.2	409.7
Bond anticipation notes	9.9	70.8	21.5	83.2	31.4	154.0
<b>Total</b>	<b>\$ 556.5</b>	<b>\$ 560.1</b>	<b>\$ 1,102.2</b>	<b>\$ 1,005.3</b>	<b>\$ 1,658.7</b>	<b>\$ 1,565.4</b>

State statute limits the amount of general obligation debt a governmental entity may issue to 8.0% of the total assessed value of taxable property. The City's outstanding net debt of \$1,447.0 million (*Legal Debt Margin Information statistical schedule*) is significantly less than the current debt limitation of \$6,590.5 million.

The City's ongoing strong financial condition is evidenced by the continuation of its highest level Aaa rating from Moody's Investors Service and AAA ratings from S&P Global and Fitch Ratings. All three of these credit rating agencies maintain the highest rating category level on both the general obligation and Raleigh Water revenue secured bonds issued by the City. Raleigh is one of the few cities in the nation to have achieved these superior credit ratings, providing benefits such as the ability to obtain the lowest interest costs for the City's outstanding debt issuances.

Further detailed information on the City of Raleigh's long-term debt can be found in the notes to the financial statements on pages 38-53 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As noted in the above discussion and analysis, the financial results for the year ended June 30, 2024, overall were positive reflecting the strength of the local economy. As the City looks ahead to fiscal year 2024-2025, the adopted budget theme affirms the City's strategic focus, **Investing in Raleigh's Future**, through continued investments in service enhancements, critical capital needs, and the City's most important asset - its employees. The FY25 budget will reflect changes to the City's property tax base resulting from Wake County's county-wide re-evaluation of real estate values. The adopted tax rate is \$0.3550, or 35.5 cents per \$100 of property value. The City's regional water and sewer utility has a tiered increase with an average residential increase of \$1.58/month. Stormwater increased fees by \$0.29/month to support staffing and capital projects that protect creeks and streams from runoff. Solid Waste Services increased by \$1.70/month to meet operational cost increases and continue its transition to a self-supporting enterprise fund.

Management continues to diligently monitor spending levels and maintains conservative budget estimates. These actions ensure the City is well positioned to meet fund balance goals and to maintain the AAA/Aaa general credit ratings in the future.

Through the following budget highlights, City management and staff remain committed to our Raleigh citizens and to recognizing the value of our employees.

Highlights of the City's budget for the 2024-25 fiscal year include the following:

- The 2024-25 combined budgets for operating and capital programs total \$1,426.6 million, representing an 11.8% increase from the 2023-24 combined budget.
- The adopted General Fund budget for 2024-25 of \$732.6 million increased 13.2% over the prior year adopted budget due to continued improvement in City growth in key revenues as outlined below.
  - The primary revenue source, property taxes, is budgeted at \$419.2 million, an increase of \$65.8 million, or 18.6% due to the property tax rate revaluation discussed above.
  - The sales tax budget was increased to \$157.8 million, an increase of \$9.8 million, or 6.6% from 2023-24.

- The 2024-25 capital budget includes new and/or continuing projects totaling \$497.9 million, including transportation, mass transit, parks, stormwater, water and sewer infrastructure, parking, and general public facilities projects.

## REQUESTS FOR INFORMATION

This report is designed to provide readers with a full accountability of the City of Raleigh's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the:

Office of the Chief Financial Officer  
City of Raleigh  
PO Box 590  
Raleigh, North Carolina 27602  
(919) 996-3215



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# Basic Financial Statements

The Basic Financial Statements provide a dual perspective summary overview of the financial position and operating results of the government as a whole (governmentwide financial statements) and of all funds (fund financial statements). They also serve as a condensed introduction to the more detailed statements and schedules that follow.

# Statement of Net Position

## June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 923,423,613	\$ 629,125,574	\$ 1,552,549,187
Taxes receivable, net of allowance for uncollectibles of \$11,660,832	1,095,387	-	1,095,387
Assessments receivable, net of allowance for uncollectibles of \$309,247	347,295	159,290	506,585
Customer receivables, net of allowance for uncollectibles of \$10,904,542	58,501	33,778,652	33,837,153
Franchise tax receivable	8,378,946	-	8,378,946
Lease receivable	199,081	876,169	1,075,250
Due from other governmental agencies	29,746,912	16,724,417	46,471,329
Due from fiduciary funds	33,750	-	33,750
Accrued interest receivable	6,558,730	4,301,391	10,860,121
Other receivables and assets	5,398,405	181,157	5,579,562
Sales tax receivable	43,857,127	7,050,478	50,907,605
Internal balances	1,883,271	(1,883,271)	-
Inventories	3,824,729	14,298,282	18,123,011
Loans receivable, net of allowance \$13,514,115	98,380,602	-	98,380,602
Cash and cash equivalents/investments - restricted deposits and bond proceeds	24,711,674	50,418,030	75,129,704
Lease receivable, noncurrent	16,004,678	13,964,111	29,968,789
Capital assets:			
Intangible right to use lease asset, net of amortization	15,864,733	2,123,014	17,987,747
Intangible right to use IT subscription asset, net of amortization	1,894,381	2,348,903	4,243,284
Land, construction in progress, watershed protection rights	636,328,597	859,886,944	1,496,215,541
Other capital assets, net of depreciation	837,652,378	2,007,722,080	2,845,374,458
<b>Total assets</b>	<b>2,655,642,790</b>	<b>3,641,075,221</b>	<b>6,296,718,011</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred refunding charges	5,414,125	21,114,163	26,528,288
Pension deferrals - LEOSSA	13,471,470	-	13,471,470
Pension deferrals - LGERS	108,116,678	20,836,144	128,952,822
OPEB deferrals	13,743,763	5,238,637	18,982,400
Accumulated decrease in fair value of hedging derivatives	-	5,272,407	5,272,407
<b>Total deferred outflows of resources</b>	<b>140,746,036</b>	<b>52,461,351</b>	<b>193,207,387</b>

The notes to the financial statements are an integral part of this statement.

## Statement of Net Position (Continued)

### June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	29,555,454	48,829,050	78,384,504
Accrued salaries and employee payroll taxes	13,029,299	103,807	13,133,106
Accrued interest payable	5,035,439	11,266,058	16,301,497
Sales tax payable	41,000	244,909	285,909
Loan servicing escrow	1,265,928	-	1,265,928
Due to other governmental agencies	677,848	3,818,179	4,496,027
Due to fiduciary funds	15,717	-	15,717
Other current liabilities	211,085	-	211,085
Escrow and other deposits payable from restricted assets	3,396,078	42,055,442	45,451,520
Reimbursable facility fees	16,992,894	-	16,992,894
Coronavirus State & Local Fiscal Recovery Funds	13,742,271	-	13,742,271
Derivative instrument liability	-	5,272,407	5,272,407
Long-term liabilities:			
Due within one year	88,244,111	77,396,966	165,641,077
Due in more than one year	596,496,984	1,089,184,456	1,685,681,440
Net pension liability - LEOSSA - Due in more than one year	50,291,604	-	50,291,604
Net pension liability - LGERS - Due in more than one year	157,917,741	57,622,610	215,540,351
Net OPEB liability - Due in more than one year	155,531,991	58,171,595	213,703,586
<b>Total liabilities</b>	<b>1,132,445,444</b>	<b>1,393,965,479</b>	<b>2,526,410,923</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	6,792,214	3,272,203	10,064,417
Leases	15,037,440	13,743,037	28,780,477
Pension deferrals - LEOSSA	11,140,183	-	11,140,183
Pension deferrals - LGERS	5,663,303	2,953,474	8,616,777
OPEB deferrals	5,557,070	2,037,401	7,594,471
Prepaid taxes and assessments	195,098	-	195,098
<b>Total deferred inflows of resources</b>	<b>44,385,308</b>	<b>22,006,115</b>	<b>66,391,423</b>
<b>NET POSITION</b>			
Net investment in capital assets	872,639,845	1,745,661,587	2,618,301,432
Restricted for:			
Capital projects	229,993,696	-	229,993,696
Other purposes (Note 1.D.(10))	197,032,093	-	197,032,093
Stabilization by state statute	78,057,627	-	78,057,627
Federal programs	6,977,270	-	6,977,270
Unrestricted	234,857,543	531,903,391	766,760,934
<b>Total net position</b>	<b>\$ 1,619,558,074</b>	<b>\$ 2,277,564,978</b>	<b>\$ 3,897,123,052</b>

The notes to the financial statements are an integral part of this statement.

# Statement of Activities

## For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 93,276,990	\$ 36,843,158	\$ 11,940,534	\$ 37,428,424
Community development services	37,140,244	783,723	13,862,670	5,680,349
Public infrastructure	108,573,876	555,060	342,076	17,635,086
Public safety	214,833,726	-	1,920,474	-
Leisure services	83,198,392	11,739,501	51,962,567	9,854,359
Economic development programs	17,559,805	-	-	-
Interest and other debt service	19,324,534	-	-	-
<b>Total governmental activities</b>	<b>\$ 573,907,567</b>	<b>\$ 49,921,442</b>	<b>\$ 80,028,321</b>	<b>\$ 70,598,218</b>
Business-type activities:				
Water and sewer	\$ 231,928,888	\$ 311,122,727	\$ 400,769	\$ 68,833,583
Convention center complex	39,480,923	19,171,988	-	-
Mass transit	52,280,010	1,851,130	49,843,134	5,940,918
Parking facilities	15,128,013	14,014,342	-	-
Solid waste services	45,703,801	42,865,775	-	-
Stormwater	28,470,964	35,896,870	15,707	-
<b>Total business-type activities</b>	<b>412,992,599</b>	<b>424,922,832</b>	<b>50,259,610</b>	<b>74,774,501</b>
<b>Total City of Raleigh</b>	<b>\$ 986,900,166</b>	<b>\$ 474,844,274</b>	<b>\$ 130,287,931</b>	<b>\$ 145,372,719</b>

The notes to the financial statements are an integral part of this statement.



# Statement of Activities

## For the Fiscal Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (7,064,874)	\$ -	\$ (7,064,874)
Community development services	(16,813,502)	-	(16,813,502)
Public infrastructure	(90,041,654)	-	(90,041,654)
Public safety	(212,913,252)	-	(212,913,252)
Leisure services	(9,641,965)	-	(9,641,965)
Economic development programs	(17,559,805)	-	(17,559,805)
Interest on long-term debt	(19,324,534)	-	(19,324,534)
<b>Total governmental activities</b>	<b>\$ (373,359,586)</b>	<b>\$ -</b>	<b>\$ (373,359,586)</b>
Business-type activities:			
Water and sewer	\$ -	\$ 148,428,191	\$ 148,428,191
Convention center complex	-	(20,308,935)	(20,308,935)
Mass transit	-	5,355,172	5,355,172
Parking facilities	-	(1,113,671)	(1,113,671)
Solid waste services	-	(2,838,026)	(2,838,026)
Stormwater	-	7,441,613	7,441,613
<b>Total business-type activities</b>	<b>\$ -</b>	<b>\$ 136,964,344</b>	<b>\$ 136,964,344</b>
<b>Total City of Raleigh</b>	<b>\$ (373,359,586)</b>	<b>\$ 136,964,344</b>	<b>\$ (236,395,242)</b>
General revenues:			
Taxes:			
Property taxes, levied for general purpose	\$ 359,734,812	\$ -	\$ 359,734,812
Local sales tax	153,635,108	-	153,635,108
Franchise tax	33,384,574	-	33,384,574
Other taxes	28,507,567	-	28,507,567
Unrestricted investment earnings	45,380,725	30,061,390	75,442,115
Proceeds on the sale of property	1,161,208	1,390,415	2,551,623
Miscellaneous	4,454,633	-	4,454,633
<b>Total general revenues not including transfers</b>	<b>\$ 626,258,627</b>	<b>\$ 31,451,805</b>	<b>\$ 657,710,432</b>
Transfers	(55,452,390)	55,452,390	-
<b>Total general revenues and transfers</b>	<b>570,806,237</b>	<b>86,904,195</b>	<b>657,710,432</b>
Change in net position	197,446,651	223,868,539	421,315,190
<b>Net position - beginning of year</b>	<b>\$ 1,422,111,423</b>	<b>\$ 2,053,696,439</b>	<b>\$ 3,475,807,862</b>
<b>Net position - end of year</b>	<b>\$ 1,619,558,074</b>	<b>\$ 2,277,564,978</b>	<b>\$ 3,897,123,052</b>

The notes to the financial statements are an integral part of this statement.

**Balance Sheet  
Governmental Funds  
June 30, 2024**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 470,203,558	\$ 365,866,020	\$ 836,069,578
Taxes receivable, net of allowance for uncollectibles of \$11,660,832	1,095,387	-	1,095,387
Assessments receivable, net of allowance for uncollectibles of \$204,127	232,629	114,666	347,295
Lease receivable	199,081	-	199,081
Customer receivables	40,164	18,335	58,499
Franchise taxes receivable	8,359,591	19,355	8,378,946
Due from other governmental agencies	3,286,016	26,460,896	29,746,912
Accrued interest receivable	5,162,922	639,549	5,802,471
Other receivables and assets	3,304,895	3,925	3,308,820
Sales tax receivable	41,610,153	1,259,829	42,869,982
Due from other funds	12,144,948	95,002	12,239,950
Inventories	3,048,160	-	3,048,160
Lease receivable, non-current	16,004,678	-	16,004,678
Loans receivable, net of allowance for uncollectibles of \$13,514,115	19,433,259	78,947,343	98,380,602
Cash and cash equivalents/investments - restricted deposits and bond proceeds	408,041	23,045,401	23,453,442
<b>Total assets</b>	<b>\$ 584,533,482</b>	<b>\$ 496,470,321</b>	<b>\$ 1,081,003,803</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 6,537,010	\$ 21,922,283	\$ 28,459,293
Accrued salaries and employee payroll taxes	13,027,263	593	13,027,856
Sales tax payable	20,886	6,260	27,146
Loan servicing escrow	999,612	266,316	1,265,928
Other liabilities	211,085	-	211,085
Due to other funds	85,498	6,573,159	6,658,657
Reimbursable facility fees	1,843,665	15,149,229	16,992,894
Escrow and other deposits payable from restricted assets	58,704	3,337,374	3,396,078
Due to other governmental agencies	608,457	69,391	677,848
Coronavirus State & Local Fiscal Recovery Fund	-	13,742,271	13,742,271
<b>Total liabilities</b>	<b>23,392,180</b>	<b>61,066,876</b>	<b>84,459,056</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax receivable	1,095,387	-	1,095,387
Assessments receivable	232,629	114,666	347,295
Lease revenue	15,037,440	-	15,037,440
Prepaid assessments	-	13,527	13,527
Prepaid taxes and facility fees	181,571	-	181,571
Deferred revenue	500,812	6,291,402	6,792,214
<b>Total deferred inflows of resources</b>	<b>17,047,839</b>	<b>6,419,595</b>	<b>23,467,434</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	3,048,160	-	3,048,160
Leases	1,166,319	-	1,166,319
Loans receivable	19,433,259	-	19,433,259
Restricted:			
Stabilization by state statute	78,057,627	-	78,057,627
Restricted Debt service	-	87,352,295	87,352,295
Unspent Capital Debt Proceeds	-	3,711,172	3,711,172
Federal program reserves	1,868,367	5,108,903	6,977,270
Inspections	3,150,842	-	3,150,842
Public safety	-	3,824,821	3,824,821
Committed:			
Law Enforcement Officers' Special Separation Allowance	5,158,604	-	5,158,604
Assigned:			
Assigned Debt service	241,152,369	-	241,152,369
Subsequent year's appropriation	19,801,291	50,279,001	70,080,292
City projects	7,316,029	179,402,506	186,718,535
Community development	26,572,973	97,873,711	124,446,684
Disaster recovery	-	1,431,441	1,431,441
Unassigned	137,367,623	-	137,367,623
<b>Total fund balances</b>	<b>544,093,463</b>	<b>428,983,850</b>	<b>973,077,313</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 584,533,482</b>	<b>\$ 496,470,321</b>	<b>\$ 1,081,003,803</b>

The notes to the financial statements are an integral part of this statement.

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2024

<b>Total fund balances for governmental funds</b>		<b>\$ 973,077,313</b>
<b>Total net position reported for governmental activities in the statement of net position is different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land and Construction in progress	\$ 636,328,597	
Capital Assets being depreciated, net	799,642,653	
Intangible right to use lease assets, net	15,822,357	
Intangible right to use IT subscription assets, net	<u>1,894,381</u>	
	<u>\$ 1,453,687,988</u>	1,453,687,988
The net pension and OPEB liabilities resulting from contributions greater than or less than the amount of annual required contributions are not financial resources, are not due and payable in the current period and therefore are not reported in the funds.		
Law Enforcement Officer's (LEOSSA)	\$ (50,291,604)	
Pensions (LGERS)	(153,839,169)	
Other Post Retirement Benefits (OPEB)	<u>(151,326,976)</u>	
	<u>\$ (355,457,749)</u>	(355,457,749)
The deferred outflows of resources related to pensions and OPEB liabilities are not reported in the funds.		
Law Enforcement Officer's (LEOSSA)	\$ 13,471,470	
Pensions (LGERS)	106,630,922	
Other Post Retirement Benefits (OPEB)	<u>13,384,504</u>	
	<u>\$ 133,486,896</u>	133,486,896
The deferred inflows of resources related to pensions and OPEB liabilities will be reported as a reduction of expense in prior years are not reported in the funds.		
Law Enforcement Officer's (LEOSSA)	\$ (11,140,183)	
Pensions (LGERS)	(5,439,023)	
Other Post Retirement Benefits (OPEB)	<u>(5,383,119)</u>	
	<u>\$ (21,962,325)</u>	(21,962,325)
Deferred issuance costs are reported as expenditures in the funds because current financial resources are used. In the governmental activities issuance costs are recorded as a long-term asset and amortized over the life of the debt.		
		5,414,127
Internal service funds are used by management to charge the costs of certain activities, such as risk management, employees' health benefits, equipment replacement and vehicle fleet services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		
		67,247,963
Taxes receivable and assessments receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.		
Taxes receivable	\$ 1,095,387	
Assessments receivable	<u>347,295</u>	
	<u>\$ 1,442,682</u>	1,442,682
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds as these payables are long-term in nature.		
General Obligation Bonds, net	\$ (358,104,266)	
Installment Financing Agreements, net	(157,804,615)	
Bond Anticipation Note (BANs)	(70,782,407)	
Leases	(16,387,597)	
IT subscriptions	(1,702,844)	
Earned Vacation Pay	(27,628,289)	
Accrued Interest Payable	<u>(4,968,803)</u>	
	<u>\$ (637,378,821)</u>	<u>(637,378,821)</u>
<b>Net position of governmental activities</b>		<b>\$ <u>1,619,558,074</u></b>

The notes to the financial statements are an integral part of this statement.

# Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 359,521,170	\$ -	\$ 359,521,170
Intergovernmental	22,315,963	106,560,136	128,876,099
Non-governmental	-	10,011,087	10,011,087
Assessments	-	570,715	570,715
Franchise tax	33,384,574	-	33,384,574
Local sales tax	153,635,108	-	153,635,108
Licenses	14,216,632	77,419	14,294,051
Gain (loss) on investments	36,416,380	7,267,570	43,683,950
Inspections fees	25,334,166	-	25,334,166
Highway maintenance refunds	1,120,798	-	1,120,798
Facility fees	-	15,181,792	15,181,792
Parks and recreation fees	7,109,291	-	7,109,291
Other fees and charges	7,657,998	5,411	7,663,409
Developer participation	-	640,000	640,000
Rents	4,311,394	-	4,311,394
Program income	165,275	871,385	1,036,660
Donations and contributions	1,559,416	338,701	1,898,117
Miscellaneous other	1,305,556	310,434	1,615,990
<b>Total revenues</b>	<b>668,053,721</b>	<b>141,834,650</b>	<b>809,888,371</b>
<b>EXPENDITURES</b>			
General government	68,433,562	17,978,355	86,411,917
Community development services	29,393,879	28,361,455	57,755,334
Public infrastructure	52,369,808	60,105,378	112,475,186
Public safety	215,518,143	9,316,942	224,835,085
Leisure services	66,987,510	51,542,064	118,529,574
Economic development programs	442,402	17,117,403	17,559,805
Debt service:			
Principal	45,481,451	-	45,481,451
Interest	21,176,076	-	21,176,076
Other debt service expenditures	950,395	-	950,395
<b>Total expenditures</b>	<b>500,753,226</b>	<b>184,421,597</b>	<b>685,174,823</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>167,300,495</b>	<b>(42,586,947)</b>	<b>124,713,548</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	5,826,044	69,584,705	75,410,749
Transfers out	(100,214,695)	(35,556,386)	(135,771,081)
Issuance of debt	-	60,931,407	60,931,407
Proceeds on sale of property	614,663	-	614,663
<b>Total other financing sources (uses)</b>	<b>(93,773,988)</b>	<b>94,959,726</b>	<b>1,185,738</b>
Net change in fund balances	73,526,507	52,372,779	125,899,286
Fund balances, beginning of year	470,566,956	376,611,071	847,178,027
<b>Fund balances, end of year</b>	<b>\$ 544,093,463</b>	<b>\$ 428,983,850</b>	<b>\$ 973,077,313</b>

The notes to the financial statements are an integral part of this statement.

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2024

Net change in fund balances - total governmental funds \$ 125,899,286

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation or amortization in the current period.

Capital Outlays	\$	126,859,509	
Intangible right to use lease asset capital outlay expenditures which were capitalized		7,918,742	
Intangible right to use IT subscriptions asset capital outlay expenditures which were capitalized		21,000	
Depreciation		(59,874,711)	
Amortization expense for intangible assets		(7,280,564)	
		<u>67,643,976</u>	67,643,976

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Annexations	\$	3,417,142	
Property taxes		213,642	
Assessments		(108,524)	
Loss on sale of assets		(99,980)	
		<u>3,422,280</u>	3,422,280

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued or incurred:			
Bond anticipation notes	\$	60,931,407	
Leases		7,918,742	
IT subscriptions		21,000	
Bond refunding:			
Principal repayments:			
General obligation debt		(28,935,000)	
Installment financing		(16,546,451)	
Leases		(4,904,353)	
IT subscriptions		(2,540,029)	
		<u>15,945,316</u>	(15,945,316)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Changes in these expenses are shown below.

Earned vacation pay	\$	(2,658,562)	
Accrued interest expense		189,992	
Net pension expense - LEOSSA		6,584,014	
Net pension expense - LGERS		(11,854,392)	
Net OPEB expense		4,565,587	
		<u>(3,173,361)</u>	(3,173,361)

Governmental funds report premiums on bonds issued as an other financing source. In the governmental activities bond premiums are recorded as a liability and amortized over the life of the debt. Amortization for bond issue costs, deferred refunding and premium on bonds are expenses or reduction of expenses in the governmental activities.

4,176,050

Internal service funds are used by management to charge the costs of certain activities, such as risk management, equipment replacement, and central garage to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.

15,423,736

**Change in net position of governmental activities \$ 197,446,651**

The notes to the financial statements are an integral part of this statement.

# Statement of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual - General Fund

### For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes - real & other property	\$ 330,341,000	\$ 330,341,000	\$ 335,444,878	\$ 5,103,878
Ad valorem taxes - vehicles	23,070,000	23,070,000	24,076,292	1,006,292
Intergovernmental	21,459,591	21,412,591	22,315,963	903,372
Franchise tax	28,300,000	28,300,000	33,384,574	5,084,574
Local sales tax	148,000,000	148,000,000	153,635,108	5,635,108
Licenses	15,034,000	15,034,000	14,216,632	(817,368)
Gain (loss) on investments - investment income	7,952,665	7,952,665	17,702,402	9,749,737
Gain (loss) on investments - fair value measurement	-	-	18,713,978	18,713,978
Inspection fees	20,159,763	20,159,763	25,334,166	5,174,403
Highway maintenance refunds	1,000,000	1,000,000	1,120,798	120,798
Parks and recreation fees	7,145,258	7,145,258	7,109,291	(35,967)
Other fees and charges	7,381,694	7,381,694	7,657,998	276,304
Reimbursements for public infrastructure support	1,336,396	1,257,521	1,149,801	(107,720)
Administrative charges	22,052,295	22,131,170	22,131,170	-
Rents	2,250,629	2,302,629	4,311,394	2,008,765
Program income	-	-	165,275	165,275
Donations and contributions	1,629,548	1,688,048	1,559,416	(128,632)
Other revenues	2,488,123	2,488,123	1,305,556	(1,182,567)
Proceeds from sale of property	150,000	600,000	614,663	14,663
<b>Total revenues available for appropriation</b>	<b>639,750,962</b>	<b>640,264,462</b>	<b>691,949,355</b>	<b>51,684,893</b>
Fund balance appropriated	21,248,701	69,936,760	-	(69,936,760)
<b>Total revenues</b>	<b>\$ 660,999,663</b>	<b>\$ 710,201,222</b>	<b>\$ 691,949,355</b>	<b>\$ (18,251,867)</b>
<b>EXPENDITURES</b>				
<b>General government:</b>				
City council	\$ 551,953	\$ 572,011	\$ 549,448	\$ 22,563
City clerk	843,955	845,701	692,437	153,264
City attorney	5,927,966	6,018,212	5,643,142	375,070
Special appropriations	27,016,534	27,419,999	25,747,283	1,672,716
Agency appropriations	4,189,622	5,392,128	3,855,943	1,536,185
City manager	7,246,603	7,487,399	6,522,930	964,469
Communications	4,132,029	4,215,357	3,806,120	409,237
Human resources	8,182,484	8,249,350	7,004,711	1,244,639
Budget & management services	1,799,328	1,799,977	1,463,700	336,277
Finance	7,707,285	7,885,338	6,334,176	1,551,162
Information technology	25,703,403	26,924,749	24,261,901	2,662,848
<b>Total general government</b>	<b>93,301,162</b>	<b>96,810,221</b>	<b>85,881,791</b>	<b>10,928,430</b>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
<b>Community development services:</b>				
Planning	7,690,623	7,605,041	6,941,940	663,101
Development Services	14,938,078	15,107,018	14,006,722	1,100,296
Community services	16,749,751	16,892,493	7,635,946	9,256,547
Economic development	1,718,556	1,837,180	1,264,173	573,007
<b>Total community development services</b>	<b>41,097,008</b>	<b>41,441,732</b>	<b>29,848,781</b>	<b>11,592,951</b>
<b>Public infrastructure:</b>				
Engineering services	26,878,804	28,392,674	22,946,222	5,446,452
Transportation	37,493,167	38,229,222	35,243,828	2,985,394
<b>Total public infrastructure</b>	<b>64,371,971</b>	<b>66,621,896</b>	<b>58,190,050</b>	<b>8,431,846</b>
<b>Public safety:</b>				
Emergency communications center	14,594,023	14,795,442	11,546,817	3,248,625
Police	128,479,590	128,688,328	125,851,061	2,837,267
Fire	78,779,656	78,724,849	78,120,265	604,584
<b>Total public safety</b>	<b>221,853,269</b>	<b>222,208,619</b>	<b>215,518,143</b>	<b>6,690,476</b>
<b>Leisure services:</b>				
Parks, recreation and cultural resources	73,893,532	75,486,606	66,879,026	8,607,580
Walnut Creek Amphitheatre	242,314	242,314	108,484	133,830
<b>Total leisure services</b>	<b>74,135,846</b>	<b>75,728,920</b>	<b>66,987,510</b>	<b>8,741,410</b>
<b>Debt service:</b>				
Principal and interest	68,444,540	68,444,540	66,657,527	1,787,013
Other debt service expenditures	40,038,410	43,452,549	950,395	42,502,154
<b>Total debt service</b>	<b>108,482,950</b>	<b>111,897,089</b>	<b>67,607,922</b>	<b>44,289,167</b>
<b>Total expenditures to appropriations</b>	<b>603,242,206</b>	<b>614,708,477</b>	<b>524,034,197</b>	<b>90,674,280</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,846,690	6,404,450	5,826,044	(578,406)
Transfers out	(63,604,147)	(101,897,195)	(100,214,695)	1,682,500
<b>Total other financing sources (uses)</b>	<b>(57,757,457)</b>	<b>(95,492,745)</b>	<b>(94,388,651)</b>	<b>1,104,094</b>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	73,526,507	
Fund balance, beginning of year			470,566,956	
<b>Fund balance, end of year</b>			<b>\$ 544,093,463</b>	

The notes to the financial statements are an integral part of this statement.

# Statement of Net Position - Proprietary Funds

## June 30, 2024

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 476,974,469	\$ 42,451,968	\$ 1,659,798	\$ 61,229,345
Customer receivables, net of allowance for uncollectibles of \$10,904,542	28,644,676	10,532	-	2,355,738
Assessments receivable, net of allowance for uncollectibles of \$210,240	147,111	-	-	12,179
Lease receivable	333,378	-	-	-
Due from other governmental agencies	-	-	15,627,387	321,114
Due from other funds	-	-	-	-
Accrued interest receivable	3,954,654	14,923	-	270,742
Other receivables and assets	85,759	93,772	1,420	-
Sales tax receivable	5,329,061	294,080	273,476	97,046
Inventories	13,490,508	-	807,774	-
Insurance deposit	-	-	-	-
<b>Total current assets</b>	<b>528,959,616</b>	<b>42,865,275</b>	<b>18,369,855</b>	<b>64,286,164</b>
Noncurrent assets:				
Restricted cash and cash equivalents	12,288,468	1,830,543	50,305	27,886,126
Lease receivable, non-current	2,784,110	-	-	-
Capital assets:				
Intangible right to use lease asset, net of amortization	962,329	579,108	10,806	152,895
Intangible right to use IT subscription asset, net of amortization	1,604,180	77,488	-	-
Land and improvements	43,434,257	32,126,089	14,270,363	6,947,167
Construction in progress	657,713,573	17,244,713	49,246,413	19,172,172
Watershed protection rights	6,280,059	-	-	-
Water and sewer systems	2,003,223,002	-	-	-
Buildings and machinery	90,607,910	271,091,201	28,102,339	426,355
Parking decks	-	-	-	-
Buses	-	-	81,971,221	-
Equipment	33,402,524	2,625,066	4,023,283	1,352,772
Furniture and fixtures	67,181	2,542,363	50,046	-
Improvements	275,306,452	64,868,994	18,166,199	122,454,164
Less accumulated depreciation	(851,245,453)	(153,534,943)	(62,763,230)	(47,617,972)
<b>Total noncurrent assets</b>	<b>2,276,428,592</b>	<b>239,450,622</b>	<b>133,127,745</b>	<b>130,773,679</b>
<b>Total assets</b>	<b>2,805,388,208</b>	<b>282,315,897</b>	<b>151,497,600</b>	<b>195,059,843</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred bond refunding charges	20,581,906	47,342	-	-
Pension deferrals - LGERS	11,857,536	2,084,221	382,933	2,105,526
OPEB deferrals	2,942,346	520,847	137,887	538,662
Accumulated decrease in fair value of hedging derivatives	-	5,272,407	-	-
<b>Total deferred outflows of resources</b>	<b>35,381,788</b>	<b>7,924,817</b>	<b>520,820</b>	<b>2,644,188</b>

The notes to the financial statements are an integral part of this statement.



## Statement of Net Position - Proprietary Funds (Continued)

### June 30, 2024

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 12,212,083	\$ 23,615,472	\$ 618,143,135	\$ 98,336,474
Customer receivables, net of allowance for uncollectibles of \$10,904,542	-	2,767,706	33,778,652	-
Assessments receivable, net of allowance for uncollectibles of \$210,240	-	-	159,290	-
Lease receivable	542,791	-	876,169	-
Due from other governmental agencies	-	775,916	16,724,417	-
Due from other funds	-	47,750	47,750	34,120
Accrued interest receivable	61,072	-	4,301,391	756,259
Other receivables and assets	206	-	181,157	1,669,585
Sales tax receivable	61,985	239,997	6,295,645	1,741,978
Inventories	-	-	14,298,282	776,569
Insurance deposit	-	-	-	420,000
<b>Total current assets</b>	<b>12,878,137</b>	<b>27,446,841</b>	<b>694,805,888</b>	<b>103,734,985</b>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	42,055,442	9,620,820
Lease receivable, non-current	11,180,001	-	13,964,111	-
Capital assets:				
Intangible right to use lease asset, net of amortization	344,302	73,574	2,123,014	42,376
Intangible right to use IT subscription asset, net of amortization	667,235	-	2,348,903	-
Land and improvements	7,414,706	2,952,033	107,144,615	-
Construction in progress	3,085,399	-	746,462,270	-
Watershed protection rights	-	-	6,280,059	-
Water and sewer systems	-	-	2,003,223,002	-
Buildings and machinery	-	15,648,174	405,875,979	230,912
Parking decks	156,535,540	-	156,535,540	-
Buses	-	-	81,971,221	104,241
Equipment	232,861	413,871	42,050,377	231,904,186
Furniture and fixtures	51,382	145,892	2,856,864	-
Improvements	7,213,148	7,200,018	495,208,975	-
Less accumulated depreciation	(77,046,800)	(11,018,552)	(1,203,226,950)	(171,002,542)
<b>Total noncurrent assets</b>	<b>109,677,774</b>	<b>15,415,010</b>	<b>2,904,873,422</b>	<b>70,899,993</b>
<b>Total assets</b>	<b>122,555,911</b>	<b>42,861,851</b>	<b>3,599,679,310</b>	<b>174,634,978</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred bond refunding charges	264,012	220,903	21,114,163	-
Pension deferrals - LGERS	684,234	3,721,694	20,836,144	1,485,756
OPEB deferrals	168,379	930,516	5,238,637	359,259
Accumulated decrease in fair value of hedging derivatives	-	-	5,272,407	-
<b>Total deferred outflows of resources</b>	<b>1,116,625</b>	<b>4,873,113</b>	<b>52,461,351</b>	<b>1,845,015</b>

The notes to the financial statements are an integral part of this statement.

**Statement of Net Position - Proprietary Funds (Continued)**  
**June 30, 2024**

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 34,918,961	\$ 4,897,638	\$ 5,179,946	\$ 1,771,514
Sales tax payable	21,423	205,746	975	95
Accrued salaries and employee payroll taxes	47,243	47,079	1,508	3,131
Accrued interest payable	8,596,791	2,296,192	156	2,642
Claims payable and other liabilities	-	-	-	-
Due to other funds	36,396	9,504	47,750	150
Due to other governmental agencies	-	-	-	-
Landfill postclosure liability	-	-	-	-
Earned vacation pay	2,642,165	371,067	90,740	596,222
Bonds, notes and loans payable, net of unamortized premiums and discounts	37,741,164	-	-	-
Contracts and other notes payable, net of unamortized premiums and discounts	8,179,759	12,741,851	5,917	162,569
<b>Total current liabilities</b>	<b>92,183,902</b>	<b>20,569,077</b>	<b>5,326,992</b>	<b>2,536,323</b>
Noncurrent liabilities:				
Claims payable and other liabilities	-	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	785,304,506	-	-	-
Contracts and other notes payable, net of unamortized premiums and discounts	84,539,570	152,029,083	5,416	1,012,009
Landfill postclosure liability	-	-	-	-
Escrow and other deposits payable from restricted assets	12,288,468	1,830,543	50,305	27,886,126
Derivative instrument liability	-	5,272,407	-	-
Earned vacation pay	1,604,173	282,249	73,278	307,435
Net pension liability - LGERS	32,556,515	5,936,608	934,285	6,069,374
Net OPEB liability	33,296,327	5,462,254	1,102,273	5,745,748
<b>Total noncurrent liabilities</b>	<b>949,589,559</b>	<b>170,813,144</b>	<b>2,165,557</b>	<b>41,020,692</b>
<b>Total liabilities</b>	<b>1,041,773,461</b>	<b>191,382,221</b>	<b>7,492,549</b>	<b>43,557,015</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	224,128	3,048,075	-
Leases	2,893,212	-	-	-
Pension deferrals - LGERS	1,760,516	104,052	286,849	157,907
OPEB deferrals	1,263,223	112,449	18,748	46,653
<b>Total deferred inflows of resources</b>	<b>5,916,951</b>	<b>440,629</b>	<b>3,353,672</b>	<b>204,560</b>
<b>NET POSITION</b>				
Net investment in capital assets	1,366,172,921	72,896,487	133,066,107	101,712,975
Unrestricted	426,906,663	25,521,377	8,106,092	52,229,481
<b>Total net position</b>	<b>\$ 1,793,079,584</b>	<b>\$ 98,417,864</b>	<b>\$ 141,172,199</b>	<b>\$ 153,942,456</b>

The notes to the financial statements are an integral part of this statement.

## Statement of Net Position - Proprietary Funds (Continued)

### June 30, 2024

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 195,547	\$ 656,153	\$ 47,619,759	\$ 2,305,452
Sales tax payable	50	-	228,289	30,474
Accrued salaries and employee payroll taxes	508	4,338	103,807	1,443
Accrued interest payable	281,794	42,323	11,219,898	112,796
Claims payable and other liabilities	-	-	-	10,257,303
Due to other funds	5,478,255	56,988	5,629,043	16,087
Due to other governmental agencies	-	3,818,179	3,818,179	-
Landfill postclosure liability	-	663,765	663,765	-
Earned vacation pay	114,748	815,377	4,630,319	256,348
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	37,741,164	15,753,449
Contracts and other notes payable, net of unamortized premiums and discounts	4,728,312	975,529	26,793,937	18,907
<b>Total current liabilities</b>	<b>10,799,214</b>	<b>7,032,652</b>	<b>138,448,160</b>	<b>28,752,259</b>
Noncurrent liabilities:				
Claims payable and other liabilities	-	-	-	13,855,892
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	785,304,506	34,146,353
Contracts and other notes payable, net of unamortized premiums and discounts	40,121,841	6,188,081	283,896,000	24,920
Landfill postclosure liability	-	2,869,407	2,869,407	-
Escrow and other deposits payable from restricted assets	-	-	42,055,442	-
Derivative instrument liability	-	-	5,272,407	-
Earned vacation pay	51,396	203,295	2,521,826	178,403
Net pension liability - LGERS	1,874,445	10,251,383	57,622,610	4,078,572
Net OPEB liability	1,971,045	10,593,948	58,171,595	4,205,015
<b>Total noncurrent liabilities</b>	<b>44,018,727</b>	<b>30,106,114</b>	<b>1,237,713,793</b>	<b>56,489,155</b>
<b>Total liabilities</b>	<b>54,817,941</b>	<b>37,138,766</b>	<b>1,376,161,953</b>	<b>85,241,414</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	3,272,203	-
Leases	10,849,825	-	13,743,037	-
Pension deferrals - LGERS	97,537	546,613	2,953,474	224,280
OPEB deferrals	96,596	499,732	2,037,401	173,951
<b>Total deferred inflows of resources</b>	<b>11,043,958</b>	<b>1,046,345</b>	<b>22,006,115</b>	<b>398,231</b>
<b>NET POSITION</b>				
Net investment in capital assets	53,911,632	8,472,303	1,736,232,425	20,956,364
Unrestricted	3,899,005	1,077,550	517,740,168	69,883,984
<b>Total net position</b>	<b>\$ 57,810,637</b>	<b>\$ 9,549,853</b>	<b>\$ 2,253,972,593</b>	<b>\$ 90,840,348</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			23,592,385	
<b>Net position of business-type activities</b>			<b>\$ 2,277,564,978</b>	

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenses,  
and Changes in Fund Net Position - Proprietary Funds  
For the fiscal year ended June 30, 2024**

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
<b>Operating revenues</b>				
User charges	\$ 304,113,339	\$ 18,073,659	\$ 1,567,977	\$ 35,778,940
Other	6,898,663	1,098,329	283,153	117,930
<b>Total operating revenues</b>	<b>311,012,002</b>	<b>19,171,988</b>	<b>1,851,130</b>	<b>35,896,870</b>
<b>Operating expenses</b>				
Personnel services	63,844,572	12,493,778	2,095,382	14,476,393
Other operational expenses	76,853,427	10,922,244	8,250,402	8,106,786
Management contract charges	-	-	32,810,913	-
Claims	-	-	-	-
Premiums	-	-	-	-
Amortization	1,193,513	-	29,537	55,334
Depreciation	61,185,653	8,808,870	9,049,525	5,753,273
<b>Total operating expenses</b>	<b>203,077,165</b>	<b>32,224,892</b>	<b>52,235,759</b>	<b>28,391,786</b>
<b>Operating income (loss)</b>	<b>107,934,837</b>	<b>(13,052,904)</b>	<b>(50,384,629)</b>	<b>7,505,084</b>
<b>Nonoperating revenue (expense)</b>				
Gain (loss) on investments	27,150,547	94,380	-	1,670,232
Subsidy income - federal and state	400,769	-	32,906,966	15,707
Subsidy income - local	-	-	16,936,168	-
Recovery of claims	-	-	-	-
Other revenues	110,725	-	-	-
Interest expense	(28,024,123)	(7,245,223)	(814)	(10,454)
Other debt service costs	(134,698)	-	-	-
Proceeds on sale of property	121,400	58,506	20,852	-
<b>Total nonoperating revenue (expense)</b>	<b>(375,380)</b>	<b>(7,092,337)</b>	<b>49,863,172</b>	<b>1,675,485</b>
Income (loss) before contributions and transfers	107,559,457	(20,145,241)	(521,457)	9,180,569
Capital contributions	68,833,583	-	5,940,918	-
Transfers in	-	32,792,531	18,181,009	75,000
Transfers out	(238,000)	-	-	(390,650)
Change in net position	176,155,040	12,647,290	23,600,470	8,864,919
Net position, beginning of year	1,616,924,544	85,770,574	117,571,729	145,077,537
<b>Net position, end of year</b>	<b>\$ 1,793,079,584</b>	<b>\$ 98,417,864</b>	<b>\$ 141,172,199</b>	<b>\$ 153,942,456</b>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenses,  
and Changes in Fund Net Position - Proprietary Funds  
For the fiscal year ended June 30, 2024**

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
<b>Operating revenues</b>				
User charges	\$ 13,940,338	\$ 42,158,217	\$ 415,632,470	\$ 100,909,833
Other	74,004	252,058	8,724,137	8,951
<b>Total operating revenues</b>	<b>14,014,342</b>	<b>42,410,275</b>	<b>424,356,607</b>	<b>100,918,784</b>
<b>Operating expenses</b>				
Personnel services	2,628,766	16,855,141	112,394,032	7,155,408
Other operational expenses	5,652,007	28,240,035	138,024,901	18,684,867
Management contract charges	-	-	32,810,913	-
Claims	-	-	-	53,449,436
Premiums	-	-	-	4,293,201
Amortization	381,892	49,990	1,710,266	-
Depreciation	4,451,619	731,696	89,980,636	18,606,232
<b>Total operating expenses</b>	<b>13,114,284</b>	<b>45,876,862</b>	<b>374,920,748</b>	<b>102,189,144</b>
<b>Operating income (loss)</b>	<b>900,058</b>	<b>(3,466,587)</b>	<b>49,435,859</b>	<b>(1,270,360)</b>
<b>Nonoperating revenue (expense)</b>				
Gain (loss) on investments	529,228	-	29,444,387	9,581,348
Subsidy income - federal and state	-	-	33,323,442	-
Subsidy income - local	-	-	16,936,168	-
Recovery of claims	-	-	-	3,273,737
Other revenues	-	455,500	566,225	-
Interest expense	(2,000,270)	(195,543)	(37,476,427)	(1,559,178)
Other debt service costs	-	-	(134,698)	-
Proceeds on sale of property	-	-	200,758	1,836,181
<b>Total nonoperating revenue (expense)</b>	<b>(1,471,042)</b>	<b>259,957</b>	<b>42,859,855</b>	<b>13,132,088</b>
Income (loss) before contributions and transfers	(570,984)	(3,206,630)	92,295,714	11,861,728
Capital contributions	-	-	74,774,501	-
Transfers in	-	5,047,500	56,096,040	4,924,942
Transfers out	-	(15,000)	(643,650)	(17,000)
Change in net position	(570,984)	1,825,870	222,522,605	16,769,670
<b>Net position, beginning of year</b>	<b>58,381,621</b>	<b>7,723,983</b>		<b>74,070,678</b>
<b>Net position, end of year</b>	<b>\$ 57,810,637</b>	<b>\$ 9,549,853</b>		<b>\$ 90,840,348</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,345,934	
<b>Change in net position of business-type activities</b>			<b>\$ 223,868,539</b>	

The notes to the financial statements are an integral part of this statement.

# Statement of Cash Flows - Proprietary Funds

## For the fiscal year ended June 30, 2024

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 302,647,488	\$ 18,454,416	\$ 1,567,977	\$ 35,649,726
Payments to employees	(60,423,116)	(11,820,537)	(1,980,480)	(13,705,026)
Payments to suppliers and service providers	(75,422,438)	(7,926,136)	(41,492,948)	(8,288,822)
Claims paid	-	-	-	-
Premiums paid	-	-	-	-
Other receipts	7,009,388	1,098,329	283,153	126,822
Other payments	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>173,811,322</b>	<b>(193,928)</b>	<b>(41,622,298)</b>	<b>13,782,700</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating subsidies and transfers from other funds	-	32,792,531	18,181,009	75,000
Operating subsidies and transfers to other funds	(238,000)	-	-	(390,650)
Operating grants received	-	-	50,494,146	-
Internal activity - payments from (to) other funds	3,490	21,004	17,227	150
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(234,510)</b>	<b>32,813,535</b>	<b>68,692,382</b>	<b>(315,500)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase and construction of capital assets	(178,913,050)	(9,770,345)	(30,261,177)	(7,310,240)
Capital grants and other capital contributions	411,972	-	(1,792,019)	-
Proceeds from capital debt	61,700,000	-	-	-
Intergovernmental proceeds for capital debt	-	-	-	-
Principal paid on capital debt	(43,461,786)	(12,157,766)	10,378	(101,738)
Interest paid on capital debt	(24,283,374)	(7,120,243)	(1,468)	-
Other debt related payments	(134,698)	-	-	-
Lease proceeds (payments)	(116,305)	127,863	(11,739)	(8,234)
Subscription proceeds (payments)	(111,334)	8,967	(19,963)	-
Proceeds from the sale of capital assets	121,400	58,506	20,852	-
Escrow deposits	63,344	-	-	448,801
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(184,723,831)</b>	<b>(28,853,018)</b>	<b>(32,055,136)</b>	<b>(6,971,411)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Gain (loss) on investments held	25,484,466	87,971	-	1,553,965
<b>Net cash provided by investing activities</b>	<b>25,484,466</b>	<b>87,971</b>	<b>-</b>	<b>1,553,965</b>
Net increase (decrease) in cash and cash equivalents	14,337,447	3,854,560	(4,985,052)	8,049,754
Cash and cash equivalents - beginning of year	474,925,490	40,427,951	6,695,155	81,065,717
<b>Cash and cash equivalents - end of year</b>	<b>\$ 489,262,937</b>	<b>\$ 44,282,511</b>	<b>\$ 1,710,103</b>	<b>\$ 89,115,471</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 107,934,837	\$ (13,052,904)	\$ (50,384,629)	\$ 7,505,084
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	62,379,166	8,808,870	9,079,062	5,808,607
Miscellaneous nonoperating income	110,725	-	-	-
Change in assets, liabilities, deferred inflows and outflows:				
Operating receivables	(1,490,315)	39,519	826	(120,323)
Sales tax receivable	672,793	61,788	(148,540)	(24,704)
Inventories	295,231	-	(113,246)	-
Other receivables and assets	24,464	-	-	-
Accounts payable and other accrued liabilities	510,208	2,932,018	(170,673)	(157,332)
Landfill postclosure liability	-	-	-	-
(Increase) decrease in deferred outflows of resources - LGERS	944,826	170,962	30,704	209,341
Increase (decrease) in deferred inflows of resources - LGERS	367,840	66,559	11,953	81,501
Increase (decrease) in pension liability - LGERS	2,807,995	508,093	91,249	622,155
(Increase) decrease in deferred outflows of resources - OPEB	1,353,898	244,981	43,996	299,978
Increase (decrease) in deferred inflows of resources - OPEB	(1,541,516)	(278,930)	(50,093)	(341,547)
Increase (decrease) in OPEB liability	(758,915)	(137,322)	(24,662)	(168,149)
Escrow and other deposits	-	288,871	-	-
Earned vacation pay and other payroll liabilities	200,085	98,898	11,755	68,089
Unearned revenue	-	54,669	-	-
<b>Total adjustments</b>	<b>65,876,485</b>	<b>12,858,976</b>	<b>8,762,331</b>	<b>6,277,616</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 173,811,322</b>	<b>\$ (193,928)</b>	<b>\$ (41,622,298)</b>	<b>\$ 13,782,700</b>
<b>Noncash investing, capital, and financing activities:</b>				
Capital contributions from annexations and mergers	\$ 68,833,583	\$ -	\$ -	\$ -
Capital contributions from grant and assessment receivables	\$ (11,203)	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	\$ 19,146,726	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

# Statement of Cash Flows - Proprietary Funds

## For the fiscal year ended June 30, 2024

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 14,919,140	\$ 41,018,295	\$ 414,257,042	\$ 100,909,833
Payments to employees	(2,449,158)	(15,955,996)	(106,334,313)	(6,708,444)
Payments to suppliers and service providers	(5,571,523)	(27,386,340)	(166,088,207)	(18,836,190)
Claims paid	-	-	-	(53,142,026)
Premiums paid	-	-	-	(4,293,201)
Other receipts	74,004	252,058	8,843,754	3,282,688
Other payments	-	-	-	(1,664,091)
<b>Net cash provided by (used in) operating activities</b>	<b>6,972,463</b>	<b>(2,071,983)</b>	<b>150,678,276</b>	<b>19,548,569</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating subsidies and transfers from other funds	-	5,047,500	56,096,040	4,924,942
Operating subsidies and transfers to other funds	-	(15,000)	(643,650)	(17,000)
Operating grants received	-	-	50,494,146	-
Internal activity - payments from (to) other funds	(453,339)	9,238	(402,230)	(18,033)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(453,339)</b>	<b>5,041,738</b>	<b>105,544,306</b>	<b>4,889,909</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase and construction of capital assets	(1,210,948)	(49,990)	(227,515,750)	(25,013,119)
Capital grants and other capital contributions	-	-	(1,380,047)	-
Proceeds from capital debt	-	-	61,700,000	-
Intergovernmental proceeds for capital debt	-	455,500	455,500	-
Principal paid on capital debt	(3,051,830)	(786,480)	(59,549,222)	(21,557,146)
Interest paid on capital debt	(2,259,552)	(315,899)	(33,980,536)	(1,553,270)
Other debt related payments	-	-	(134,698)	-
Lease proceeds (payments)	(775,442)	(694)	(784,551)	(2,888)
Subscription proceeds (payments)	(321,141)	-	(443,471)	-
Proceeds from the sale of capital assets	-	-	200,758	1,836,181
Escrow deposits	-	-	512,145	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(7,618,913)</b>	<b>(697,563)</b>	<b>(260,919,872)</b>	<b>(46,290,242)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Gain (loss) on investments held	511,746	-	27,638,148	9,283,475
<b>Net cash provided by investing activities</b>	<b>511,746</b>	<b>-</b>	<b>27,638,148</b>	<b>9,283,475</b>
Net increase (decrease) in cash and cash equivalents	(588,043)	2,272,192	22,940,858	(12,568,289)
Cash and cash equivalents - beginning of year	12,800,126	21,343,280	637,257,719	120,525,583
<b>Cash and cash equivalents - end of year</b>	<b>\$ 12,212,083</b>	<b>\$ 23,615,472</b>	<b>\$ 660,198,577</b>	<b>\$ 107,957,294</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 900,058	\$ (3,466,587)	\$ 49,435,859	\$ (1,270,360)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	4,833,511	781,686	91,690,902	18,606,232
Miscellaneous nonoperating income	-	-	110,725	3,273,737
Change in assets, liabilities, deferred inflows and outflows:				
Operating receivables	979,008	(537,081)	(1,128,366)	-
Sales tax receivable	11,754	(52,934)	520,157	(318,820)
Inventories	-	-	181,985	(77,642)
Other receivables and assets	(206)	(602,841)	(578,583)	(856,480)
Accounts payable and other accrued liabilities	68,730	408,097	3,591,048	(255,062)
Landfill postclosure liability	-	498,532	498,532	-
(Increase) decrease in deferred outflows of resources - LGERS	53,033	293,077	1,701,943	120,023
Increase (decrease) in deferred inflows of resources - LGERS	20,647	114,101	662,601	46,727
Increase (decrease) in pension liability - LGERS	157,613	871,017	5,058,122	356,702
(Increase) decrease in deferred outflows of resources - OPEB	75,994	419,968	2,438,815	171,987
Increase (decrease) in deferred inflows of resources - OPEB	(86,525)	(478,165)	(2,776,776)	(195,820)
Increase (decrease) in OPEB liability	(42,598)	(235,409)	(1,367,055)	(96,406)
Escrow and other deposits	-	-	288,871	-
Earned vacation pay and other payroll liabilities	1,444	(85,444)	294,827	43,751
Unearned revenue	-	-	54,669	-
<b>Total adjustments</b>	<b>6,072,405</b>	<b>1,394,604</b>	<b>101,242,417</b>	<b>20,818,929</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,972,463</b>	<b>\$ (2,071,983)</b>	<b>\$ 150,678,276</b>	<b>\$ 19,548,569</b>
<b>Noncash investing, capital, and financing activities:</b>				
Capital contributions from annexations and mergers	\$ -	\$ -	\$ 68,833,583	\$ -
Capital contributions from grant and assessment receivables	\$ -	\$ -	\$ (11,203)	\$ -
Acquisition and construction of capital assets	\$ (1,210,948)	\$ -	\$ 17,935,778	\$ -

The notes to the financial statements are an integral part of this statement.

# Fiduciary Statement of Net Position

## June 30, 2024

	<u>Pension Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 196,380,203
Accrued interest receivable	33,734
Due from other funds	<u>15,717</u>
<b>Total assets</b>	<b><u>196,429,654</u></b>
<b>LIABILITIES</b>	
Claims payable	1,173,715
Accounts payable	1,071
Due to other funds	<u>33,750</u>
<b>Total liabilities</b>	<b><u>1,208,536</u></b>
<b>NET POSITION</b>	
Restricted for pensions	112,250,126
Restricted for postemployment benefits other than pensions	<u>82,970,992</u>
<b>Total net pension</b>	<b><u>\$ 195,221,118</u></b>

The notes to the financial statements are an integral part of this statement.



## Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2024

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Employer contributions	\$ 41,079,501
Retiree contributions	3,305,666
Total contributions	<u>44,385,167</u>
<b>Investment income:</b>	
Net increase (decrease) in the fair value of investments	20,414,151
Interest	4,864,869
Total investment income	25,279,020
Investment expense	(120,500)
Net investment income	<u>25,158,520</u>
Recovery of claims	1,189,134
<b>Total additions</b>	<b><u>70,732,821</u></b>
<b>DEDUCTIONS</b>	
Benefits and Withdrawals	34,754,920
Professional services	78,957
<b>Total deductions</b>	<b><u>34,833,877</u></b>
Change in net position restricted for:	
employees' retirement and other post-employment benefits	35,898,944
Net position, beginning of year	<u>159,322,174</u>
<b>Net position, end of year</b>	<b><u>\$ 195,221,118</u></b>

The notes to the financial statements are an integral part of this statement.



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# NOTES TO THE BASIC FINANCIAL STATEMENTS

## JUNE 30, 2024

### Note 1. Summary of Significant Accounting Policies

#### A. Reporting entity

The City of Raleigh (the "City") is a municipal corporation established in 1792 by the North Carolina General Assembly. The City operates under a council-manager form of government with a mayor and seven Council Members comprising the governing body.

The accounting policies of the City of Raleigh conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. All applicable GASB statements have been implemented. The accompanying financial statements present the government and its component unit, a legally separate entity for which the City is financially accountable.

The financial statements of the following organization are included in this report as a blended component unit:

**Blended Component Unit. Walnut Creek Financing Assistance Corporation (WCFAC).** The WCFAC is governed by a three-member board appointed by the City Council. Although it is legally separate from the City, the WCFAC is reported as if it were part of the primary government because its main purpose is to issue certificates of participation for the City. Financial transactions of the WCFAC are audited and reported through the City's annual audit. No separate financial statements are prepared.

#### B. Government-wide and fund financial statements

**Government-Wide Statements.** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its blended component unit. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or activity. Indirect expense allocations are not shown on the statement of activities. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The fund financial statements provide information about the city's funds, including its fiduciary funds and blended component units. Separate financial statements for each category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

### **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available if they are collected within 90 days after year-end, except for property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to earned vacation pay and claims and judgments, are recorded only when payment is due.

Sales taxes collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Wake County and then remitted to and distributed by the State. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

As of June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

The City reports the following major governmental funds:

**General fund** – The general fund is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

The City reports the following major enterprise funds:

**Water and sewer fund** – The water and sewer fund accounts for the user charges, fees, other resources and all costs associated with the operation of the water and sewer systems of the City.

**Convention center complex fund** – The convention center complex fund accounts for the user charges, fees, other resources and all costs associated with the operation of the convention center and performing arts center facilities of the City.

**Mass transit fund** – The mass transit fund accounts for the user charges, fees, federal contributions and all operating costs associated with the operation of the transit system in the City.

**Stormwater fund** – The stormwater fund is established to account for revenues and expenses related to stormwater management.

**Parking fund** – The parking facilities fund accounts for the parking fee charges and all costs associated with the operation of all parking decks and lots owned by the City.

**Solid waste services fund** – The solid waste services fund accounts for the revenues and expenses related to the operation of the City's residential garbage collection and recycling programs.

Additionally, the City reports the following fund types:

**Internal service funds** – Account for employees' health benefits, equipment replacement, risk management services, and vehicle fleet services provided to other departments or agencies of the City on a cost reimbursement basis.

**Fiduciary funds** – The pension trust funds account for the City's contributions to a supplemental money purchase pension plan fund, Law enforcement officers' special separation allowance pension benefit trust, and other post-employment benefits.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Management of the City has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses, and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

## **D. Assets, liabilities, deferred outflows/inflows of resources and net position or equity**

### **1. Deposits and investments**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. For arbitrage purposes, the City maintains separate investments of proceeds of bond issues and other tax-exempt financings. All deposits are made in designated official depositories and are secured as required by State law (G.S. 159-31). The City may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina.

The City may make deposits in FDIC-insured or collateralized demand accounts, certificates of deposit, or such other forms of time deposits as the North Carolina Local Government Commission may approve.

The Local Government Budget and Fiscal Control Act of North Carolina governs all investments permitted to local governments. State law (G.S. 159-30(c)) authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; certain repurchase agreements; and the North Carolina Capital Management Trust (NCCMT).

The City's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

## **2. *Receivables and payables***

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City ad valorem taxes are billed by the Wake County Revenue Collector after July 1 of each year based upon the assessed value on property, other than motor vehicles, listed as of the prior January 1 lien date. In accordance with state law, property taxes on certain registered motor vehicles are assessed and collected throughout the year based on a staggered registration system. North Carolina Department of Revenue is responsible for the monthly billing and collections of City property taxes due on registered motor vehicles. Under the staggered registration system, property taxes become due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due.

The City Council is required to approve the tax levy no later than August 1, although this traditionally occurs in the month of June. Taxes are due on September 1 but do not begin to accrue penalties for nonpayment until the following January 5. Collections of City taxes are made by the County or State and are remitted to the City as collected.

Ad valorem taxes receivable at year-end are not considered to be available as a resource that can be used to finance the current year operations of the City and, therefore, are not susceptible to recognition as earned revenue. The amount of the recorded receivable for ad valorem taxes has been reduced by an allowance for uncollectible accounts and the net receivable is offset by unavailable revenue in an equal amount.

Other accounts receivable reported in governmental funds and which represent amounts considered measurable and available are recorded as revenue but based on state law, are restricted in fund balance at year-end.

Any other accounts receivable which represent amounts not subject to accrual as earned revenue are recorded as assets and are offset by unavailable revenue in an equal amount. Assessments receivable have been reduced by an amount deemed to be uncollectible.

The amounts due from other governmental agencies are grants and participation agreements which are restricted for specific programs and capital projects. Program grants, primarily accounted for in the

special revenue funds, are recognized as receivables and revenue in the period benefited, i.e., at the time reimbursable program costs are incurred.

Capital project grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

### **3. Lease receivable**

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue over the life of the lease term.

### **4. Inventories**

Inventories in the governmental, enterprise, and internal service funds consist primarily of expendable supplies held for consumption. Inventories are recorded as an expenditure at the time an item is used and are carried at cost, using the first-in, first-out (FIFO) method.

### **5. Restricted assets**

Certain proceeds of the City's enterprise fund revenue bonds, general obligation bonds, and other long-term debt obligations as defined in Footnote 3.F are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

### **6. Capital assets**

Capital assets, which include land, buildings and machinery, equipment, furniture and fixtures, software, improvements and infrastructure assets including streets, sidewalks, water and sewer systems, parking decks, buses and intangible right to use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All infrastructure has been recorded by the City at historical cost if purchased or constructed or at acquisition value at the date of donation. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets with the exception of right to use assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and machinery	40
Water and sewer systems	50
Streets and sidewalks	25
Improvements	20
Software	20
Buses	10
Furniture & fixtures	5
Equipment	5-10

**Intangible right to use assets** - The City's capital assets also include certain intangible right to use assets. These right to use assets arise in association with agreements where the City reports a lease (where the City serves as lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with GAAP requirements.

The intangible right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The intangible right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The intangible right to use subscription assets should be amortized on a straight-line basis over the subscription term.

## **7. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has several items that meet this criterion, including deferred bond refunding charges, changes in the fair value of hedging derivatives for interest rate swap agreements, and pension-related deferrals for the Local Governmental Employees' Retirement System (LGERS), Law Enforcement Special Separation Allowance (LEOSSA), and Other Post-Employment Benefits (OPEB) Plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet this criterion, including deferrals, prepaid taxes and assessments, property taxes receivable, leases, and pension deferrals for LGERS, LEOSSA, and OPEB Plans.



## 8. Earned vacation pay

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. An expenditure for these amounts is recognized as a result of employee resignations and retirements.

## 9. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Lease and IT subscription liabilities are reduced over the life of the remaining agreements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

## 10. Net position/fund balances

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, bond covenants, regulations of other governments or imposed by law through state statute.

Net position in governmental activities is restricted for other purposes as follows:

Public safety	\$	3,824,821
Community development		101,272,694
Debt service - convention center financing fund		87,352,295
Inspections		3,150,842
Disaster recovery		1,431,441
	\$	<u>197,032,093</u>

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance as follows:

**Nonspendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Inventories* – portion of fund balance that is not an available resource because it represents the year-end balance for inventories, which are not spendable resources.

*Loans receivable* – portion of fund balance that is not an available resource because it represents revolving loans receivable due to the City, which are not spendable resources.

*Leases* – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which are not spendable resources.

**Restricted Fund Balance** – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

*Restricted for stabilization by state statute* – portion of fund balance restricted by State Statute [G.S.15-98(a)].

*Restricted for debt service* – portion of fund balance that must be used to pay City obligations.

*Restricted for unspent capital debt proceeds* – portion of fund balance that is restricted for bond proceeds that are unspent.

*Restricted for federal program reserves* – portion of fund balance that is restricted by revenue source for federal programs.

*Restricted for inspections* – portion of fund balance that is restricted by State Statute [G.S.160-414(c)].

*Restricted for public safety* – portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.

**Committed Fund Balance** – This classification includes a portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Raleigh's City Council. The City Council, by adoption of an ordinance prior to the end of the fiscal year, commits fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for Law Enforcement Officers' Special Separation Allowance Fund (LEOSSA)* – portion of fund balance committed for contributions to a defined benefit plan provided to City law enforcement officers.

**Assigned Fund Balance** – This classification includes a portion of fund balance that the City of Raleigh intends to use for specific purposes. The City of Raleigh City Council has designated the City Manager as the delegated Official that can "assign" portions of fund balance per the City of Raleigh's fund balance goal policy.

*Subsequent year's appropriation* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; all budget amendments regardless of amount must be submitted to the City council for approval.

*Assigned for community development* – portion of fund balance the City intends to use for community development across the City.

*Assigned for City projects* – portion of fund balance that the City intends to use for specific projects.

*Assigned for disaster recovery* – portion of fund balance that the City intends to use for disaster recovery efforts.

*Assigned for debt service* – portion of fund balance that the City intends to use for future debt service payments.

**Unassigned Fund Balance** – This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

As a part of the City's continued fiscal stewardship and commitment to long-term financial planning, City Council approved a change to the excess fund balance policy which increased the City's General Fund annual excess fund balance goal from 14.00% to 17.00% beginning in fiscal year 2024. This policy change provides that any portion of the general fund balance in excess of 17.00% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purposes that would obligate the City in a future budget.

### **11. Pensions and Other Post-Employment Benefits**

The City participates in one cost-sharing, multiple employer, defined benefit pension plan that is administered by the State of North Carolina: the Local Government Employees' Retirement System (LGERS). The Law Enforcement Special Separation Allowance (LEOSSA) Plan and Other Post-Employment Benefits (OPEB) Plan are single-employer Trusts administered by the City.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the LGERS and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS.

For purposes of measuring the net LEOSSA liability and the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the LEOSSA and OPEB Plans, and LEOSSA and OPEB expense, information about the fiduciary net position of the LEOSSA and OPEB Plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the LEOSSA and OPEB Plans. For this purpose, the LEOSSA and OPEB Plans recognize benefit payments when due and payable in accordance with the benefit terms. Employer contributions are determined and paid annually based on actuarial recommendations.

All investments for pensions and OPEB as described above are reported at fair value.

### **12. Interest rate swap**

The City enters into interest rate swap agreements to modify interest rates on outstanding debt. The interest rate swaps are reported in the net position statements for proprietary funds at fair value.

## **Note 2. Stewardship, Compliance and Accountability**

### **A. Budgetary information**

As required by the North Carolina Budget and Fiscal Control Act, the City adopts balanced budget ordinances for all funds except the trust funds, which are not budgeted. The budgets shown in the financial statements reflect amounts adopted by the budget ordinances as amended and approved at the close of the day on June 30, 2024. The City adopts annual budgets prepared on the modified accrual basis for the general fund, the enterprise operating funds and the convention center financing fund. All other funds including all capital project funds and the remaining grant funds adopt project budgets.

The appropriated budget is prepared by fund, function, and department. Appropriations are adopted at the fund level except for the General fund which is adopted at the department level, and the Water and Sewer fund which is adopted at the function level. The adopted budget is entered into the accounting records and comparisons of actual to budget are made throughout the year. Adjustments to the original budget may become necessary to meet changing circumstances during the fiscal year. Two types of changes can occur: budget amendments and budget transfers. Such changes are required at the line-item level of the budget underlying the budget ordinance. The City Manager is authorized to transfer budget amounts within a fund up to \$50,000. Transfers greater than \$50,000, all transfers between funds, and all amendments increasing total budgeted expenditures require City Council approval.

Appropriations for funds with annual budgets lapse at the end of the budget year. Capital and grant project budget appropriations do not lapse until the completion of the project or grant. However, City Council may amend these budgets throughout the year for new projects or other changes to existing appropriations as are needed. Encumbrances outstanding at year-end are reported as "reserved for encumbrances" against fund balance and are reappropriated during the subsequent year.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General fund presents comparisons of the original and final budget with actual data. Since the legally adopted budget is on a basis that differs from GAAP, the actual data is similarly presented on a budgetary basis for comparison purposes.

### **B. Deficit net position**

As a result of reporting pension and OPEB obligations, one fund reflects a deficit in net position - Vehicle Fleet Services Fund (\$3,532,434).

The City funds both the LGERS and OPEB liability based on actuarially determined contributions recommended for the plans.

## **Note 3. Detailed Notes on All Funds**

### **A. Deposits and investments**

**Deposits.** All of the City's deposits are either insured or collateralized by the Pooling Method. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the

actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Pooling Method depository. The City relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. It is the City's policy to utilize only the pooling method of collateralization. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that the deposits are properly secured.

As of June 30, 2024, the City's bank balance in operating accounts was \$47,538,331 and the carrying amount of the City's deposits was \$35,050,444. The difference represents reconciling items such as deposits and payments in transit. Of the bank balance, \$508,093 was covered by federal depository insurance and \$47,538,331 was covered by collateral held under the Pooling Method.

**Investments.** As of June 30, 2024, the City had the following investments and maturities:

Investment Type	Valuation		%	< 1 Year	1- 3 Years	>3 - 5 Years
	Measurement Method	Fair Value				
US Government Treasuries	Fair Value, Level 1	\$ 896,319,366	59.63%	\$ 225,466,276	\$ 490,408,000	180,445,090
US Government Agencies	Fair Value, Level 2	444,780,341	29.60%	163,731,030	256,886,651	24,162,660
NCCMT - Government Portfolio	Amortized Cost	31,881,401	2.12%	31,881,401	-	-
NC Municipal Bonds	Fair Value, Level 1	35,360,516	2.35%	7,940,008	16,858,395	10,562,113
AGPIP Capital/Risk Reserves	Fair Value, Level 1	48,441,519	3.22%	48,441,519	-	-
AGPIP Capital/Risk Reserves*	Fair Value, Level 2	25,935,678	1.73%	99,241	-	25,836,437
North Carolina Investment Pool (NCIP)	Amortized Cost	10,715,250	0.71%	10,715,250	-	-
Commercial Paper	Amortized Cost	9,620,333	0.64%	9,620,333	-	-
<b>Total Government-wide investments</b>		<b>\$ 1,503,054,404</b>	<b>100.00%</b>	<b>\$ 497,895,058</b>	<b>\$ 764,153,046</b>	<b>\$ 241,006,300</b>

\* BIF portion is allocated to long-term maturity

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

In accordance with accounting standards, the City reports the market value of all investments at the end of every fiscal year to reflect the impact on the financial results in the unlikely event the City would have to sell all its investments at fiscal year-end market prices. The year-end market value is referred to as a "mark to market" adjustment. This adjustment is reliant upon the change in market values over the prior year. While the City is required to report this adjustment on the financial statements, the City will not realize gains or losses in interest earnings because investments are generally held until maturity to meet the City's future cash flow needs.

At June 30, 2024 the City's capital/risk reserves had \$74,377,197 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes.

At year-end, the City's capital/risk reserves were invested as follows: Short Term Investment Fund (STIF) 0.13%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 34.74% and Equity Index Fund (EIF) 65.13% (the equities were split with 64.67% in domestic securities and 35.33% in international securities).

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits direct investment of operating funds to securities maturing no more than five years from the date of purchase. Investments shown with a maturity date greater than five years are pursuant to N.C.G.S. 147-69.2 and represent accounts holding the City's capital and risk reserves, Other Post-Retirement Benefits Trust fund and Law Enforcement Officer's special separation allowance Trust fund. Also, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates to meet the operating requirements of each individual fund and cash flow requirements of the City's overall operations. Reserve funds invested by external asset managers are not required to meet liquidity needs within the short-term and may have maturities generally consistent with benchmark indices established to monitor performance of the asset managers.

**Credit Risk.** State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City currently holds investments with long-term credit ratings as follows:

Bank	Long-term Credit Ratings		
	S & P	Moody's	Fitch
US Treasury Obligations	AA+	Aaa	AA+
US Government Agency Securities	AA+	Aaa	AA+
NCCMT - Government Portfolio	AAAm	AAAmf	N/A
NCIP	AAAm	N/A	AAAmf

**Concentration of Credit Risk.** The City's investment policy does not restrict the level of investment in US Treasury Obligations, US Government Agency Securities or the NCCMT, but it restricts investment in NC municipal bonds to no more than 10.00% of the total investment portfolio and commercial paper or bankers' acceptances of a single issuer to no more than 5.00% of the total investment portfolio. As of June 30, 2024, NC municipal bonds comprise 2.35% of the total investment portfolio and commercial paper is 0.64% of the total investment portfolio, with no allocation to a single user above the 5% policy target.

Fiduciary funds are reported on a stand-alone basis and are not presented in the government-wide statement of net position.

A summary of cash and investments as of June 30, 2024 is as follows:

	Government-wide	Fiduciary	Total
Petty cash and change funds	\$ 15,542	\$ -	\$ 15,542
Deposits (checking, money market)	49,479,241	-	49,479,241
Fiduciary cash and investments	-	196,380,203	196,380,203
Investments	1,503,054,404	-	1,503,054,404
<b>Total cash and cash equivalents</b>	<b>1,552,549,187</b>	<b>196,380,203</b>	<b>1,748,929,390</b>
Restricted deposits and bond proceeds	75,129,704	-	75,129,704
<b>Total cash</b>	<b>\$ 1,627,678,891</b>	<b>\$ 196,380,203</b>	<b>\$ 1,824,059,094</b>

Investment results shown in the financial statements are a combination of actual interest received, realized gains and losses on current year activity, and unrealized gains and losses as of the balance sheet date.

## **B. Lease receivable**

The City has entered into multiple governmental activities leases as lessor of office space. For the year ended June 30, 2024, the value of the lease receivable is \$16,203,759. The leases have interest rates ranging from 0.727 – 2.583%. The value of the deferred inflows of resources for the year ended June 30, 2024 was \$15,037,440, and the City recognized lease revenue of \$645,797 during the year.

The City has entered into multiple business-type leases as lessor of parking decks. For the year ended June 30, 2024, the value of the lease receivable is \$12,093,303. The leases have interest rates ranging from 1.991 – 2.583%. The value of the deferred inflows of resources for the year ended June 30, 2024 was \$10,849,825, and the City recognized lease revenue of \$772,759 during the year.

The City has entered into multiple business-type leases as lessor of cell towers. For the year ended June 30, 2024, the value of the lease receivable is \$2,746,977. The leases have interest rates ranging from 0.514 – 2.844%. The value of the deferred inflows of resources for the year ended June 30, 2024 was \$2,893,212, and the City recognized lease revenue of \$431,767 during the year.

### C. Capital assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	July 1, 2023	Additions	Transfers	Deletions	June 30, 2024
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 233,072,716	\$ 2,497,718	\$ -	\$ -	\$ 235,570,434
Construction in progress	312,835,653	100,181,357	(12,249,335)	(9,512)	400,758,163
<b>Total capital assets, not being depreciated</b>	<b>545,908,369</b>	<b>102,679,075</b>	<b>(12,249,335)</b>	<b>(9,512)</b>	<b>636,328,597</b>
Capital assets, being depreciated and amortized:					
Buildings and machinery	354,584,946	20,000,000	-	-	374,584,946
Streets and sidewalks	953,719,573	3,417,142	-	-	957,136,715
Buses	459,066	-	-	-	459,066
Equipment	166,736,963	17,333,708	-	(3,534,490)	180,536,181
Furniture and fixtures	1,309,857	-	-	-	1,309,857
Improvements - general and parks	471,940,704	655,881	11,215,634	-	483,812,219
Software	46,851,680	3,926	1,033,701	-	47,889,307
Intangible right to use assets:					
Lease land	118,375	-	-	-	118,375
Lease buildings	10,959,637	1,428,598	-	-	12,388,235
Lease equipment	12,231,740	6,512,682	-	-	18,744,422
IT subscriptions	6,215,709	21,000	-	-	6,236,709
<b>Total capital assets being depreciated</b>	<b>2,025,128,250</b>	<b>49,372,937</b>	<b>12,249,335</b>	<b>(3,534,490)</b>	<b>2,083,216,032</b>
Less accumulated depreciation and amortization for:					
Buildings and machinery	114,853,570	8,900,171	-	-	123,753,741
Streets and sidewalks	635,576,690	25,617,015	-	-	661,193,705
Buses	91,812	45,906	-	-	137,718
Equipment	122,259,817	14,062,414	-	(3,365,891)	132,956,340
Furniture and fixtures	1,309,857	-	-	-	1,309,857
Improvements - general and parks	236,248,203	19,552,751	-	-	255,800,954
Software	30,529,133	2,394,465	-	-	32,923,598
Intangible right to use assets:					
Lease land	59,188	29,594	-	-	88,782
Lease buildings	4,150,474	1,856,077	-	-	6,006,551
Lease equipment	6,097,563	3,193,403	-	-	9,290,966
IT subscriptions	2,118,971	2,223,357	-	-	4,342,328
<b>Total accumulated depreciation and amortization</b>	<b>1,153,295,278</b>	<b>77,875,153</b>	<b>-</b>	<b>(3,365,891)</b>	<b>1,227,804,540</b>
<b>Total capital assets being depreciated, net</b>	<b>871,832,972</b>	<b>(28,502,216)</b>	<b>12,249,335</b>	<b>(168,599)</b>	<b>855,411,492</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,417,741,341</b>	<b>\$ 74,176,859</b>	<b>\$ -</b>	<b>\$ (178,111)</b>	<b>\$ 1,491,740,089</b>



Depreciation expense and amortization was charged to functions/programs of the governmental activities as follows:

General government	\$ 9,945,393
Community development	323,683
Public infrastructure	35,508,509
Public safety	5,666,242
Leisure services	15,733,315
Capital assets held by certain internal service funds are charged to the various governmental functions based on the usage of the assets	<u>10,698,011</u>
<b>Total depreciation and amortization - governmental activities</b>	<b><u>\$ 77,875,153</u></b>

The amount reported as additions for street and sidewalks includes \$3,417,142 from annexations.

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>June 30, 2024</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 98,163,324	\$ 8,981,291	\$ -	\$ -	\$ 107,144,615
Construction in progress	616,193,713	224,496,223	(94,185,494)	(42,172)	746,462,270
Watershed protection rights	4,780,059	500,000	1,000,000	-	6,280,059
<b>Total capital assets, not being depreciated</b>	<b><u>719,137,096</u></b>	<b><u>233,977,514</u></b>	<b><u>(93,185,494)</u></b>	<b><u>(42,172)</u></b>	<b><u>859,886,944</u></b>
Capital assets, being depreciated and amortized:					
Buildings and machinery	405,875,979	-	-	-	405,875,979
Water and sewer systems	1,859,800,237	68,913,696	74,509,069	-	2,003,223,002
Parking decks	156,535,540	-	-	-	156,535,540
Buses	75,860,894	7,607,228	-	(1,496,901)	81,971,221
Equipment	131,032,699	8,942,813	-	(3,248,238)	136,727,274
Furniture and fixtures	2,851,604	5,260	-	-	2,856,864
Improvements	475,675,272	857,278	18,676,425	-	495,208,975
Intangible right to use assets					
Lease land	232,038	-	-	-	232,038
Lease equipment	2,927,515	1,501,007	-	-	4,428,522
IT subscriptions	3,790,229	471,514	-	-	4,261,743
<b>Total capital assets being depreciated</b>	<b><u>3,114,582,007</u></b>	<b><u>88,298,796</u></b>	<b><u>93,185,494</u></b>	<b><u>(4,745,139)</u></b>	<b><u>3,291,321,158</u></b>
Less accumulated depreciation and amortization for:					
Buildings and machinery	181,636,999	10,405,817	-	-	192,042,816
Water and sewer systems	581,073,759	43,497,255	-	-	624,571,014
Parking decks	70,793,809	4,079,979	-	-	74,873,788
Buses	37,329,921	7,373,931	-	(1,496,901)	43,206,951
Equipment	102,626,927	9,789,950	-	(3,114,211)	109,302,666
Furniture and fixtures	2,851,604	1,052	-	-	2,852,656
Improvements	205,086,013	22,740,871	-	-	227,826,884
Intangible right to use assets					
Lease land	62,898	31,449	-	-	94,347
Lease equipment	1,578,611	864,588	-	-	2,443,199
IT subscriptions	796,971	1,115,869	-	-	1,912,840
<b>Total accumulated depreciation and amortization</b>	<b><u>1,183,837,512</u></b>	<b><u>99,900,761</u></b>	<b><u>-</u></b>	<b><u>(4,611,112)</u></b>	<b><u>1,279,127,161</u></b>
<b>Total capital assets being depreciated, net</b>	<b><u>1,930,744,495</u></b>	<b><u>(11,601,965)</u></b>	<b><u>93,185,494</u></b>	<b><u>(134,027)</u></b>	<b><u>2,012,193,997</u></b>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 2,649,881,591</u></b>	<b><u>\$ 222,375,549</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (176,199)</u></b>	<b><u>\$ 2,872,080,941</u></b>

Depreciation expense and amortization was charged to functions/programs of the business-type activities as follows:

Water/Sewer	\$ 62,379,163
Convention center	9,104,176
Parking	4,833,511
Mass Transit	9,079,062
Stormwater	5,814,942
Solid Waste Services	781,686
Capital assets held by certain internal service funds are charged to the various business-type activities based on the usage of the assets	<u>7,908,221</u>
<b>Total depreciation and amortization - business-type activities</b>	<b><u>\$ 99,900,761</u></b>

The amount reported as additions for water and sewer systems includes \$68,713,641 from annexations.

**Commitments - construction projects.** As of June 30, 2024, the City has \$569,668,634 in project obligations for business-type activities for construction projects in progress including encumbered amounts as follows: \$427,844,275 for water and sewer projects, \$64,511,816 for transit projects, \$21,009,515 for stormwater projects, \$53,907,665 for convention center projects and \$2,395,363 for parking garage projects. These obligations are fully budgeted and are financed through a variety of City available financing tools.

In addition, the City has \$456,776,843 in general government project obligations as of June 30, 2024. These obligations relate to construction in progress projects including encumbered amounts for street construction, redevelopment projects and community center and park construction, and other major public facilities. These projects are fully budgeted and the funding for these governmental projects is indicated through designations of fund balance as of June 30, 2024.

#### **D. Deferred revenue**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with inflows of resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Amounts arising from cash:			
Police informant account	\$ 6,343	\$ -	\$ 6,343
Cemetery cash account	8,093	-	8,093
Cafeteria plan cash	478,182	-	478,182
Prepaid taxes and assessments	181,571	13,527	195,098
Deferred revenue	<u>8,194</u>	<u>6,291,402</u>	<u>6,299,596</u>
	<b><u>682,383</u></b>	<b><u>6,304,929</u></b>	<b><u>6,987,312</u></b>
Amounts not arising from cash:			
Taxes receivable	1,095,387	-	1,095,387
Assessments receivable	<u>232,629</u>	<u>114,666</u>	<u>347,295</u>
	<b><u>1,328,016</u></b>	<b><u>114,666</u></b>	<b><u>1,442,682</u></b>
<b>Total</b>	<b><u>\$ 2,010,399</u></b>	<b><u>\$ 6,419,595</u></b>	<b><u>\$ 8,429,994</u></b>

## E. Interfund receivables, payables, and transfers

Interfund balances result from timing differences between dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances routinely clear out each month or prior to year-end.

The composition of interfund balances as of June 30, 2024, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 6,573,159
	Stormwater Fund	150
	Water and sewer fund	36,396
	Parking fund	5,478,255
	Solid waste services fund	56,988
	<b>Subtotal</b>	<b><u>12,144,948</u></b>
Nonmajor governmental funds	General fund	85,498
	Convention center fund	9,504
	<b>Subtotal</b>	<b><u>95,002</u></b>
Solid waste services fund	Mass transit fund	47,750
Internal service funds	Internal service funds	370
	Fiduciary fund	33,750
	<b>Subtotal</b>	<b><u>34,120</u></b>
Fiduciary funds	Internal service funds	15,717
	<b>Total</b>	<b><u>\$ 12,337,537</u></b>

The largest component of the \$12,144,948 receivables in the general fund represents an interfund loan for cash deficits that were covered by the general fund and reclassified to the nonmajor governmental grants fund (\$6,573,159). This reclassification occurs due to the nature of grant drawdowns and the fact the City has pre-spending authority on many transit grant projects. There is also an interfund outstanding loan (\$5,478,255) placed with the enterprise parking fund as part of a private-public partnership on a downtown parking deck. In addition, there are small amounts owed to the nonmajor governmental and business-type activities that also represent normal fiscal operations.

A summary of interfund transfers for the fiscal year ended June 30, 2024 is as follows:

Funds	General fund	Nonmajor governmental	Solid Waste Services	Stormwater	Convention Center	Mass transit	Internal service	Total Transfers Out
General fund	\$ -	\$ 68,058,205	\$ 5,047,500	\$ -	\$ 4,023,442	\$ 18,160,606	\$ 4,924,942	\$ 100,214,695
Nonmajor governmental	5,527,894	1,164,000	-	75,000	28,769,089	20,403	-	35,556,386
Solid waste services	-	15,000	-	-	-	-	-	15,000
Stormwater	298,150	92,500	-	-	-	-	-	390,650
Water and Sewer	-	238,000	-	-	-	-	-	238,000
Internal service	-	17,000	-	-	-	-	-	17,000
<b>Total Transfers In</b>	<b><u>\$ 5,826,044</u></b>	<b><u>\$ 69,584,705</u></b>	<b><u>\$ 5,047,500</u></b>	<b><u>\$ 75,000</u></b>	<b><u>\$ 32,792,531</u></b>	<b><u>\$ 18,181,009</u></b>	<b><u>\$ 4,924,942</u></b>	<b><u>\$ 136,431,731</u></b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the general fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other

funds in accordance with budgetary authorizations which include subsidies to solid waste services and mass transit. Additionally, transfers from the general fund to nonmajor governmental funds include budgetary authorizations to fund paygo capital projects.

The transfer made internally in the general fund between its operating and debt service components was \$101,483,360. This transfer was eliminated as part of the consolidation of the general fund as reported in the basic financial statements.

**F. Long-term obligations**

**1. Leases and IT Subscriptions**

The City has entered into multiple leases as lessee of land. For the year ended June 30, 2024, the value of the lease liability is \$170,542. The leases have interest rates ranging from 0.727 – 1.527%.

The City has entered into multiple leases as lessee of buildings. For the year ended June 30, 2024, the value of the lease liability is \$6,710,491. The leases have interest rates ranging from 0.514 – 1.913%.

The City has entered into multiple leases as lessee of equipment. For the year ended June 30, 2024, the value of the lease liability is \$11,739,360. The leases have interest rates ranging from 0.514 – 6.750%.

The future lease obligations and the net present value of these lease payments as of June 30, 2024 were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 5,847,363	\$ 761,168	\$ 6,608,531
2026	4,405,552	486,507	4,892,059
2027	3,104,796	293,101	3,397,897
2028	1,929,694	156,242	2,085,936
2029	1,034,346	68,115	1,102,461
2030-2034	2,003,879	128,033	2,131,912
2035	294,763	2,119	296,882
	<u>\$ 18,620,393</u>	<u>\$ 1,895,285</u>	<u>\$ 20,515,678</u>

The City has entered into multiple subscription-based information technology arrangements. For the year ending June 30, 2024, the value of the IT subscription liability is \$3,879,035. The IT subscriptions have interest rates ranging from 0.00 - 2.66%.

The future IT subscription obligations and the net present value of these IT subscription payments as of June 30, 2024 were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 1,652,194	\$ 82,715	\$ 1,734,909
2026	1,310,930	50,229	1,361,159
2027	523,329	22,243	545,572
2028	74,453	10,431	84,884
2029	76,431	8,453	84,884
2030-2033	241,698	12,956	254,654
	<u>\$ 3,879,035</u>	<u>\$ 187,027</u>	<u>\$ 4,066,062</u>

**2. General obligation bonds**

The City issues general obligation bonds to fund the acquisition and/or construction of Parks and Recreation, Transportation and Housing Program capital needs. General obligation bonds have been

issued for governmental activities. The bonds are direct obligations and interest on the bonds is payable semi-annually. The City pledges its full faith and credit and taxing power as security for General Obligation bonds. In the event of a material default, the North Carolina Local Government Commission is vested with all of the powers of the City Council as to the levy of taxes, expenditure of money, adoption of budgets, and all other financial powers conferred by law.

New bonds were not issued in fiscal year 2023-24.

General obligation bonds outstanding at June 30, 2024 are as follows:

<u>Governmental Activities</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Date Series Matures</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2024</u>	<u>Due Within One Year Fiscal 2024-2025</u>
Public Improvement, Series 2012A	3.00% to 5.00%	05/15/2012	04/01/2032	\$ 9,000,000	\$ 1,650,000	\$ -
Public Improvement, Series 2012B	3.00% to 5.00%	05/16/2012	04/01/2032	138,600,000	24,950,000	-
Public Improvement, Series 2014	3.00% to 3.25%	06/26/2014	06/01/2032	15,000,000	7,400,000	800,000
Street Improvement, Series 2015A	3.00% to 5.00%	06/24/2015	06/01/2034	5,050,000	2,800,000	250,000
GO Bonds, Series 2015B	3.00% to 5.00%	06/25/2015	06/01/2034	20,000,000	11,000,000	1,000,000
Housing Bonds, Series 2015C - Taxable	3.00% to 4.00%	06/25/2015	06/01/2034	10,000,000	5,500,000	500,000
General Obligation Refunding, Series 2016A	2.25% to 5.00%	03/02/2016	09/01/2030	101,850,000	75,695,000	15,575,000
Housing Bonds, Series 2016C	2.00% to 3.375%	03/02/2016	02/01/2036	6,000,000	3,600,000	300,000
Public Improvement Bonds, Series 2017	3.00% to 5.00%	02/14/2017	02/01/2037	68,000,000	44,200,000	3,400,000
GO Bonds, Series 2023A	4.00% to 5.00%	04/27/2023	04/01/2043	137,785,000	130,895,000	6,885,000
GO Housing Bonds, Series 2023B - Taxable	4.00% to 5.00%	04/27/2023	04/01/2043	4,695,000	4,460,000	235,000
<b>Total Governmental Activities</b>					<b>\$ 312,150,000</b>	<b>\$ 28,945,000</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 28,945,000	\$ 13,470,635
2026	29,005,000	12,083,138
2027	28,970,000	10,684,142
2028	28,450,000	9,555,901
2029	26,030,000	8,222,975
2030-2034	95,835,000	27,197,455
2035-2039	46,420,000	12,498,506
2040-2043	28,495,000	3,077,802
	<b>\$ 312,150,000</b>	<b>\$ 96,790,554</b>

**2a. General Obligation Bond Anticipation Notes**

The City has available a direct placement obligation bond anticipation note (BAN) program to finance street improvements, public improvements, parks and housing projects. BANs are short-term interest-bearing securities that are issued in advance of a larger, future bond issue. The anticipated long-term financing will be used to retire or pay off the BANs. During 2023-24 the City drew \$42,300,000 from the GO BANs 2023A and 2023B series.

The aggregate principal amount of the notes outstanding at any one time shall not exceed \$110,000,000. For the general obligation notes, the city has pledged its faith and credit to the payment of the principal

and interest on the notes. The notes will be replaced by permanent financing with general obligation bonds on or before the notes mature on May 2, 2026, and the BANs can be refinanced with a notice period of 30 days. The City had direct placement general obligation bond anticipation notes payable of \$52,151,000 outstanding at June 30, 2024. Interest rates are based upon market conditions.

Direct placement general obligation bond note and debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ -	\$ 2,459,075
2026	52,151,000	2,459,075
	<u>\$ 52,151,000</u>	<u>\$ 4,918,150</u>

2b Status of Bond Authorizations. The following represent continuing authorization of general obligation bonds, which were unsold at June 30, 2024:

Purpose	Date of Authorization	Type of Authorization	Bonds Authorized Not Yet Issued	Bonds Authorized Not Issued/Drawn
Transportation*	10/10/2017	Go Voted	\$ 159,475,000	\$ 60,000,000
Housing	11/03/2020	Go Voted	80,000,000	25,000,000
Parks and Recreation	11/08/2022	Go Voted	275,000,000	25,000,000
<b>Total</b>			<u>\$ 514,475,000</u>	<u>\$ 110,000,000</u>

Note: BANs are not considered issued from a legal perspective

\* The City extended the time period for the issuance of bonds from seven to ten years.

### 3. Defeased debt and refundings

There were no refunding of any types of debt in fiscal year 2023-24.

In prior years, the City has defeased various other bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2024, the City has no defeased debt outstanding.

#### Subsequent debt issuance

In July 2024, the City issued \$192,645,000 in limited obligation bonds to generate resources for future debt payments on the following full refundings:

- \$97,545,000 certificates of participation from series 2005B supporting the convention center including termination of the interest rate swap associated with this issuance
- \$55,000,000 certificates of participation from series 2004A supporting the convention center
- \$40,035,000 limited obligation bonds from series 2014A supporting general government
- \$13,085,000 limited obligation bonds from series 2014B supporting parking

#### 4. Revenue bonds

The City also issues revenue bonds to fund various water and sewer utility capital projects for the purpose of making water and sewer system improvements. The bonds are payable serially over the next 30 years.

The City pledges the net receipts of the Combined Enterprise System as security for revenue bonds. In the event of a material default, the trustee may declare the outstanding principal due and payable immediately. In addition, trustee may require the City to endorse all checks and other negotiable instruments representing receipts to the order of the trustee immediately.

Annual debt service requirements for 2023-24 were 16.6% of gross utility revenue and are expected to remain in this range.

Revenue bonds outstanding at June 30, 2024 are as follows:

Water and Sewer Revenue Bonds	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2024	Due Within One Year Fiscal 2024-2025
Water/Sewer Refunding, Series 2015A	3.25 - 4.00%	04/30/2015	12/01/2035	\$ 47,815,000	\$ 47,815,000	\$ -
Water/Sewer Refunding, Series 2015B	3.00 - 5.00%	12/08/2015	12/01/2025	49,860,000	12,905,000	6,295,000
Water/Sewer, Series 2016A	3.00 - 5.00%	11/16/2016	03/01/2046	99,170,000	86,355,000	2,510,000
Water/Sewer Refunding, Series 2016B	3.00 - 5.00%	11/16/2016	03/01/2040	92,190,000	82,030,000	3,730,000
Water/Sewer Refunding, Series 2019	1.75 - 3.24%	11/26/2019	03/01/2043	185,305,000	163,795,000	13,675,000
Water/Sewer Refunding, Series 2023	4.00 - 5.00%	06/15/2023	09/01/2053	303,205,000	296,585,000	8,675,000
<b>Total Water and Sewer Revenue Bonds</b>					<b>\$ 689,485,000</b>	<b>\$ 34,885,000</b>

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 34,885,000	\$ 26,919,565
2026	36,235,000	25,547,112
2027	36,365,000	24,270,158
2028	37,660,000	22,965,925
2029	38,865,000	21,739,179
2030-2034	194,760,000	86,877,153
2035-2039	129,910,000	49,753,789
2040-2044	76,965,000	30,296,732
2045-2049	52,380,000	16,280,200
2050-2054	51,460,000	5,310,400
	<b>\$ 689,485,000</b>	<b>\$ 309,960,213</b>

#### 4a. Revenue Bond Anticipation Notes

The City has available a Water and Sewer direct placement revenue bond anticipation note (BAN) program to finance water and sewer projects. BANs are short-term interest-bearing securities that are issued in advance of a larger, future bond issue. The anticipated long-term financing will be used to retire or pay off the BANs.

The aggregate principal amount of the notes outstanding from the 2023 series at any one time shall not exceed \$215,000,000. The notes are payable from net revenues of the water and sewer systems. The notes do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as provided in the revenue bond orders.

Neither the credit nor the taxing power of the City is pledged for the payment of the principal or interest, and no owner has the right to compel the exercise of the taxing power of the City or the forfeiture of any of its property in connection with any default on the notes. The notes will be replaced by permanent financing with revenue bonds on or before the notes mature on June 20, 2026, and the BANs can be refinanced with a notice period of 30 days. The City drew \$61,700,000 in 2024 and had direct placement revenue bond anticipation notes payable of \$83,200,000 outstanding at June 30, 2024. Interest rates are based upon market conditions.

Direct placement revenue bond note and debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Business-Type Activities	
	Principal	Interest
2025	\$ -	\$ 3,514,684
2026	83,200,000	3,514,684
	<b>\$ 83,200,000</b>	<b>\$ 7,029,368</b>

A trust agreement, dated December 1, 1996 and amended by the First Amendatory Trust Agreement, dated as of April 15, 2004, authorizes and secures all outstanding revenue bonds. Certain financial covenants are contained in the trust agreement, controlled by the trustee, including the requirement that the City maintain a long-term debt service coverage ratio on all utility debt of no less than 1.00. Management believes the City was in compliance with all such covenants during the fiscal year ended June 30, 2024.

The debt service coverage ratio for the fiscal year end is as follows:

Operating revenues	\$ 311,012,002
Operating expenses	(203,077,165)
Operating income	107,934,837
Nonoperating revenues	96,617,024
Nonoperating expenses	(28,396,821)
Change in net position	176,155,040
Allowable revenue adjustments for calculation	(82,772,705)
Allowable expense adjustments for calculation	95,423,036
<b>Income available for debt service</b>	<b>\$ 188,805,371</b>
Debt service, principal and interest paid on revenue bonds and certain state loans (Parity)	\$ 67,634,099
Debt service coverage ratio	2.79

## 5. Other long-term obligations

Other long-term obligations include reimbursement contracts, certificates of participation, installment financing agreements, limited obligation bonds, earned vacation pay and landfill closure and postclosure costs to be paid in future periods including interest on certificates, installment financing agreements and other installment obligations.

The City pledges real property, such as City-owned buildings, land, and/or equipment as security for its various installment financing agreements, limited obligation bonds, certificates of participation, direct placement loans. In the event of a material default, the trustee may declare the entire unpaid principal of the bonds to be immediately due and payable. In addition, the trustee may immediately institute foreclosure proceedings to attempt to dispose of the mortgaged property and apply the proceeds towards the balance owed on the bonds.



**Installment Financing Agreements.** The City has previously issued \$243,425,000 in variable rate certificates of participation to finance the construction of the convention center.

This debt was sold by the Walnut Creek Financing Assistance Corporation, a blended component unit of the City, whose main purpose is to issue certificates of participation for the City. The City has remarketing and standby purchase agreements with banks related to two variable rate issues. Under these agreements, the banks will remarket any certificates for which payment is demanded. If the certificates cannot be remarketed, the banks will purchase the certificates. Interest rates may change pursuant to the terms of the debt agreements based on market conditions.

The interest rates, per the remarketing agreements, cannot exceed 12.00%. The maximum interest, which cannot exceed 12.00%, required for these variable rate certificates through maturity would be \$305,034,600.

The schedule on the following page shows the expiration dates, which can be renewed, fees paid in fiscal year 2023-24 pursuant to the terms of the debt agreements.

As referenced in the defeased debt and refunding section, the prior issued certificates of participation were fully refunded in July 2024.

Issue	Balance June 30, 2024	Agreement Expiration	Fees Paid FY 2024	Rate June 30, 2024
2004A *	\$ 55,000,000	January 6, 2025	\$ 208,921	3.92%
2005B **	97,545,000	March 1, 2026	399,230	3.85%
	<u>\$ 152,545,000</u>		<u>\$ 608,151</u>	

\* Unhedged variable rate issuance. No associated swap

\*\* Interest rate swap

The debt service requirements to maturity, for these variable-rate installment financing agreements, including the converted fixed rate note, are shown below:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 11,560,000	\$ 5,871,590
2026	12,135,000	5,333,532
2027	12,695,000	4,805,916
2028	13,275,000	4,261,358
2029	13,905,000	3,682,568
2030-2034	88,975,000	9,295,620
	<u>\$ 152,545,000</u>	<u>\$ 33,250,584</u>

The 2016 Limited Obligation Bonds related to the Convention Center were issued on 2/24/16 to fund upfit and maintenance of the facility. These bonds mature on 2/1/2036, and annual debt service requirements to maturity are shown below:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 850,734	\$ 423,405
2026	850,734	380,869
2027	850,734	338,332
2028	848,010	295,795
2029	848,010	253,394
2030-2034	4,219,882	692,060
2035-2036	1,687,954	75,958
	<b>\$ 10,156,058</b>	<b>\$ 2,459,813</b>

The City has previously entered into installment financing agreements to finance various general governmental capital projects. These debt issues carry fixed interest rates of 3.00% to 5.25% (downtown improvement projects) and 3.00% to 4.25% (parks projects). The City also previously entered into limited obligation bonds that carry fixed coupon interest rates from 3.00% to 5.57%, and one variable rate at 0.95% at June 30, 2024, for the purpose of rehabilitating existing structures and constructing remote operations centers. Principal and interest requirements will be provided by appropriation in the year in which they become due. A detail of these debt issues is on the following page:

Installment Financing Agreements - General Governmental	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2024	Due Within One Year Fiscal 2024-2025
Limited Obligation Bds 2013A&B	10/03/2013	10/01/2038	\$ 47,595,000	\$ 2,070,000	\$ 2,070,000
Limited Obligation Bds 2013B Refunding	10/03/2013	10/01/2024	5,885,000	530,000	530,000
Limited Obligation Bds 2014A - CPS Fac & FS 12	08/28/2014	10/01/2039	66,715,000	42,705,000	2,670,000
Dix Park Acquisition IFA 2015	07/24/2015	07/01/2025	52,000,000	10,400,000	5,200,000
Limited Obligation Bds 2016 - Refunded 2007 COPS (Fayetteville St)	02/24/2016	02/01/2027	3,031,757	888,766	296,897
Limited Obligation Bds 2016 - Refunded 2007 COPS (Transfer Station)	02/24/2016	02/01/2027	906,722	312,392	98,965
Limited Obligation Bds 2016 - Refunded PNC Draw Prog	02/24/2016	02/01/2036	6,438,250	3,856,125	323,050
Limited Obligation Bds 2016 - New Money	02/24/2016	02/01/2036	2,216,575	1,327,818	111,216
Limited Obligation Bds 2016A - Refunded 2009 LOBS	06/15/2016	06/01/2034	23,577,928	13,081,020	1,308,102
Limited Obligation Bds 2020A - New Money	06/18/2020	10/01/2038	36,965,000	29,570,000	1,850,000
Limited Obligation Bds 2020A - Refunded 2010A LOBs	06/18/2020	10/01/2038	17,390,974	12,961,668	1,124,598
Limited Obligation Bds 2020B - Refunded 2013A LOBs	06/18/2020	10/01/2038	33,935,000	31,665,000	545,000
<b>Total Installment Financing Agreements - General Governmental</b>				<b>\$ 149,367,789</b>	<b>\$ 16,127,828</b>

Annual maturities are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 16,127,828	\$ 5,142,240
2026	15,583,806	4,574,368
2027	10,334,966	4,103,263
2028	9,874,234	3,700,370
2029	9,825,750	3,340,674
2030-2034	48,508,251	11,240,679
2035-2039	34,602,954	3,335,923
2040	4,510,000	89,815
	<u>\$ 149,367,789</u>	<u>\$ 35,527,332</u>

**General Governmental Limited Obligation Bond Anticipation Notes.** The City has available a direct placement obligation bond anticipation note (BAN) program to finance city hall and other public safety facilities. BANs are short-term interest-bearing securities that are issued in advance of a larger, future bond issue. The anticipated long-term financing will be used to retire or pay off the BANs. During 2023-24 the City drew \$18,631,407 from the LOBs BANs 2024 series.

The aggregate principal amount of the notes outstanding at any one time shall not exceed \$100,000,000. For the general government limited obligation notes, the city has pledged real property, such as city owned buildings, land, and/or equipment as security for the notes. The notes will be replaced by permanent financing with limited obligation bonds on or before the notes mature on May 23, 2027, and the BANs can be refinanced with a notice period of 30 days. The City had direct placement limited obligation bond anticipation notes payable of \$18,631,407 outstanding at June 30, 2024. Interest rates are based upon market conditions.

Direct placement limited obligation bond note and debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ -	\$ 895,944
2026	<u>18,631,407</u>	<u>895,944</u>
	<u>\$ 18,631,407</u>	<u>\$ 1,791,888</u>

The City has previously entered into installment financing agreements to finance various downtown parking facilities. These agreements bear interest at rates ranging from 4.20% to 5.25% with a variable rate component for one agreement, not to exceed 15.00%, which was 0.95% at June 30, 2024. There are also two variable rate agreements that each had an interest rate of 0.95% at June 30, 2024. Principal and interest requirements will be provided by appropriation in the year in which they become due. A detail of these debt issues is as follows:

<b>Installment Financing Agreements - Parking</b>	<b>Date Issued</b>	<b>Date Series Matures</b>	<b>Amount of Original Issue</b>	<b>Balance Outstanding June 30, 2024</b>	<b>Due Within One Year Fiscal 2024-2025</b>
COPS 2008 - Taxable - Blount St Parking Deck	08/13/2008	08/01/2033	\$ 12,950,000	\$ 6,170,000	\$ 565,000
COPS 2009 - Taxable - Site One Parking Deck	08/12/2009	08/01/2035	24,875,000	15,040,000	1,085,000
Limited Obligation Bds 2013B Refunding	10/03/2013	10/01/2024	8,860,000	1,000,000	1,000,000
Limited Obligation Bds 2014B Refunding	11/05/2014	10/01/2034	21,370,000	14,105,000	1,020,000
Limited Obligation Bds 2016 - Refunded 2007 COPS	02/24/2016	02/01/2032	9,429,633	5,569,272	643,276
<b>Total Installment Financing Agreements - Parking</b>				<b>\$ 41,884,272</b>	<b>\$ 4,313,276</b>

Annual maturities are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2025	\$ 4,313,276	\$ 1,641,623
2026	3,463,193	1,474,362
2027	3,632,803	1,311,843
2028	3,700,000	1,141,269
2029	3,875,000	981,146
2030-2034	19,650,000	2,434,298
2035	3,250,000	41,223
	<b>\$ 41,884,272</b>	<b>\$ 9,025,764</b>

The City has previously issued debt associated with the Solid Waste Services function. These include certificates of participation that carry fixed interest rates of 4.00% to 5.00% (Solid Waste Transfer Station), limited obligation bonds that carry fixed coupon interest rates from 3.00% to 5.57% and a variable rate agreement that had an interest rate of 0.95% at June 30, 2024 (design and construction of remote operations center). A detail of these debt issues is as follows:

<b>Installment Financing Agreements - Solid Waste Services</b>	<b>Date Issued</b>	<b>Date Series Matures</b>	<b>Amount of Original Issue</b>	<b>Balance Outstanding June 30, 2024</b>	<b>Due Within One Year Fiscal 2024-2025</b>
Limited Obligation Bds 2016 - Refunded 2007 COPS	02/24/2016	02/01/2027	\$ 3,626,888	\$ 1,249,569	\$ 395,862
Limited Obligation Bds 2016A - Refunded 2009 LOBS	06/15/2016	06/01/2034	1,295,928	718,980	71,898
Limited Obligation Bds 2020A - Refunded 2010A LOBS	06/18/2020	06/01/2035	5,264,026	3,923,332	340,402
<b>Total Installment Financing Agreements - Solid Waste Services</b>				<b>\$ 5,891,881</b>	<b>\$ 808,162</b>

Annual maturities are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2025	\$ 808,162	\$ 272,966
2026	832,267	233,852
2027	856,495	193,880
2028	422,756	153,515
2029	426,241	133,097
2030-2034	2,171,867	354,845
2035	374,093	11,223
	<u>\$ 5,891,881</u>	<u>\$ 1,353,378</u>

The City has previously issued certificates of participation and master installment financing agreements to fund separate internal service funds for the purchase of rolling stock equipment for governmental and business-type activities. The debt issues carry fixed interest rates ranging from 0.67% to 3.34%. Principal and interest requirements for these debt issues will be provided by appropriation in the year they become due. A detail of these debt issues is as follows:

Installment Financing Agreements - Internal Service Funds	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2024	Due Within One Year Fiscal 2024-2025
Equipment Acquisition Project, Series 2021	06/17/2021	06/30/2026	37,010,400	14,938,092	7,444,439
Equipment Acquisition Project, Series 2023	06/14/2023	06/30/2028	43,000,000	34,961,710	8,309,010
<b>Total Installment Financing Agreements - Internal Service</b>				<u>\$ 49,899,802</u>	<u>\$ 15,753,449</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	8,185,668	715,124	7,567,781	470,100
2026	8,378,923	521,875	7,703,590	334,295
2027	5,492,212	327,755	3,385,908	202,059
2028	5,682,501	142,784	3,503,219	88,025
	<u>\$ 27,739,304</u>	<u>\$ 1,707,538</u>	<u>\$ 22,160,498</u>	<u>\$ 1,094,479</u>

**State Revolving Loans.** During the current fiscal year, the City's Water and Sewer Utility enterprise did not receive any new proceeds from state revolving fund loans. These loans carry fixed interest rates of 0.00% to 2.66% and are payable over 20 years. Final amounts for these loans will be determined when the associated projects close. Repayment will begin six months after respective project completion.

The City has previously entered into state revolving loans to finance various water and sewer capital projects. These debt issues carry fixed interest rates as detailed below. Principal and interest requirements for these debt issues will be provided by appropriation in the year they become due.

The City pledges the revenues of the project or Combined Enterprise System as security for state revolving loans. In the event of a material default, the City may be required to prepay the note in whole to the North Carolina Department of Environmental Quality.

The City's participation in the state revolving fund loan program is summarized below:

<u>State Revolving Loans</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Series Matures</u>	<u>Original Issue</u>	<u>June 30, 2024</u>	<u>Fiscal 2024-2025</u>
Water and Sewer:						
Rolesville Projects	2.66%	11/14/2005	05/01/2025	\$ 3,000,000	\$ 150,000	\$ 150,000
Spray Irrigation	0.00%	09/01/2010	05/01/2030	625,694	168,814	28,136
Crabtree Creek North Bank Interceptor	2.45%	07/05/2011	05/01/2033	11,094,556	4,369,940	485,549
Centennial Reuse Pipeline Segment 4	0.00%	05/01/2012	05/01/2033	5,125,312	1,714,713	190,524
NRWWTP 15MGD Expansion	2.00%	4/18/2013	05/01/2037	27,638,450	17,964,994	1,381,922
DE Benton Backwash Waste Facility	0.00%	5/18/2013	05/01/2034	7,075,847	3,671,569	367,157
Sodium Permanganate Facility	0.00%	3/26/2015	05/01/2036	3,678,800	1,888,013	157,334
Crabtree Creek Improvement Phase II	2.00%	7/13/2015	05/01/2037	37,500,000	15,933,517	1,875,000
Bioenergy Recovery	0.00%	10/3/2017	05/01/2043	50,000,000	44,383,596	2,500,000
<b>Water and Sewer Total State Revolving Loans</b>					<b>\$ 90,245,156</b>	<b>\$ 7,135,622</b>

Annual maturities for Water and Sewer Utility are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 7,135,622	\$ 935,310
2026	6,985,622	854,262
2027	6,985,622	777,203
2028	6,985,623	700,144
2029	6,985,621	623,085
2030-2034	31,323,013	1,959,548
2035-2039	16,960,437	322,546
2040-2043	6,883,596	-
	<b>\$ 90,245,156</b>	<b>\$ 6,172,098</b>

The City has previously entered into a state revolving loan program to fund lake and stream enhancements. The loan is to be repaid in annual payments over 20 years at 0.00% interest and is summarized below.

<u>State Revolving Loans</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Date Series Matures</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2024</u>	<u>Due Within One Year Fiscal 2024-2025</u>
Upper Longview Restoration	0.00%	01/16/2013	05/01/2034	\$ 2,034,751	\$ 1,017,376	\$ 101,738

Annual maturities for the Stormwater Utility are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Business-type Activities Principal</u>
2025	\$ 101,738
2026	101,737
2027	101,738
2028	101,737
2029	101,738
2030-2034	508,688
	<b>\$ 1,017,376</b>

**Earned Vacation Pay.** At June 30, 2024, earned vacation pay consists of \$28,063,040 for governmental activities and \$7,152,146 for business-type activities.

**Landfill Postclosure Care Costs.** State and federal laws and regulations require the City to maintain a final cover over its Wilders Grove landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was closed for waste disposal on December 31, 1997. During 2018-19 the third-party cost estimate was updated for both postclosure costs and the corrective action plan (CAP) costs associated with ground water violations at the landfill identified in 2007-08 and new proposed stream bank repairs. The \$3,533,172 reported as landfill postclosure liability as of June 30, 2024 includes the CAP report cost estimate as well as the cost to perform the on-going postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to demonstrate financial assurance for postclosure care. The City is in compliance with these requirements, and, demonstrated such by completion of the local government financial assurance test submitted to NC Department of Environmental Quality – Solid Waste Section on November 21, 2023.

## **6. Changes in long-term liabilities**

There were current year additions to general obligation bond anticipation notes of \$42.3 million, limited obligation bond anticipation notes of \$18.6 million and revenue bond anticipation notes of \$61.7 million, which consisted of bond anticipation notes for parks and transportation needs, city hall and public safety facilities as well as water and sewer utility needs, respectively.

The long-term liabilities arising from governmental activities including earned vacation pay and pension liabilities are liquidated from the General Fund and from the City's internal service funds which predominantly serve the governmental funds including risk management and vehicle fleet services. Long-term liabilities for these internal service funds are included as part of the totals for governmental activities. At year end governmental activities included, \$434,751 earned vacation pay, \$22,537 were issued leases and lease repayments were \$21,286 for internal service funds, as well as \$27,739,304 of installment financing agreements are included in support of internal service funds.

Long-term liability governmental activity for the year ended June 30, 2024 was as follows:

Governmental activities:	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
General obligation bonds	\$ 341,085,000	\$ -	\$ 28,935,000	\$ 312,150,000	\$ 28,945,000
Unamortized premiums - GO bonds	50,213,315	-	4,259,049	45,954,266	4,259,049
Bond anticipation notes - GO	9,851,000	42,300,000	-	52,151,000	-
Bond anticipation notes - LOB	-	18,631,407	-	18,631,407	-
Installment financing agreements	205,484,926	-	28,377,833	177,107,093	24,313,596
Unamortized premiums on IFA	8,964,128	-	527,302	8,436,826	527,302
Lease liabilities	13,415,784	7,941,279	4,925,639	16,431,424	5,075,731
IT subscription liabilities	4,221,873	21,000	2,540,029	1,702,844	903,693
Earned vacation pay	25,362,170	16,674,307	13,973,437	28,063,040	13,962,437
Claims payable	24,613,396	-	500,201	24,113,195	10,257,303
<b>Subtotal before pension</b>	<b>683,211,592</b>	<b>85,567,993</b>	<b>84,038,490</b>	<b>684,741,095</b>	<b>88,244,111</b>
Net pension liability (LEOSSA)	62,875,907	-	12,584,303	50,291,604	-
Net pension liability (LGERs)	144,016,714	13,901,027	-	157,917,741	-
Net OPEB liability	159,289,009	-	3,757,018	155,531,991	-
<b>Subtotal pension</b>	<b>366,181,630</b>	<b>13,901,027</b>	<b>16,341,321</b>	<b>363,741,336</b>	<b>-</b>
<b>Total governmental activities</b>	<b>\$ 1,049,393,222</b>	<b>\$ 99,469,020</b>	<b>\$ 100,379,811</b>	<b>\$ 1,048,482,431</b>	<b>\$ 88,244,111</b>

Long-term liability business-type activity for the year ended June 30, 2024 is on the following page.



<b>Business-type activities:</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2024</b>	<b>Due Within One Year</b>
<i>Water and Sewer:</i>					
Revenue bonds	\$ 722,955,000	\$ -	\$ 33,470,000	\$ 689,485,000	\$ 34,885,000
Unamortized premium - Rev. bonds	53,216,834	-	2,856,164	50,360,670	2,856,164
Bond anticipation notes - Revenue	21,500,000	61,700,000	-	83,200,000	-
State revolving loans	97,380,777	-	7,135,621	90,245,156	7,135,622
Lease liabilities	1,006,880	478,058	477,236	1,007,702	444,070
IT subscription liabilities	1,955,634	335,767	824,930	1,466,471	600,067
Earned vacation pay	4,046,253	2,842,250	2,642,165	4,246,338	2,642,165
Net pension liability (LGERS)	29,748,520	2,807,995	-	32,556,515	-
Net OPEB liability	34,055,242	-	758,915	33,296,327	-
<b>Subtotal Water and Sewer</b>	<b>965,865,140</b>	<b>68,164,070</b>	<b>48,165,031</b>	<b>985,864,179</b>	<b>48,563,088</b>
<i>Convention Center Complex:</i>					
Installment financing agreements	174,601,792	-	11,900,734	162,701,058	12,410,735
Unamortized premiums - IFA	1,532,455	-	117,881	1,414,574	117,881
Lease liabilities	122,873	678,030	212,943	587,960	145,893
IT subscription liabilities	16,277	135,748	84,683	67,342	67,342
Earned vacation pay	601,497	422,886	371,067	653,316	371,067
Net pension liability (LGERS)	5,428,515	508,093	-	5,936,608	-
Net OPEB liability	5,599,576	-	137,322	5,462,254	-
<b>Subtotal Convention Center Complex</b>	<b>187,902,985</b>	<b>1,744,757</b>	<b>12,824,630</b>	<b>176,823,112</b>	<b>13,112,918</b>
<i>Mass Transit:</i>					
Lease liabilities	36,402	2,166	27,235	11,333	5,917
IT subscription liabilities	23,627	-	23,627	-	-
Earned vacation pay	153,771	100,988	90,740	164,019	90,740
Net pension liability (LGERS)	843,036	91,249	-	934,285	-
Net OPEB liability	1,126,935	-	24,662	1,102,273	-
<b>Subtotal Transit</b>	<b>2,183,771</b>	<b>194,403</b>	<b>166,264</b>	<b>2,211,910</b>	<b>96,657</b>
<i>Stormwater:</i>					
State revolving loans	1,119,114	-	101,738	1,017,376	101,738
Lease liabilities	130,287	86,820	59,906	157,201	60,831
Earned vacation pay	838,699	661,180	596,222	903,657	596,222
Net pension liability (LGERS)	5,447,219	622,155	-	6,069,374	-
Net OPEB liability	5,913,897	-	168,149	5,745,748	-
<b>Subtotal Stormwater</b>	<b>13,449,216</b>	<b>1,370,155</b>	<b>926,015</b>	<b>13,893,356</b>	<b>758,791</b>
<i>Parking:</i>					
Installment financing agreements	46,005,608	-	4,121,336	41,884,272	4,313,276
Unamortized premiums - IFA	2,236,199	-	261,114	1,975,085	261,114
Lease liabilities	190,715	217,389	59,686	348,418	72,830
IT subscription liabilities	721,371	-	78,993	642,378	81,092
Earned vacation pay	165,208	115,684	114,748	166,144	114,748
Net pension liability (LGERS)	1,716,832	157,613	-	1,874,445	-
Net OPEB liability	2,013,643	-	42,598	1,971,045	-
<b>Subtotal Parking</b>	<b>53,049,576</b>	<b>490,686</b>	<b>4,678,475</b>	<b>48,861,787</b>	<b>4,843,060</b>
<i>Solid Waste Services:</i>					
Installment financing agreements	6,678,360	-	786,479	5,891,881	808,162
Unamortized premiums - IFA	1,320,649	-	125,275	1,195,374	125,276
Lease liabilities	88,494	38,545	50,684	76,355	42,091
Earned vacation pay	1,109,323	724,726	815,377	1,018,672	815,377
Landfill postclosure	3,034,640	498,532	-	3,533,172	663,765
Net pension liability (LGERS)	9,380,366	871,017	-	10,251,383	-
Net OPEB liability	10,829,357	-	235,409	10,593,948	-
<b>Subtotal Solid Waste Services</b>	<b>32,441,189</b>	<b>2,132,820</b>	<b>2,013,224</b>	<b>32,560,785</b>	<b>2,454,671</b>
<i>Internal Service Funds:</i>					
Installment financing agreements	31,886,260	-	9,725,762	22,160,498	7,567,781
<b>Total business-type activities</b>	<b>\$ 1,286,778,137</b>	<b>\$ 74,096,891</b>	<b>\$ 78,499,401</b>	<b>\$ 1,282,375,627</b>	<b>\$ 77,396,966</b>

## **7. Arbitrage**

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2024, the City had no arbitrage liabilities.

## **8. Interest rate swaps**

### **2005 Swap**

The City entered into an interest rate swap agreement for the Downtown Municipal Improvement Projects Series 2005B variable rate certificates of participation effective January 20, 2005. The synthetic fixed rate swap effectively changes these variable rate demand obligations (VRDOs) to the fixed rate of 4.36%.

The certificates of participation and the related swap agreement mature on February 1, 2034. The swap notional amount of \$129,260,000 matches the variable rates certificates of participation. Beginning in February 2015, the notional value of the swap and the principal amount of the associated debt started to decline annually. Under the swap agreement, the City pays the counterparty a fixed interest payment semiannually at 4.36% of the notional amount and receives a variable interest payment equivalent to the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). At June 30, 2024, the swap had a negative fair value to the City of \$5,272,407. This mark to market valuation was established by market quotations obtained by the counterparty, representing an estimate of the amount that would be paid for replacement transactions. As of June 30, 2024, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the derivative's positive fair value. At June 30, 2024, Citibank NA, the counterparty, was rated "Aa3" by Moody's Investor's Service, "A+" by Standard and Poor's Global, and "A+" by Fitch Ratings. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the City being required to make or being entitled to receive an unanticipated termination payment based on the market value on the date of termination. As rates vary, variable rate bond interest payments and net swap payments will vary. The principal and interest payments shown below are components of the business-type activities demand bond debt service requirements as reported on page 43.

As previously discussed in the defeased debt and refundings section, subsequent to year end in July 2024, a refunding occurred which terminated the interest rate swap associated with the series 2005B variable rate certificates of participation.

Using rates as of June 30, 2024, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for the term of the 2005B variable rate certificates, were as follows:

Fiscal Year Ending June 30	Principal	Variable Rate Interest	Interest Rate Swaps, Net*	Total Interest
2025	\$ 11,560,000	\$ 3,784,746	\$ 468,216	\$ 4,252,962
2026-2030	66,555,000	11,750,386	1,453,656	13,204,042
2031-2034	19,430,000	1,927,972	238,512	2,166,484
<b>Total</b>	<b>\$ 97,545,000</b>	<b>\$ 17,463,104</b>	<b>\$ 2,160,384</b>	<b>\$ 19,623,488</b>

\*Computed using 4.36% less floating rate paid to the City (4.01% at June 30, 2024) times \$188,425,000 less accumulated annual reductions.

## G. Restricted assets

Cash, cash equivalents and investments are restricted in the accompanying statements as follows by fund:

	Unspent	
	Deposits	Debt Proceeds
<b>Governmental</b>		
General Fund	\$ -	\$ 408,041
Nonmajor governmental funds	19,334,229	3,711,172
<b>Total governmental</b>	<b>19,334,229</b>	<b>4,119,213</b>
<b>Enterprise</b>		
Water and sewer fund	12,288,468	-
Convention center fund	1,830,543	-
Mass transit fund	50,305	-
Stormwater fund	27,886,126	-
<b>Total enterprise</b>	<b>42,055,442</b>	<b>-</b>
<b>Internal service funds</b>		
Governmental equipment replacement fund	-	1,258,232
Public utilities equipment replacement fund	-	3,420,234
Solid waste services equipment replacement fund	-	4,942,354
<b>Total internal service fund</b>	<b>-</b>	<b>9,620,820</b>
<b>Total</b>	<b>\$ 61,389,671</b>	<b>\$ 13,740,033</b>

## Note 4. Other Information

### A. Risk management and employees' health benefits

The City is exposed to various risks related to tort claims; asset damages; total loss of property; errors and omissions; cyber issues; employee injuries; natural disasters; medical and dental claims for employees, retirees, and dependents, and other various risks.

The City protects itself from potential losses through a combination of self-insurance programs and the purchase of private commercial insurance coverage for various primary and excess coverage. Each year, the City experiences changes to the insurance portfolio from the prior year. The City of Raleigh is impacted by the broad landscape the industry experienced throughout the country. For the fiscal year 2023-24, the City's insurance products remained consistent with limits, including Commercial General Liability and Cyber, which

experienced minimal to moderate premium increases, while property experienced a more significant change in premiums driven by the broader property losses and weather events experienced throughout the country.

City insurance coverage includes asset and property coverage, which includes property, contents, and site improvements. The City purchased standalone property policies for terrorism and fine art. Other policies include: automobile and general liability excess coverage, which contains law enforcement liability; workers' compensation excess; cyber liability and ransom coverage; professional liability coverage for the Employee Health Center; crime and employee theft; fiduciary liability; drone liability; and other various specific policies designed to cover City seasonal functions.

For asset and property coverage, the City carries coverage up to \$500,000,000 per occurrence, with a \$100,000 deductible for property damages. Fine arts coverage carries a \$7,500,00 limit, with a \$2,500 deductible. Terrorism coverage is \$100,000,000 per occurrence and a deductible of \$100,000. Automobile and General Liability excess coverage carries a self-insured retention of \$1,000,000, with excess coverage of \$10,000,000 in the aggregate. The workers' compensation program self-insured the \$1,100,000 for non-police and fire employees and \$1,500,000 for police and fire employees, with an excess policy carrying statutory limits per occurrence, as well as employers' liability coverage of \$2,000,000 per occurrence and in the aggregate. Cyber security and liability have limits of \$10,000,000 and covers liability loss and ransom demand events.

Other various insurance coverages include crime and employee theft coverage of \$2,000,000 per occurrence and a \$25,000 deductible. This crime policy endorses Wake and Durham County tax collectors for their collection of taxes on behalf of the City. Fiduciary liability coverage of \$5,000,000 with a retention of \$25,000. Professional Liability coverage for the City's Employee Health Center of \$1,000,000 per occurrence and \$3,000,000 aggregate with a \$2,500 deductible. Drone Liability coverage provides \$1,000,000 in liability coverage per occurrence.

In accordance with NC General Statute 159-29, the City maintains a Public Official Bond on the Chief Financial Officer (CFO) in the amount of \$1,000,000.

The City provides medical and dental coverage for employees and retirees. Additional premium-based dependent coverage is available at employee expense.

The City uses internal service funds, the risk management fund and the employees' health benefits fund, to account for its risk financing activities. The claims liability total of \$24,113,195 reported for these two internal service funds as of June 30, 2024, is based upon the requirements of Statement 10, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liabilities reported include an estimate for claims incurred but not reported.

The changes in reported claims liabilities in fiscal years 2023-24 and 2022-23 are as follows:

	<u>2024</u>	<u>2023</u>
Insurance claims payable, beginning of year	\$ 24,613,396	\$ 22,812,740
Current year claims and changes in estimates	52,949,235	52,942,171
Claim payments	<u>(53,449,436)</u>	<u>(51,141,515)</u>
<b>Insurance claims payable, end of year</b>	<b><u>\$ 24,113,195</u></b>	<b><u>\$ 24,613,396</u></b>

Employees' health benefits and risk management current portion of pending claims is \$10,257,303.

## **B. Commitments and contingent liabilities**

**Commitment - Enterprise Funds.** In February 1972, the City entered into a raw water storage contract and joint use construction costs with the U. S. Corps of Engineers for raw water usage of up to 100 million gallons per day from Falls Lake. The City's estimated share of construction cost for the project was estimated at \$14,078,083 payable annually over 50 years beginning in 1984. The contract requires that the City pay certain capital and operating costs of the lake which are dependent upon future costs of operation. The City's fiscal year 2023-2024 obligation was \$1,197,375. It is estimated, at this time, that the future cost to the City will not exceed \$1,200,000 annually and will be repaid in 2033 with a final payment of \$3,726,122.

On January 24, 2019, the Assistant Secretary for the Army for Civil Works signed a sales contract for the reallocation of an additional 17,300 acre-feet of storage in Falls Lake that equates to approximately 23.3 million gallons per day of reliable yield to the City. The City's cost for this additional water supply is \$24,062,768, along with an increased share of certain capital and operating costs of the lake. The City's fiscal year 2023-2024 obligation for the reallocation was \$1,403,889. It is estimated, at this time, that the future cost to the City will not exceed \$1,500,000 annually and will be repaid in 2048.

**Contingent Liabilities.** Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**Contingent Liabilities – Facility Fees.** The City enters into Thoroughfare Facility Fee Reimbursement contracts that provide developers with contract awards based on the calculated value of the capital contributions to the City. Each contract states minimum amounts that must be paid and recorded as long-term liabilities in the City's entity-wide financial statements. The remaining liability amounts for each contract are paid based on a formula and are contingent on available funds in the facility fee reimbursement account. The total value of the contracts at June 30, 2024 was \$4,597,242. The full amount was recorded as a liability, and there is no contingent liability related to facility fees.

**Contingent Liabilities – Asset Retirement Obligations.** Annually, the City will conclude if internal events or external obligating events warrant a legally enforceable liability associated with retirement, disposal, or environmental remediation for any of our facilities and capital assets. The City does not deem that a legally enforceable liability associated with tangible assets has been incurred or is reasonably estimable. Furthermore, the City is not aware of external obligating events such as laws and regulations, contracts, or court judgments that require reporting or would be material for disclosure.

## **C. Jointly governed organizations**

**Raleigh-Durham Airport Authority.** The Raleigh-Durham Airport Authority plans and conducts operations of the Raleigh-Durham International Airport. This eight-member governing body is jointly appointed by the City of Durham, City of Raleigh, County of Durham and County of Wake, with each member government appointing two members. The authority selects the management and sets the budget and financing requirements of the airport. Each member government contributes \$12,500 annually for administration of the authority. Neither the City nor the other member governments exercise management control or

are responsible for budget and financing requirements for the authority. A special airport tax district of Durham and Wake Counties was created to aid in the financing of major airport facilities and is governed by two members each from the respective county boards of commissioners. Because of its limited role in the Raleigh-Durham Airport Authority and the related special tax district, the City does not consider its participation to be a joint venture and, accordingly, further disclosure of the airport entity is not included. The authority does not meet the criteria to be included in the City's financial reporting entity.

**Central Pines Regional Council formerly Triangle J Council of Governments.** The City is a member of the Triangle J Council of Governments, which serves a seven-county region and forty-two local governments. The participating member governments established the council to coordinate various regional interests and intergovernmental funding. Each participating government appoints one delegate to the council's governing board. The City paid dues of \$136,428 to the council during the fiscal year ended June 30, 2024. The council does not meet the criteria to be included in the City's financial reporting entity.

### **Related organizations**

**The Raleigh Housing Authority.** The Raleigh Housing Authority assists in providing housing for low income, elderly and disabled residents of the City. The mayor appoints all members of the authority's governing body, but the authority is not otherwise financially accountable to the City. The City has no responsibility in selecting the management of the authority. The primary revenue sources for the authority are federal grants and program revenues. Financial transactions between the City and the authority reflect contractual agreements between the parties for the provision of specific services by the authority for the City.

The City is not responsible for financing any deficits of the authority nor is it entitled to any surplus. In addition, the City does not guarantee any debt of the authority and such debt is not included in determining the City's statutory debt limit.

**The Raleigh Historic Districts Commission, Inc.** The Raleigh Historic Districts Commission, Inc. was formed in 1993 to exercise jurisdiction for all historic properties and historic overlay districts within Raleigh's city limits and extraterritorial jurisdiction. The commission consists of 12 members appointed by the city council. The City's accountability for the commission does not extend beyond making appointments to the commission. Revenues to support the commission come from private contributions and grants from local and state governments. In the fiscal year ended June 30, 2024 the City paid \$3,096 to the commission. The not-for-profit organization does not meet the criteria to be included in the City's financial reporting entity.

**The Raleigh Parking Deck Associates, Inc.** A for-profit corporation established to finance and construct a parking deck is reflected in substance through a lease with the City. The corporation does not meet the criteria to be included in the City's financial reporting entity.

### **Interlocal agreement with Wake County**

Pursuant to enabling legislation in 1991, the City of Raleigh and Wake County entered into an interlocal agreement to provide for the funding of various projects and facilities from the proceeds to be realized from the levy of a countywide room occupancy tax and a prepared food and beverage tax. The proceeds and distributions of the taxes are accounted for in a special revenue fund maintained by the County. The City, by terms of the enabling legislation, is granted specific allocations of the taxes, but has entered into the interlocal agreement requiring joint action of the City and County governing bodies to expend both the City and County allocations.

At June 30, 2024 the balance of the fund maintained by the County was \$7,780,770, which is not available to the City except for current and future projects jointly determined by the City and the County. The City

annually receives 85% of all uncommitted interlocal tax funds for debt service and other costs related to the convention center facility. During fiscal year 2023-24, the City received funding as follows: \$1,000,000 that the City Council dedicated for continuing support of the performing arts and convention center complex; \$680,000 to fund visitor-related programs and activities and \$46,620,376 to support the financing of the convention center facility. The City will continue to receive \$1,000,000 allocations that the City Council may use for any eligible purpose in the original state legislation.

A tri-party agreement exists between the City of Raleigh, Wake County and the Centennial Authority, a public body created by the State of North Carolina to construct and govern operations of a multi-purpose regional sports and entertainment complex, which opened in October 1999. Through the interlocal and tri-party agreements, part of the funding for this construction has been provided by the trust. Future receipts from the taxes are committed by the authority for operating support and repayment of the authority's debt.

#### ***Interlocal agreement with Transit Planning Advisory Committee (TPAC)***

The City is an active member of the Transit Planning Advisory Committee (TPAC). The committee comprises members of representatives from agencies and local governments within jurisdiction in Wake County and are charged to coordinate planning and implementation aspects of the Wake County Transit Plan. TPAC was created upon adoption of the Wake County Transit Plan and an associated Interlocal Governance Agreement (ILA) by the NC Capital Areas Metropolitan Planning Organization (CAMPO) Executive Board, the GoTriangle Board of Trustees, and the Wake County Board of Commissioners. Under the ILA, CAMPO and GoTriangle are responsible for ongoing technical and financial decisions related to plan implementation. The City was reimbursed \$18,268,932 in interlocal funding from GoTriangle for fiscal year 2024 transit operating services and capital project deliverables the City accomplished as part of the Wake County Transit Plan.

#### ***Joint venture***

***The Greater Raleigh Convention and Visitors Bureau.*** The Greater Raleigh Convention and Visitors Bureau promotes and solicits business, conventions, meeting and tourism in Wake County. The bureau receives its primary revenue from a county-wide 6.00% occupancy tax and is a joint venture of the City of Raleigh and Wake County. The governing body of the bureau is a board of directors appointed by the Raleigh City Council and the Wake County Commissioners. The County is required to distribute monthly a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the bureau's minimum annual distributions, the City and County must fund the deficiency equally to ensure that the bureau receives its minimum distribution of \$1,000,000 in any fiscal year. There was no additional funding required of the City or County in the year ended June 30, 2024. Except for an investment in capital assets previously recorded by the City, the only equity in the fund at year-end is for encumbrances which will be expensed in the subsequent year. Based on this, no additional equity interest in the bureau is recorded at June 30, 2024. Full financial statements can be obtained from the Greater Raleigh Convention and Visitors Bureau. Contact information is at <https://www.raleighchamber.org>. The bureau does not meet the criteria to be included in the City's financial reporting entity.

#### ***D. Employee retirement systems, pension plans and OPEB plan***

##### ***North Carolina Local Government Employees' Retirement System***

***Plan Description.*** The City of Raleigh is a participating employer in the statewide Local Government Employees' Retirement System (LGERS); a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter

128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. Contact information and the full financial report may be obtained at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by North Carolina General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Raleigh employees are required to contribute 6.00% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Raleigh's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Raleigh were \$38,087,991 for the year ended June 30, 2024.

**Refunds of Contributions.** City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4.00% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.



**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2024, the City reported a liability of \$215,540,351 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing updated procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 the City's proportion was 3.25%, which was a decrease of 0.23% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$57,670,982. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,017,577	\$ 517,056
Changes in assumptions	9,159,221	-
Net difference between projected and actual earnings on pension plan investments	57,688,033	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	8,099,721
City contributions subsequent to the measurement date	38,087,991	-
<b>Total</b>	<b><u>\$ 128,952,822</u></b>	<b><u>\$ 8,616,777</u></b>

\* Note: The Government-Wide Statement of Net Position on pg. 1 illustrates the final LGERS activity as reflected above. There are fluctuations in deferred outflows of resources and deferred inflows of resources year to year. Based on how the City allocates the change in this activity at a fund level, adjustments were made to the Proprietary Funds Statement of Net Position for presentation purposes to adjust for the accounting nature of ending balances at the fund level. Adjustments at the fund level between the two classifications were deemed immaterial.

City contributions subsequent to the measurement date of \$38,087,991 reported as deferred outflows of resources related to pensions will be recognized as a decrease of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Pension deferrals
2025	\$ 29,329,547
2026	13,686,690
2027	36,792,466
2028	2,439,351
2029	-
Thereafter	-
	<b><u>\$ 82,248,054</u></b>

**Actuarial Assumptions.** The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Parameter
Inflation	2.25 percent
Salary increases	3.25 to 8.25 percent, including inflation and
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, law enforcement officer and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment return and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Fixed Income	33.00%	0.90%
Global equity	38.00%	6.50%
Real estate	8.00%	5.90%
Alternatives	8.00%	8.20%
Opportunistic Fixed Income	7.00%	5.00%
Inflation protection	6.00%	2.70%
	<b>100.00%</b>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the net pension would be if it were calculated using a discount rate that is one-percentage-point lower (5.50%) or one-percentage-point higher (7.50%) than the current rate:

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1 % Increase (7.50%)
City's proportionate share of the net pension liability	\$ 373,415,192	\$ 215,540,351	\$ 85,562,993

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

**Law Enforcement Supplemental Plans  
Supplemental Retirement Income Plan for Law Enforcement Officers**

**Plan Description.** The City contributes to the Supplemental Retirement Income Plan (Plan), a section 401(k) defined contribution pension plan administered by the Department of State Treasurer and a board of trustees. The plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officers' salary, and all amounts collected are vested immediately. Also, law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$5,355,999, which consisted of \$2,729,459 from the City and \$2,626,540 from the law enforcement officers.

**Law Enforcement Officers' Special Separation Allowance (LEOSSA)**

**Plan Description.** The City is the administrator of a single-employer, defined benefit, retirement system (the "separation allowance"); established by the City to provide special separation benefits to its qualified sworn law enforcement officers, as required by state law. The City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed 5 or more years of creditable service immediately prior to retirement. The separation allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. Payments to retired officers cease at their death or on the last day of the month in which the officer attains 62 years of age or upon the first day of reemployment by any State department, agency, or institution.

Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly.

The separation allowance has a June 30, 2024 year end and does not issue a separate stand-alone financial report and is included in the City's Annual Comprehensive Financial Report as a LEOSSA Pension Benefit Trust Fund.

All full-time sworn City law enforcement officers are covered by the separation allowance. At December 31, 2022, the date of the latest actuarial valuation, the separation allowance's membership consisted of:

Retirees currently receiving benefits	195
Active plan members	628
<b>Total membership</b>	<b>823</b>

**Summary of significant accounting policies:**

**Basis of Accounting.** Financial statements for the LEOWSA Pension Benefit Trust Fund are prepared using the accrual basis of accounting. Employer contributions are recognized when due and when the City has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the plan terms.

During 2024, the City's separation allowance was moved to a formal trust that meets GASB 68 requirements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Separation Allowance and additions to/deductions from the Separation Allowance's fiduciary net position have been determined on the same basis as they are reported by the LEOWSA Pension Benefit Trust Fund, that is, using the full accrual basis of accounting. Employer contributions to the Separation Allowance are recognized when due and when the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the Separation Allowance. Investments are reported at fair value.

**Actuarial Assumptions.** The entry age actuarial cost method, amortized on a level dollar closed period was used in the December 31, 2022 valuation. The total pension liability rolled forward to December 31, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Parameter
Inflation	2.50%
Salary increases, including wage inflation and productivity factor	3.25% - 7.75%
Investment rate of return, net of pension plan investment expense, including inflation	5.50%

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial experience and assumption changes are recognized over the average expected remaining service life of the plan membership at the beginning of the measurement period.

Mortality rates were based on PUB-2010 mortality tables, with adjustments for the LGERS actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board. The actuarial value of assets were determined using the market value of investments. The remaining amortization period at December 31, 2021 was 14 years.

The investment rate of return on LEOWSA Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. The Plan actuary reviewed all information provided for the LEOWSA investment portfolio and agrees that the long-term expected rate of return of 5.50% is reasonable.

**Contributions.** The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the City contributed \$12,673,184 or 24.60% of annual covered payroll. Due to the establishment of Plan Net Position and the creation of the LEOSSA Trust in 2024, the contributions shown on the following page are larger than the cash contribution. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City paid \$5,141,606 as benefits came due for the reporting period. Administrative costs of the Separation Allowance plan are financed through investment earnings.

**Investment Policy:** The LEOSSA Plan's investment policy in regard to the allocation of invested assets has been established and may be amended by the City. The primary emphasis of the policy is on moderate capital growth with some focus on income, and pursuing an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes.

At June 30, 2024 the City's LEOSSA Trust had \$8,656,971 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's LEOSSA Trust was invested as follows: Short Term Investment Fund (STIF) 0.13%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 34.74% and Equity Index Fund (EIF) 65.13% (the equities were split with 64.67% in domestic securities and 35.33% in international securities).

The following were the asset target ranges for each major asset class as of June 30, 2024 under the LEOSSA's Plan investment policy:

Asset Class	Target Allocation
Fixed Income (Bonds)	35.00%
Equity Index Fund (Stocks)	65.00%
	<b>100.00%</b>
Long-term expected real rate of return	5.50%

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2024, the City reported a net pension liability of \$50,291,604. The net pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The net pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$6,858,147.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,246,872	\$ -
Changes of assumptions	5,194,033	11,140,183
Benefit payments and administrative expenses subsequent to the measurement date	3,030,565	-
<b>Total</b>	<b>\$ 13,471,470</b>	<b>\$ 11,140,183</b>

The \$3,030,565 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Pension deferrals
2025	\$ 1,967,956
2026	668,744
2027	(2,007,818)
2028	(1,223,192)
2029	(104,968)
Thereafter	-
	<b>\$ (699,278)</b>

**Discount Rate** The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate which assumed contributions from employers will be made at actuarially determined rates each year. Based upon the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments of 5.50% was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate.** The following presents the City's total pension liability calculated using the discount rate of 5.50%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.50%) or one-percentage-point higher (6.50%) than the current rate:

	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Total Pension Liability	<b>\$ 54,461,847</b>	<b>\$ 50,291,604</b>	<b>\$ 46,468,011</b>

	<u>Total LEOSSA Liability</u>	<u>Plan Net Position</u>	<u>Net LEOSSA Liability</u>
Balances at June 30, 2023	\$ 62,875,907	-	\$ 62,875,907
Changes for the year:			
Service cost	1,567,549		1,567,549
Interest	2,600,760		2,600,760
Difference between:			
Expected and actual experience	1,692,620		1,692,620
Change in assumptions and other inputs	(5,077,788)		(5,077,788)
Contributions - employer		13,367,444	(13,367,444)
Benefit payments	(5,066,889)	(5,066,889)	-
Net changes	(4,283,748)	8,300,555	(12,584,303)
<b>Balance as of June 30, 2024</b>	<b><u>\$ 58,592,159</u></b>	<b><u>\$ 8,300,555</u></b>	<b><u>\$ 50,291,604</u></b>

### **Other Post-Employment Benefits (OPEB) Plan**

#### **Plan Description:**

**Plan Administration.** The City administers a single employer defined benefit plan under the City of Raleigh, North Carolina OPEB Trust ("OPEB Benefit Plan"), that provides health insurance, life insurance, and Medicare supplement benefits to eligible retirees. Employees who meet any of the retirement options available through NCLGERS and retire with 15 or more years of service may continue in the City's group health plan until age 65 when employee becomes eligible for Medicare. Medicare eligible retirees receive a Medicare supplement of \$100 per month. Dependent health coverage is available until age 65 when spouse becomes eligible for Medicare. The City Council may amend the benefit provisions at any time. A separate stand-alone report for the OPEB Benefit Plan is not issued.

**Plan Membership.** All active full-time employees are eligible for membership. At June 30, 2022 (valuation date), the OPEB Benefit Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefit payments	2,330
Inactive plan members entitled to by not yet receiving benefit payments	-
Active plan members	<u>3,692</u>
<b>Total membership</b>	<b><u>6,022</u></b>

**Benefits Provided.** The City maintains two health care coverage options – Plan A and Plan B – that offer different levels of Plan premiums, copays, and deductibles so employees and retirees may elect the enrollment option best for their needs.

The City's group medical coverage continues with the option of limited or zero cost to the retiree, depending on coverage plan selected, until age 65 for retirees that were hired prior to June 30, 2008.

Retirees that were hired on or after June 30, 2008 will pay a maximum of 50.00% of the premium cost if they retired with 15 years of service until age 65. The percentage of premium contribution covered by the retiree decreases 5.00% for each additional year of service at retirement, with retirees that have 25 years of service at retirement able to continue coverage at limited or no cost.

Employees that retire under disability retirement conditions and have 5 years of service with the City at the time of retirement are eligible to continue coverage in the City's health care plan until age 65. Disability

retirees pay limited or zero cost, depending on coverage plan selected, regardless of the date of hire of that retiree.

For employees hired before July 1, 2007, spouse / dependent coverage for retirees is provided at the retiree rate. Employees hired on or after July 1, 2007 pay the full cost for spouse / dependent coverage.

The City provides employees retiring under early or normal retirement conditions with life insurance coverage in the amount of \$1,750 for the first 5 years after retirement. The life insurance coverage reduces to \$1,000 after 5 years but is paid for the lifetime of the retiree. The City provides employees retiring under disability retirement with life insurance coverage equal to their salary if they have at least 5 years of service with the City at the time of retirement. Disability retirees with 5- 10 years of service age out of life insurance coverage at age 65. For disability retirees with 10 years of service or more, life insurance coverage reduces to \$1,750 at age 65 and further reduces to \$1,000 at age 70 but remains for the lifetime of the retiree.

**Contributions.** The City pays the full cost or almost full cost of coverage, depending on coverage plan selected, for health care and life insurance benefits, and a \$100 monthly Medicare supplement for eligible retirees. The City has chosen to fund the plan benefits based on an actuarially determined annual recommended contribution. The actuarial funding calculation applies the Projected Unit Credit cost method and Level Percent of Pay amortization method. A funding recommendation is made to City Council, who evaluates this figure amongst other funding needs throughout the City when adopting the City's annual budget. For the current year the City contributed \$22,242,763 or 9.37% of the annual covered payroll. Contributions made by retirees for dependent coverage and Medicare supplement premiums were \$3,305,666. The OPEB Benefit Plan is accounted for as a trust fund.

**Basis of Accounting.** Financial statements for the OPEB Benefit Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due and when the City has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the plan terms.

**Investments:**

**Investment Policy.** The OPEB Benefit Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the City's Treasury division as given legal rights by City Council. The primary emphasis of the policy is on moderate capital growth with some focus on income, and pursuing an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy aims to refrain from dramatically shifting asset class allocations over short time spans. The portfolio is rebalanced, at a minimum, on a quarterly basis.

At June 30, 2024 the City's OPEB Benefit Plan had \$84,074,949 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's OPEB Benefit Plan was invested as follows: Short Term Investment Fund (STIF) 5.08%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 29.77% and Equity Index Fund (EIF) 65.15% (the equities were split with 64.67% in domestic securities and 35.33% in international securities).

The following was the asset target ranges for each major asset class and other investment restrictions as of June 30, 2024 under the OPEB Benefit Plan's investment policy:



Asset Class	Target Allocation
Fixed Income (Bonds)	30.00%
Equity Index Fund (Stocks)	65.00%
Short Term Investments (Cash Equiv)	5.00%
	100.00%

Long-term expected real rate of return	7.00%
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**Rate of Return.** For the year ended June 30, 2024, the annual money weighted rate of return on investments, net of investment expense was 11.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the City:**

The components of the net OPEB liability of the City at June 30, 2024 were as follows:

Total OPEB liability	\$ 296,674,578
Plan fiduciary net position	82,970,992
<b>Net OPEB liability</b>	<b>\$ 213,703,586</b>

Plan fiduciary net position as a percentage of the total OPEB liability	27.97%
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**Actuarial Assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 20232 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases, including inflation and productivity factors	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including inflation	7.00%
Healthcare cost trend rates*	7.00% for 2022

\*decreasing to an ultimate rate of 4.50% by 2032

Mortality rates were based on the Pub-2010 base mortality rates as projected from 2010 using generational mortality improvement with scale MP-2019. Rates for males are set forward 2 years and use 96% of rates under age 81 then blended to 100% at age 85 and beyond. Rates for females are 100% of rates under age 92 then blended to 110% at age 94 and beyond. For law enforcement officers, rates for males and females are set forward 1 year, and use 97% of rates for all ages.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions were based upon a review of recent plan experience and performed concurrently with the June 30, 2022 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to

produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. The Plan Actuary reviewed all information provided for the OPEB investment portfolio and agreed that the long-term expected rate of return of 7.00% is reasonable.

**Discount Rate (SEIR).** The discount rate used to measure the total OPEB liability at June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions 3.25%
- Active employees do not explicitly contribute to the Plan
- In all years, the employer is assumed to contribute the full Actuarially Determined Contributions (ADC) to the Trust fund. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated services costs of future employees
- Cash flows occur mid-year

Based on these assumptions, the Plan's fiduciary net position was projected to not be depleted.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of the City at June 30, 2024, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net OPEB Liability	\$ 239,817,731	\$ 213,703,586	\$ 190,547,447

**Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates.** The following presents the net OPEB liability of the City at June 30, 2024, as well as what the City's net OPEB liability would be if it were to calculate healthcare cost trend rates that are one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current healthcare cost trend rate:

	1% Decrease 6.00%	Healthcare Cost Trend Rate 7.00%	1% Increase 8.00%
Net OPEB Liability	\$ 186,212,581	\$ 213,703,586	\$ 245,465,863

**Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2024, the City reported a net OPEB liability of \$213,703,586. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing updated procedures incorporating the actuarial assumptions.

At June 30, 2024, the components of the City's net OPEB liability were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 289,162,578	\$ 70,334,919	\$ 218,827,659
Changes for the year:			
Service cost	6,118,163	-	6,118,163
Interest	19,573,951	-	19,573,951
Change in benefit terms	-	-	-
Differences between:			
Expected and actual experience	1,217,382	-	1,217,382
Changes of assumptions	-	-	-
Contributions - employer	-	22,242,763	(22,242,763)
Net investment income	-	9,869,763	(9,869,763)
Benefit payments	(19,397,496)	(19,397,496)	-
Plan administrative expenses	-	(78,957)	78,957
Net changes	<u>7,512,000</u>	<u>12,636,073</u>	<u>(5,124,073)</u>
<b>Balances at June 30, 2024</b>	<b><u>\$ 296,674,578</u></b>	<b><u>\$ 82,970,992</u></b>	<b><u>\$ 213,703,586</u></b>

**Changes of Assumptions.** Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2022 actuarial valuation, the actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included an inflation assumption at 2.50%, which was consistent to prior year. The discount (SEIR) rate remained at 7.00%; however, the Municipal Bond Index Rate increased from 3.65% on the prior measurement to 3.93% respectively at June 30, 2022. Medical claims cost and rates were changed based on most recent experience and change to the current schedule. The health care cost trend rate is 7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032.

Other required supplementary information is included in the required supplementary financial data.

For the year ended June 30, 2024, the City recognized OPEB expense of \$15,851,921. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between:		
Expected and actual experience	\$ 11,000,498	\$ 2,223,743
Changes of assumptions	7,981,902	4,228,062
Difference between projected and actual earnings on plan investments, net	-	1,142,666
<b>Total</b>	<b><u>\$ 18,982,400</u></b>	<b><u>\$ 7,594,471</u></b>

There were no City contributions subsequent to the measurement date for consideration.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (121,995)
2026	7,179,740
2027	2,543,562
2028	1,615,100
2029	171,522
Thereafter	-
	<b><u>\$ 11,387,929</u></b>

#### **Supplemental Retirement Plan – Section 401a**

**Plan Description.** The City contributes to a Section 401a Money Purchase Pension Plan for the purpose of providing supplemental retirement benefits to general employees. This plan is a defined contribution plan and is reported as a pension trust fund. The plan is administered by the City and Ascensus is the trustee and record keeper with investment options being exercised by employees.

**Funding Policy.** Regular full-time employees receive a City contribution of 3% of their annual salary, with no matching contribution required. During fiscal year 2023-24, the City contributed \$6,163,554 to the plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>OPEB</u>
Pension/OPEB Expense	\$ 57,670,982	\$ 6,858,147	\$ 15,851,921
Pension/OPEB Liability	215,540,351	50,291,604	213,703,586
Proportionate share of the net pension liability	3.25438%	N/A	N/A
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 24,017,577	\$ 5,246,872	\$ 11,000,498
Changes of assumptions	9,159,221	5,194,033	7,981,902
Difference between projected and actual earnings on pension plan investments	57,688,033	-	-
Changes in proportion and differences between			
City contributions (LGERS)/benefit payments and administration costs (LEOSSA, OPEB) subsequent to the measurement date	38,087,991	3,030,565	-
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 517,056	\$ -	\$ 2,223,743
Changes of assumptions	-	11,140,183	4,228,062
Difference between projected and actual earnings on plan investments, net	-	-	1,142,666
Changes in proportion and differences between			
City contributions and proportionate share of contributions	8,099,721	-	-

### ***E. Change in accounting principles***

The Governmental Accounting Standards Board (GASB) has issued pronouncements which are effective as of the fiscal year ended June 30, 2024.

During the fiscal year, the City implemented Statement No. 100, "Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62." The implementation did not have a material effect on the City's financial statements.

### ***F. New pronouncements***

The GASB has issued pronouncements prior to June 30, 2024, which have an effective date that may impact future presentations. Management has not currently determined what impact the implementation of the below statements may have on the financial statements of the City.

GASB Statement No. 101, "Compensated Absences." The requirements of this Statement will take effect starting with the fiscal year beginning after December 21, 2023.

GASB Statement No. 102, "Certain Risk Disclosures." The requirements of this Statement will take effect starting with the fiscal year beginning after June 15, 2024.

GASB Statement No. 103, "Financial Reporting Model Improvements." The requirements of this Statement will take effect starting with the fiscal year beginning after June 15, 2025.

GASB Statement No. 104, "Disclosure of Certain Capital Assets." The requirements of this Statement will take effect starting with the fiscal year beginning after June 15, 2025.

### ***G. Subsequent events***

As referenced in the Notes to the Financial Statements (3.F.3), the City completed a limited obligation bond issuance in July 2024. Refer to the referenced note for more information.

The City has evaluated events through October 28, 2024, in connection with the preparation of these financial statements, which is the date the financials were available to be issued.



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# Required Supplementary Information



**Schedule of Changes in the Net OPEB Liability and Related Ratios  
Required Supplementary Information  
Last Eight Fiscal Years**

**OPEB Benefits Plan**

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>								
Service Cost	\$ 6,118,163	\$ 5,975,402	\$ 5,787,313	\$ 6,359,717	\$ 5,693,047	\$ 5,822,396	\$ 9,927,166	\$ 10,561,625
Interest	19,573,951	18,110,668	17,613,375	16,431,054	15,721,881	15,698,439	11,950,667	10,767,810
Changes of benefits terms	-	-	-	-	(5,634)	-	-	-
Differences between expected and actual experience	1,217,382	7,431,520	2,229,569	8,106,917	3,772,689	(18,202,365)	(548,349)	-
Changes of assumptions	-	8,727,834	-	2,660,475	-	10,707,577	(65,887,310)	(14,718,276)
Benefit payments*	(19,397,496)	(19,287,138)	(17,790,335)	(15,582,717)	(14,536,852)	(12,873,618)	(13,274,514)	(13,737,352)
<b>Net change in total OPEB liability</b>	<b>7,512,000</b>	<b>20,958,286</b>	<b>7,839,922</b>	<b>17,975,446</b>	<b>10,645,131</b>	<b>1,152,429</b>	<b>(57,832,340)</b>	<b>(7,126,193)</b>
<b>Total OPEB liability - beginning</b>	<b>289,162,578</b>	<b>268,204,292</b>	<b>260,364,370</b>	<b>242,388,924</b>	<b>231,743,793</b>	<b>230,591,364</b>	<b>288,423,704</b>	<b>295,549,897</b>
<b>Total OPEB liability - ending</b>	<b>\$296,674,578</b>	<b>\$289,162,578</b>	<b>\$268,204,292</b>	<b>\$260,364,370</b>	<b>\$242,388,924</b>	<b>\$231,743,793</b>	<b>\$230,591,364</b>	<b>\$288,423,704</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 22,242,763	\$ 21,160,346	\$ 19,742,031	\$ 19,662,858	\$ 18,021,414	\$ 17,728,081	\$ 16,539,000	\$ 14,434,837
Net investment income (loss)	9,869,763	5,976,499	(9,745,446)	14,926,938	3,078,357	2,577,776	2,651,455	3,465,384
Benefit payments*	(19,397,496)	(19,287,138)	(17,790,335)	(15,582,717)	(14,536,852)	(12,873,618)	(13,274,514)	(13,737,352)
Administrative expense	(78,957)	(85,751)	(65,559)	(64,871)	(76,033)	(75,587)	(72,496)	(36,252)
<b>Net change in plan fiduciary net position</b>	<b>12,636,073</b>	<b>7,763,956</b>	<b>(7,859,309)</b>	<b>18,942,208</b>	<b>6,486,886</b>	<b>7,356,652</b>	<b>5,843,445</b>	<b>4,126,617</b>
<b>Plan fiduciary net position - beginning</b>	<b>70,334,919</b>	<b>62,570,963</b>	<b>70,430,272</b>	<b>51,488,064</b>	<b>45,001,178</b>	<b>37,644,526</b>	<b>31,801,081</b>	<b>27,674,464</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 82,970,992</b>	<b>\$ 70,334,919</b>	<b>\$ 62,570,963</b>	<b>\$ 70,430,272</b>	<b>\$ 51,488,064</b>	<b>\$ 45,001,178</b>	<b>\$ 37,644,526</b>	<b>\$ 31,801,081</b>
<b>City's net OPEB liability - ending</b>	<b>\$213,703,586</b>	<b>\$218,827,659</b>	<b>\$205,633,329</b>	<b>\$189,934,098</b>	<b>\$190,900,860</b>	<b>\$186,742,615</b>	<b>\$192,946,838</b>	<b>\$256,622,623</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	27.97%	24.32%	23.33%	27.05%	21.24%	19.42%	16.33%	11.03%
<b>Covered payroll</b>	<b>\$237,503,522</b>	<b>\$237,503,522</b>	<b>\$243,880,708</b>	<b>\$243,880,708</b>	<b>\$226,599,625</b>	<b>\$226,599,625</b>	<b>\$182,145,153</b>	<b>\$182,145,153</b>
<b>City's net OPEB liability as a percentage of covered payroll</b>	89.98%	92.14%	84.32%	77.88%	84.25%	82.41%	105.93%	140.89%

\*Benefit payments are net of participant contributions

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**Schedule of Employer Contributions  
Required Supplementary Information  
Last Nine Fiscal Years  
OPEB Benefits Plan**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 20,152,710	\$ 20,152,710	\$ 17,877,136	\$ 17,877,136	\$ 16,322,792	\$ 16,322,792	\$ 16,322,792	\$ 16,538,686	\$ 14,084,837
Contributions in relation to the actuarially determined contribution	22,242,763	21,160,346	19,742,031	19,662,858	18,021,414	17,728,081	16,539,000	14,434,837	13,949,558
<b>Contribution deficiency (excess)</b>	<b>\$ (2,090,053)</b>	<b>\$ (1,007,636)</b>	<b>\$ (1,864,895)</b>	<b>\$ (1,785,722)</b>	<b>\$ (1,698,622)</b>	<b>\$ (1,405,289)</b>	<b>\$ (216,208)</b>	<b>\$ 2,103,849</b>	<b>\$ 135,279</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll	237,503,522	237,503,522	243,880,708	243,880,708	226,599,625	226,599,625	182,145,153	182,145,153	182,145,153
Contributions as a percentage of covered payroll	9.37%	8.91%	8.09%	8.06%	7.95%	7.82%	9.08%	7.92%	7.66%

**Notes to schedule**

Valuation Date: 6/30/2022

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar payments
Amortization period	19 years
Asset valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Salary increases	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Investment rate of return	7.00%

Retirement age:

In the 2020 actuarial valuation and forward, assumed life expectancies were adjusted as a result of an actuarial experience study for the period of January 1, 2015 through December 31, 2019, adopted by the LGERS Board. In prior years, those assumptions were based on the RP-2014 Healthy Annuitant Mortality table.

Mortality:

In the 2020 actuarial valuation and forward, assumed life expectancies were adjusted as a result of adopting the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. In prior years, those assumptions were based on the RP-2014 Healthy Mortality table.

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**Schedule of Investment Returns  
Required Supplementary Information  
Last Eight Fiscal Years**

**OPEB Benefits Plan**

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	11.80%	8.38%	-15.68%	21.10%	5.83%	5.56%	6.85%	10.78%

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Ten Fiscal Years\***

**Local Government Employees' Retirement System**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Raleigh's proportion of the net pension liability (asset)	3.25438%	3.48460%	3.65305%	3.76712%	3.87861%
Raleigh's proportion of the net pension liability (asset)	\$ 215,540,351	\$ 196,581,202	\$ 56,023,029	\$ 134,615,246	\$ 105,921,814
Raleigh's covered payroll	\$ 273,243,720	\$ 259,136,863	\$ 258,415,966	\$ 258,413,079	\$ 248,029,917
Raleigh's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	78.88%	75.86%	21.62%	52.09%	42.71%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Raleigh's proportion of the net pension liability (asset)	3.86529%	3.71006%	3.82340%	3.75642%	3.72410%
Raleigh's proportion of the net pension liability (asset)	\$ 91,697,898	\$ 56,679,440	\$ 81,145,356	\$ 16,858,648	\$ (21,863,612)
Raleigh's covered payroll	\$ 240,754,795	\$ 230,212,405	\$ 210,212,491	\$ 202,649,654	\$ 194,516,160
Raleigh's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.09%	24.62%	38.60%	8.32%	(11.24%)
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**Contributions  
Required Supplementary Information  
Last Ten Fiscal Years\***

**Local Government Employees' Retirement System**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 38,087,991	\$ 34,253,536	\$ 30,151,927	\$ 26,995,729	\$ 23,648,570
Contributions in relation to the contractually required contribution	<u>38,087,991</u>	<u>34,253,536</u>	<u>30,151,927</u>	<u>26,995,729</u>	<u>23,648,570</u>
<b>Contribution deficiency (excess)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
Raleigh's covered payroll	\$ 288,163,762	\$ 273,243,720	\$ 259,136,863	\$ 258,415,966	\$ 258,413,079
Contributions as a percentage of covered payroll	13.22%	12.54%	11.64%	10.45%	9.15%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 19,688,743	\$ 18,460,693	\$ 17,046,989	\$ 14,237,418	\$ 14,479,623
Contributions in relation to the contractually required contribution	<u>19,688,743</u>	<u>18,460,693</u>	<u>17,046,989</u>	<u>14,237,418</u>	<u>14,479,623</u>
<b>Contribution deficiency (excess)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
Raleigh's covered payroll	\$ 248,029,917	\$ 240,029,917	\$ 230,212,405	\$ 210,212,491	\$ 202,649,654
Contributions as a percentage of covered payroll	7.94%	7.67%	7.40%	6.77%	7.15%

**Schedule of Changes in Total Pension Liability and Related Ratios  
Required Supplementary Information  
Last Eight Fiscal Years**

**Law Enforcement Officers' Special Separation Allowance**

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total LEOSSA Liability*:</b>								
Service Cost	\$ 1,567,549	\$ 2,372,340	\$ 2,716,402	\$ 1,622,424	\$ 1,491,697	\$ 1,520,495	\$ 1,230,644	\$ 1,367,308
Interest on the total pension liability	2,600,760	1,590,753	1,294,167	1,615,343	1,642,038	1,378,023	1,544,969	1,481,526
Difference between expected and actual experience	1,692,620	550,800	5,953,446	1,605,202	3,712,191	3,966,358	2,049,262	-
Change in assumptions and other inputs	(5,077,788)	(9,979,722)	(1,777,715)	16,810,150	1,409,124	(1,679,990)	2,344,123	(938,656)
Benefit payments	(5,066,889)	(4,716,773)	(4,366,132)	(3,930,330)	(3,700,846)	(3,663,719)	(3,507,847)	(3,260,936)
<b>Net change in total LEOSSA liability</b>	<b>\$ (4,283,748)</b>	<b>\$(10,182,602)</b>	<b>\$ 3,820,168</b>	<b>\$ 17,722,789</b>	<b>\$ 4,554,204</b>	<b>\$ 1,521,167</b>	<b>\$ 3,661,151</b>	<b>\$ (1,350,758)</b>
<b>Total LEOSSA liability - beginning</b>	<b>62,875,907</b>	<b>73,058,509</b>	<b>69,238,341</b>	<b>51,515,552</b>	<b>46,961,348</b>	<b>45,440,181</b>	<b>41,779,030</b>	<b>43,129,788</b>
<b>Total LEOSSA liability - ending</b>	<b><u>\$ 58,592,159</u></b>	<b><u>\$ 62,875,907</u></b>	<b><u>\$ 73,058,509</u></b>	<b><u>\$ 69,238,341</u></b>	<b><u>\$ 51,515,552</u></b>	<b><u>\$ 46,961,348</u></b>	<b><u>\$ 45,440,181</u></b>	<b><u>\$ 41,779,030</u></b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 13,367,444	\$ 4,716,773	\$ 4,366,132	\$ 3,930,330	\$ 3,700,846	\$ 3,663,719	\$ 3,507,847	\$ 3,260,936
Net investment income (loss)	-	-	-	-	-	-	-	-
Benefit payments**	(5,066,889)	\$ (4,716,773)	\$ (4,366,132)	\$ (3,930,330)	\$ (3,700,846)	\$ (3,663,719)	\$ (3,507,847)	\$ (3,260,936)
Administrative expense	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 8,300,555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending</b>	<b><u>8,300,555</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>City's net LEOSSA liability - ending</b>	<b><u>\$ 50,291,604</u></b>	<b><u>\$ 62,875,907</u></b>	<b><u>\$ 73,058,509</u></b>	<b><u>\$ 69,238,341</u></b>	<b><u>\$ 51,515,552</u></b>	<b><u>\$ 46,961,348</u></b>	<b><u>\$ 45,440,181</u></b>	<b><u>\$ 41,779,030</u></b>
<b>Plan fiduciary net position as a percentage of the total LEOSSA liability</b>	14.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered payroll***</b>	<b>\$ 51,507,622</b>	<b>\$ 51,939,958</b>	<b>\$ 56,156,941</b>	<b>\$ 53,414,221</b>	<b>\$ 53,106,703</b>	<b>\$ 49,859,872</b>	<b>\$ 46,317,598</b>	<b>\$ 48,708,066</b>
<b>City's net LEOSSA liability as a percentage of covered payroll</b>	97.64%	121.05%	130.10%	129.63%	97.00%	94.19%	98.11%	85.77%

\*The Law Enforcement Officer's Special Separation Allowance became a defined trust, beginning in 2024 and employer contributions are larger than prior years. As a result, information reported in 2024 may not be comparable to prior years.

\*\*Benefit payments are net of participant contributions

\*\*\*Valuation Payroll

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**Schedule of Total Pension Liability as a Percentage of Covered Payroll  
Required Supplementary Information  
Last Eight Fiscal Years**

**Law Enforcement Officers' Special Separation Allowance**

	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability*	\$58,592,159	\$62,875,907	\$73,058,509	\$69,238,341	\$51,515,552	\$46,961,348	\$ 45,440,181	\$ 41,779,030
Covered-employee payroll**	51,507,622	51,939,958	56,146,941	53,414,221	53,106,703	49,859,872	46,317,598	48,708,066
Total pension liability as a percentage of covered-employee payroll	113.75%	121.05%	130.12%	129.63%	97.00%	94.19%	98.11%	85.77%
Actuarially determined employer contribution	7,051,692							
Actual employer contributions	<u>12,673,184</u>							
Annual contribution deficiency (excess)	<u>\$ (5,621,492)</u>							
Actual contributions as a percentage of covered-employee payroll	24.60%							

**Notes to schedule**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The following actuarial methods and assumptions were used to determine the contribution rate for fiscal year 2024:

Valuation date	12/31/2022
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar closed
Amortization period	13 years
Asset valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Salary increases	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Salary increases	3.25-7.75%
Investment rate of return	4.31%

\*The Law Enforcement Officer's Special Separation Allowance became a defined trust, beginning in 2024 and employer contributions are larger than prior years. As a result, information reported in 2024 may not be comparable to prior years.

\*\*Valuation Payroll

**Schedule of Investment Returns  
Required Supplementary Information  
Last Ten Fiscal Years**

**Law Enforcement Officers' Special Separation Allowance Pension Benefits Plan**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense*	8.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*The Law Enforcement Officer's Special Separation Allowance became a defined trust, beginning in 2024. Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.



# Combining and Individual Financial Statements and Schedules

The **Combining and Individual Financial Statements and Schedules** reflect the detail level of presentation behind the basic financial statements.

Included are the following:

- Combining Statements - By Fund Type
- Individual Fund Schedules with Comparisons to Budget
- Other Schedules - Debt



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# Nonmajor Governmental Funds

The Nonmajor Governmental Funds statements include the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for nonmajor special revenue funds and nonmajor capital projects funds that comprise the other governmental funds column in the basic financial statements. The combining nonmajor special revenue funds statements and the combining nonmajor capital projects funds statements are detailed behind the special revenue funds and capital project funds summary pages that follow.

# Combining Balance Sheet Nonmajor Governmental Funds June 30, 2024

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 110,880,408	\$ 254,985,612	\$ 365,866,020
Assessments receivable, net of allowance for uncollectibles of \$85,878	-	114,666	114,666
Customer receivables	18,335	-	18,335
Franchise taxes receivable	-	19,355	19,355
Other receivables and assets	3,925	-	3,925
Due from other governmental agencies	21,697,971	4,762,925	26,460,896
Accrued interest receivable	639,549	-	639,549
Sales tax receivable	175,218	1,084,611	1,259,829
Due from other funds	95,002	-	95,002
Loans receivable, net of allowance for uncollectibles of \$9,292,004	78,947,343	-	78,947,343
Cash and cash equivalents/investments - restricted deposits and bond proceeds	15,996,855	7,048,546	23,045,401
<b>Total assets</b>	<b>\$ 228,454,606</b>	<b>\$ 268,015,715</b>	<b>\$ 496,470,321</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,716,410	\$ 19,205,873	\$ 21,922,283
Accrued salaries and employee payroll taxes	593	-	593
Sales tax payable	-	6,260	6,260
Loan servicing escrow	266,316	-	266,316
Due to other funds	6,573,159	-	6,573,159
Reimbursable facility fees	-	15,149,229	15,149,229
Escrow and other deposits payable from restricted assets	-	3,337,374	3,337,374
Due to other governmental agencies	69,391	-	69,391
Coronavirus State & Local Fiscal Recovery Fund	13,742,271	-	13,742,271
<b>Total liabilities</b>	<b>23,368,140</b>	<b>37,698,736</b>	<b>61,066,876</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Assessments receivable	-	114,666	114,666
Prepaid assessments	-	13,527	13,527
Deferred revenue	6,096,312	195,090	6,291,402
<b>Total deferred inflows of resources</b>	<b>6,096,312</b>	<b>323,283</b>	<b>6,419,595</b>
<b>FUND BALANCES</b>			
Restricted:			
Restricted debt service	87,352,295	-	87,352,295
Unspent capital debt proceeds	-	3,711,172	3,711,172
Federal program reserves	5,108,903	-	5,108,903
Public safety	3,824,821	-	3,824,821
Assigned:			
Subsequent year's appropriation	3,398,983	46,880,018	50,279,001
City projects	-	179,402,506	179,402,506
Community development	97,873,711	-	97,873,711
Disaster recovery	1,431,441	-	1,431,441
<b>Total fund balances</b>	<b>198,990,154</b>	<b>229,993,696</b>	<b>428,983,850</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 228,454,606</b>	<b>\$ 268,015,715</b>	<b>\$ 496,470,321</b>

**Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2024**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 105,459,045	\$ 1,101,091	\$ 106,560,136
Non-governmental	192,991	9,818,096	10,011,087
Assessments	-	570,715	570,715
Licenses	-	77,419	77,419
Gain (loss) on investments	6,582,399	685,171	7,267,570
Facility fees	-	15,181,792	15,181,792
Other fees and charges	-	5,411	5,411
Developer participation	-	640,000	640,000
Program income	871,385	-	871,385
Donations and contributions	-	338,701	338,701
Miscellaneous other	264,408	46,026	310,434
<b>Total revenues</b>	<b>113,370,228</b>	<b>28,464,422</b>	<b>141,834,650</b>
<b>EXPENDITURES</b>			
Current:			
General government	14,474,947	3,503,408	17,978,355
Community development services	27,976,360	385,095	28,361,455
Public infrastructure	17,413,258	42,692,120	60,105,378
Public safety	2,762,104	6,554,838	9,316,942
Leisure services	1,000,320	50,541,744	51,542,064
Economic development programs	17,117,403	-	17,117,403
<b>Total expenditures</b>	<b>80,744,392</b>	<b>103,677,205</b>	<b>184,421,597</b>
Excess (deficiency) of revenues over (under) expenditures	<b>32,625,836</b>	<b>(75,212,783)</b>	<b>(42,586,947)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	5,624,052	63,960,653	69,584,705
Transfers out	(28,737,799)	(6,818,587)	(35,556,386)
Issuance of debt	15,200,000	45,731,407	60,931,407
<b>Total other financing sources (uses)</b>	<b>(7,913,747)</b>	<b>102,873,473</b>	<b>94,959,726</b>
Net change in fund balances	24,712,089	27,660,690	52,372,779
Fund balances, beginning of year	174,278,065	202,333,006	376,611,071
<b>Fund balances, end of year</b>	<b>\$ 198,990,154</b>	<b>\$ 229,993,696</b>	<b>\$ 428,983,850</b>



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# Special Revenue Funds

The primary purpose of the **Special Revenue Funds** is to account for the proceeds of designated revenue sources that are restricted by law or administrative action for specific purposes. Revenue sources accounted for through the City's special revenue funds include various grant funds, housing bond funds, community development funds, a state and local fiscal recovery fund (SLFRF), a disaster recovery fund, a convention center financing fund, and an emergency telephone system fund.



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# Special Revenue Funds

## **Grants Fund (nonmajor fund)**

The Grants Fund accounts for activities to which federal, state, and other aid is contributed, with the exception of capital projects, federal community development, and public transportation assistance. This fund centralizes all funding sources for these activities and provides for full budgetary accountability.

## **Housing Bond Fund (nonmajor fund)**

The Housing Bond Fund accounts for City housing development programs which are financed by general obligation bond issues.

## **Community Development Fund (nonmajor fund)**

The Community Development Fund accounts for United States Department of Housing and Urban Development (HUD) grant proceeds allocated to the City for community development programs.

## **State and Local Fiscal Recovery fund (SLFRF) (nonmajor fund)**

The State and Local Fiscal Recovery fund (SLFRF) accounts for United States Department of the Treasury direct grant proceeds to be spent for purposes authorized under applicable regulations, such as community assistance, small business and hospitality support, revenue replacement to maintain critical services, housing and homelessness, community health, transit and infrastructure.

## **Disaster Recovery Fund (nonmajor fund)**

The Disaster Recovery Fund accounts for federal and state reimbursement for disaster recovery activities resulting from various natural disasters, the City's flood mitigation program, and pandemics or other emergency response events.

## **Convention Center Financing Fund (nonmajor fund)**

The Convention Center Financing Fund accounts for hotel and motel occupancy taxes collected by the County and remitted to the City per an interlocal agreement to fund the financing of the Convention Center.

## **Emergency Telephone System Fund (nonmajor fund)**

The Emergency Telephone System Fund is used to account for 911 revenues received by the state 911 board to enhance the state's 911 system.

# Combining Balance Sheet

## Nonmajor Special Revenue Funds

### June 30, 2024

	Grants Fund	Housing Bond Fund	Community Development Fund	State & Local Fiscal Recovery (SLFRF) Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 22,704,152	\$ 442,474	\$ 5,826,240
Customer receivables	-	-	-	-
Other receivables and assets	3,925	-	-	-
Due from other governmental agencies	10,701,946	-	242,005	-
Accrued interest receivable	-	-	-	-
Sales tax receivable	42,347	10,226	8,213	54,117
Due from other funds	3,068	-	9,688	-
Loans receivable, net of allowance for uncollectibles of \$9,292,004	-	45,803,289	33,144,054	-
Cash and cash equivalents/investments - restricted deposits and bond proceeds	-	-	-	13,742,271
<b>Total assets</b>	<b>\$ 10,751,286</b>	<b>\$ 68,517,667</b>	<b>\$ 33,846,434</b>	<b>\$ 19,622,628</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,051,564	\$ 389,028	\$ -	\$ 771,227
Accrued salaries and employee payroll taxes	366	-	-	227
Loan servicing escrow	-	-	266,316	-
Due to other funds	6,224,300	-	-	-
Due to other governmental agencies	-	-	69,391	-
Coronavirus State & Local Fiscal Recovery Fund	-	-	-	13,742,271
<b>Total liabilities</b>	<b>7,276,230</b>	<b>389,028</b>	<b>335,707</b>	<b>14,513,725</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	3,475,056	-	366,672	-
<b>Total deferred inflows of resources</b>	<b>3,475,056</b>	<b>-</b>	<b>366,672</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted:				
Restricted debt service	-	-	-	-
Federal program reserves	-	-	-	5,108,903
Public safety	-	-	-	-
Assigned:				
Subsequent year's appropriation	-	3,398,983	-	-
Community development	-	64,729,656	33,144,055	-
Disaster recovery	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>68,128,639</b>	<b>33,144,055</b>	<b>5,108,903</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,751,286</b>	<b>\$ 68,517,667</b>	<b>\$ 33,846,434</b>	<b>\$ 19,622,628</b>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024**

	Disaster Recovery Fund	Convention Center Financing Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,296,006	\$ 76,386,190	\$ 4,225,346	\$ 110,880,408
Customer receivables	-	18,335	-	18,335
Other receivables and assets	-	-	-	3,925
Due from other governmental agencies	135,435	10,306,178	312,407	21,697,971
Accrued interest receivable	-	632,088	7,461	639,549
Sales tax receivable	-	-	60,315	175,218
Due from other funds	-	9,504	72,742	95,002
Loans receivable, net of allowance for uncollectibles of \$9,292,004	-	-	-	78,947,343
Cash and cash equivalents/investments - restricted deposits and bond proceeds	2,254,584	-	-	15,996,855
<b>Total assets</b>	<b>\$ 3,686,025</b>	<b>\$ 87,352,295</b>	<b>\$ 4,678,271</b>	<b>\$ 228,454,606</b>
Accounts payable	\$ -	\$ -	\$ 504,591	\$ 2,716,410
Accrued salaries and employee payroll taxes	-	-	-	593
Loan servicing escrow	-	-	-	266,316
Due to other funds	-	-	348,859	6,573,159
Due to other governmental agencies	-	-	-	69,391
Coronavirus State & Local Fiscal Recovery Fund	-	-	-	13,742,271
<b>LIABILITIES</b>				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>853,450</b>	<b>23,368,140</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	2,254,584	-	-	6,096,312
<b>Total deferred inflows of resources</b>	<b>2,254,584</b>	<b>-</b>	<b>-</b>	<b>6,096,312</b>
<b>FUND BALANCES</b>				
Restricted:				
Restricted debt service	-	87,352,295	-	87,352,295
Federal program reserves	-	-	-	5,108,903
Public safety	-	-	3,824,821	3,824,821
Assigned:				
Subsequent year's appropriation	-	-	-	3,398,983
Community development	-	-	-	97,873,711
Disaster recovery	1,431,441	-	-	1,431,441
<b>Total fund balances</b>	<b>1,431,441</b>	<b>87,352,295</b>	<b>3,824,821</b>	<b>198,990,154</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,686,025</b>	<b>\$ 87,352,295</b>	<b>\$ 4,678,271</b>	<b>\$ 228,454,606</b>

**Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024**

	Grants Fund	Housing Bond Fund	Community Development Fund	State & Local Fiscal Recovery (SLFRF) Fund
<b>REVENUES</b>				
Intergovernmental (including in-kind contributions of \$10,329)	\$ 12,611,646	\$ -	\$ 7,000,543	\$ 37,314,439
Non-governmental	192,991	-	-	-
Gain (loss) on investments	-	-	-	2,636,970
Program income	-	673,963	79,915	117,507
Miscellaneous other	-	109,760	-	-
<b>Total revenues</b>	<b>12,804,637</b>	<b>783,723</b>	<b>7,080,458</b>	<b>40,068,916</b>
<b>EXPENDITURES</b>				
Current:				
General government	14,072	-	-	14,460,875
Community development services	157,036	-	7,549,132	20,270,192
Public infrastructure	16,370,831	-	-	1,042,427
Public safety	489,110	-	-	507,770
Leisure services	225,161	-	-	175,159
Economic development programs	-	15,505,563	-	1,611,840
<b>Total expenditures</b>	<b>17,256,210</b>	<b>15,505,563</b>	<b>7,549,132</b>	<b>38,068,263</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,451,573)</b>	<b>(14,721,840)</b>	<b>(468,674)</b>	<b>2,000,653</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,814,052	810,000	-	-
Issuance of debt	-	15,200,000	-	-
Transfers out	(362,479)	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,451,573</b>	<b>16,010,000</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	1,288,160	(468,674)	2,000,653
Fund balances, beginning of year	-	66,840,479	33,612,729	3,108,250
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 68,128,639</b>	<b>\$ 33,144,055</b>	<b>\$ 5,108,903</b>

**Combining Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024**

	Disaster Recovery Fund	Convention Center Financing Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>				
Intergovernmental (including in-kind contributions of \$10,329)	\$ 37,597	\$ 46,620,376	\$ 1,874,444	\$ 105,459,045
Non-governmental	-	-	-	192,991
Gain (loss) on investments	-	3,899,399	46,030	6,582,399
Program income	-	-	-	871,385
Miscellaneous other	-	154,648	-	264,408
<b>Total revenues</b>	<b>37,597</b>	<b>50,674,423</b>	<b>1,920,474</b>	<b>113,370,228</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	14,474,947
Community development services	-	-	-	27,976,360
Public infrastructure	-	-	-	17,413,258
Public safety	-	-	1,765,224	2,762,104
Leisure services	-	600,000	-	1,000,320
Economic development programs	-	-	-	17,117,403
<b>Total expenditures</b>	<b>-</b>	<b>600,000</b>	<b>1,765,224</b>	<b>80,744,392</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>37,597</b>	<b>50,074,423</b>	<b>155,250</b>	<b>32,625,836</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	5,624,052
Issuance of debt	-	-	-	15,200,000
Transfers out	(1,164,000)	(26,995,636)	(215,684)	(28,737,799)
<b>Total other financing sources (uses)</b>	<b>(1,164,000)</b>	<b>(26,995,636)</b>	<b>(215,684)</b>	<b>(7,913,747)</b>
Net change in fund balances	(1,126,403)	23,078,787	(60,434)	24,712,089
Fund balances, beginning of year	2,557,844	64,273,508	3,885,255	174,278,065
<b>Fund balances, end of year</b>	<b>\$ 1,431,441</b>	<b>\$ 87,352,295</b>	<b>\$ 3,824,821</b>	<b>\$ 198,990,154</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Grants Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
U.S. Department of Transportation	\$ 32,819,089	\$ 11,997,117	\$ 44,816,206	\$ 52,503,125	\$ (7,686,919)
Corporation for National and in-kind contributions of \$10,329	208,052	81,770	289,822	732,525	(442,703)
U.S. Forest Service	-	-	-	1,000,000	(1,000,000)
U.S. Department of Justice	-	344,956	344,956	1,121,004	(776,048)
Environmental Protection Agency	364,380	-	364,380	364,380	-
U.S. Department of Energy	-	-	-	450,390	(450,390)
U.S. Department of Homeland Security	-	37,930	37,930	70,952	(33,022)
Office of National Drug Control Policy	33,312	24,877	58,189	72,000	(13,811)
State of North Carolina	565,465	124,996	690,461	1,990,657	(1,300,196)
Wake County	104,191	-	104,191	104,191	-
	<u>34,094,489</u>	<u>12,611,646</u>	<u>46,706,135</u>	<u>58,409,224</u>	<u>(11,703,089)</u>
Non-governmental	2,758,382	192,991	2,951,373	1,578,867	1,372,506
<b>Total revenues</b>	<u>36,852,871</u>	<u>12,804,637</u>	<u>49,657,508</u>	<u>59,988,091</u>	<u>(10,330,583)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	8,486,694	4,814,052	13,300,746	13,300,746	-
Mass transit fund	1,296,704	-	1,296,704	1,296,704	-
Solid waste services	243,864	-	243,864	243,864	-
Miscellaneous capital improvements fund	19,363	-	19,363	19,363	-
<b>Total other financing sources</b>	<u>10,046,625</u>	<u>4,814,052</u>	<u>14,860,677</u>	<u>14,860,677</u>	<u>-</u>
<b>Total revenues and other financing sources</b>	<u>\$ 46,899,496</u>	<u>\$ 17,618,689</u>	<u>\$ 64,518,185</u>	<u>\$ 74,848,768</u>	<u>\$ (10,330,583)</u>
<b>EXPENDITURES</b>					
General government	\$ 614,279	\$ 14,072	\$ 628,351	\$ 628,351	\$ -
Community development services	2,144,645	157,036	2,301,681	2,301,681	-
Public infrastructure	42,395,358	16,370,831	58,766,189	66,764,903	(7,998,714)
Public safety	793,375	489,110	1,282,485	1,540,378	(257,893)
Leisure services	939,072	225,161	1,164,233	3,180,612	(2,016,379)
<b>Total expenditures</b>	<u>46,886,729</u>	<u>17,256,210</u>	<u>64,142,939</u>	<u>74,415,925</u>	<u>(10,272,986)</u>
<b>OTHER FINANCING USES</b>					
Transfers to:					
Mass transit fund	12,767	20,403	33,170	90,767	(57,597)
General fund	-	342,076	342,076	342,076	-
<b>Total other financing sources</b>	<u>12,767</u>	<u>362,479</u>	<u>375,246</u>	<u>432,843</u>	<u>(57,597)</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 46,899,496</u>	<u>\$ 17,618,689</u>	<u>\$ 64,518,185</u>	<u>\$ 74,848,768</u>	<u>\$ (10,330,583)</u>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Housing Bond Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Gain (loss) on investments	\$ 930,194	\$ -	\$ 930,194	\$ -	\$ 930,194
Rents	669,644	-	669,644	630,000	39,644
Program income	27,882,957	1,501,762	29,384,719	9,261,455	20,123,264
Recovery of claims	135,219	-	135,219	83,846	51,373
Miscellaneous other	478,518	109,760	588,278	951,000	(362,722)
<b>Total revenues</b>	<b>30,096,532</b>	<b>1,611,522</b>	<b>31,708,054</b>	<b>10,926,301</b>	<b>20,781,753</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	1,500,000	810,000	2,310,000	1,500,000	810,000
Housing development fund	740,000	-	740,000	740,000	-
Bonds issued	63,942,137	15,200,000	79,142,137	57,620,967	21,521,170
Proceeds on sale of property	7,229,721	-	7,229,721	1,978,893	5,250,828
<b>Total other financing sources</b>	<b>73,411,858</b>	<b>16,010,000</b>	<b>89,421,858</b>	<b>61,839,860</b>	<b>27,581,998</b>
<b>Total revenues and other financing sources</b>	<b>\$ 103,508,390</b>	<b>\$ 17,621,522</b>	<b>\$ 121,129,912</b>	72,766,161	<b>\$ 48,363,751</b>
Fund balance appropriated				-	
				<b>\$ 72,766,161</b>	
<b>EXPENDITURES</b>					
Economic development programs	\$ 33,987,513	\$ 16,766,095	\$ 50,753,608	\$ 69,425,161	\$ (18,671,553)
<b>OTHER FINANCING USES</b>					
Transfer to housing bond fund					
Transfer to:					
Housing development fund	141,000	-	141,000	141,000	-
Debt service fund	3,200,000	-	3,200,000	3,200,000	-
<b>Total expenditures and other financing uses</b>	<b>\$ 37,328,513</b>	<b>\$ 16,766,095</b>	<b>\$ 54,094,608</b>	<b>\$ 72,766,161</b>	<b>\$ (18,671,553)</b>
Excess revenues and other financing sources over expenditures and other financing uses		\$ 855,427			
Reconciliation: Loan treatment under GAAP					
Principal payments on loans receivable		(827,799)			
Issuance of loans receivable		1,260,532			
<b>Change in fund balance</b>		<b>\$ 1,288,160</b>			

**Schedule of Revenues and Expenditures  
Compared with Budget  
Community Development Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
US Department of HUD	\$ 86,334,459	\$ 7,000,543	\$ 93,335,002	\$ 82,698,918	\$ 10,636,084
Rents	1,756,491	-	1,756,491	1,329,663	426,828
Program income	15,747,621	1,043,053	16,790,674	14,772,905	2,017,769
Miscellaneous other	1,029,789	-	1,029,789	1,616,290	(586,501)
<b>Total revenues</b>	<b>104,868,360</b>	<b>8,043,596</b>	<b>112,911,956</b>	<b>100,417,776</b>	<b>12,494,180</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Housing development - operating	1,783,403	-	1,783,403	1,783,403	-
Proceeds on sale of property	5,317,431	-	5,317,431	4,083,466	1,233,965
<b>Total other financing sources</b>	<b>7,100,834</b>	<b>-</b>	<b>7,100,834</b>	<b>5,866,869</b>	<b>1,233,965</b>
<b>Total revenues and other financing sources</b>	<b>\$ 111,969,194</b>	<b>\$ 8,043,596</b>	<b>\$ 120,012,790</b>	<b>\$ 106,284,645</b>	<b>\$ 13,728,145</b>
<b>EXPENDITURES</b>					
Community development services	\$ 80,436,260	\$ 10,420,440	\$ 90,856,700	\$ 106,246,410	\$ (15,389,710)
<b>OTHER FINANCING USES</b>					
Transfer to housing bond fund					
Transfer to:					
Technology capital projects fund	35,801	-	35,801	38,235	(2,434)
<b>Total expenditures and other financing uses</b>	<b>\$ 80,472,061</b>	<b>\$ 10,420,440</b>	<b>\$ 90,892,501</b>	<b>\$ 106,284,645</b>	<b>\$ (15,392,144)</b>
Excess revenues and other financing sources over expenditures and other financing uses		\$ (2,376,844)			
Reconciliation: Loan treatment under GAAP					
Principal payments on loans receivable		(963,138)			
Issuance of loans receivable		2,871,308			
<b>Change in fund balance</b>		<b>\$ (468,674)</b>			



**Schedule of Revenues and Expenditures  
Compared with Budget  
State and Local Fiscal Recovery Fund (SLFRF)  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
US Department of Treasury	\$ 22,235,656	\$ 37,314,439	\$ 59,550,095	\$ 72,248,542	\$ (12,698,447)
Program income	799,126	117,507	916,633	1,043,902	(127,269)
Gain (loss) on investments	2,384,116	2,636,970	5,021,086	3,168,003	1,853,083
<b>Total revenues</b>	<b>\$ 25,418,898</b>	<b>\$ 40,068,916</b>	<b>\$ 65,487,814</b>	<b>\$ 76,460,447</b>	<b>\$ (10,972,633)</b>
<b>EXPENDITURES</b>					
General government	\$ 10,966,474	\$ 14,460,875	\$ 25,427,349	\$ 31,474,133	\$ (6,046,784)
Community development services	21,958	20,270,192	20,292,150	20,841,810	(549,660)
Economic development	10,810,153	1,611,840	12,421,993	16,002,627	(3,580,634)
Public infrastructure	494,583	1,042,427	1,537,010	4,991,878	(3,454,868)
Public safety	-	507,770	507,770	2,000,000	(1,492,230)
Leisure services	17,480	175,159	192,639	1,149,999	(957,360)
<b>Total expenditures</b>	<b>\$ 22,310,648</b>	<b>\$ 38,068,263</b>	<b>\$ 60,378,911</b>	<b>\$ 76,460,447</b>	<b>\$ (16,081,536)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Disaster Recovery Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
Federal Emergency Management Agency	\$ 9,025,588	\$ 37,597	\$ 9,063,185	\$ 12,128,874	\$ (3,065,689)
US Department of Treasury	4,228,391	-	4,228,391	25,612,354	(21,383,963)
NC Department of Transportation	80,347	-	80,347	-	80,347
Mutual aid	330,303	-	330,303	355,700	(25,397)
Recovery of claims	573,480	-	573,480	-	573,480
<b>Total revenues</b>	<b>14,238,109</b>	<b>37,597</b>	<b>14,275,706</b>	<b>38,096,928</b>	<b>(23,821,222)</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	3,350,000	-	3,350,000	3,350,000	-
<b>Total revenues and other financing sources</b>	<b>\$ 17,588,109</b>	<b>\$ 37,597</b>	<b>\$ 17,625,706</b>	<b>\$ 41,446,928</b>	<b>\$ (23,821,222)</b>
<b>EXPENDITURES</b>					
General government	\$ 10,938,538	\$ -	\$ 10,938,538	\$ 36,241,899	\$ (25,303,361)
<b>OTHER FINANCING USES</b>					
Transfers to:					
General fund	3,480,285	-	3,480,285	3,480,285	-
OPEB trust fund	500,000	-	500,000	500,000	-
Miscellaneous capital improvements fund	-	200,000	200,000	200,000	-
Street improvement fund	-	964,000	964,000	964,000	-
Solid waste services fund	31,934	-	31,934	31,934	-
Stormwater services fund	28,810	-	28,810	28,810	-
	<b>4,041,029</b>	<b>1,164,000</b>	<b>5,205,029</b>	<b>5,205,029</b>	<b>-</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 14,979,567</b>	<b>\$ 1,164,000</b>	<b>\$ 16,143,567</b>	<b>\$ 41,446,928</b>	<b>\$ (25,303,361)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Convention Center Financing Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Intergovernmental:			
Wake County	\$ 46,620,376	\$ 46,456,105	\$ 164,271
Miscellaneous other	154,648	-	154,648
Gain (loss) on investments	3,899,399	1,756,895	2,142,504
<b>Total revenues</b>	<u><u>\$ 50,674,423</u></u>	<u>48,213,000</u>	<u><u>\$ 2,461,423</u></u>
Fund balance appropriated		-	
		<u><u>\$ 48,213,000</u></u>	
<b>EXPENDITURES</b>			
Leisure services	\$ 600,000	\$ 21,207,860	\$ (20,607,860)
<b>OTHER FINANCING USES</b>			
Transfers to:			
Convention center complex fund	26,995,636	27,005,140	(9,504)
<b>Total other financing uses</b>	<u>26,995,636</u>	<u>27,005,140</u>	<u>(9,504)</u>
<b>Total expenditures and other financing uses</b>	<u><u>\$ 27,595,636</u></u>	<u><u>\$ 48,213,000</u></u>	<u><u>\$ (20,617,364)</u></u>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Emergency Telephone System Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Intergovernmental:			
State of North Carolina	\$ 1,874,444	\$ 1,427,447	\$ 446,997
Gain (loss) on investments	46,030	11,574	34,456
<b>Total revenues</b>	<u><b>1,920,474</b></u>	<u><b>1,439,021</b></u>	<u><b>481,453</b></u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from:			
<b>Total revenues and other financing sources</b>	<u><b>\$ 1,920,474</b></u>	1,439,021	<u><b>\$ 481,453</b></u>
Fund balance appropriated		333,723	
		<u><b>\$ 1,772,744</b></u>	
<b>EXPENDITURES</b>			
Public safety:			
Telephone	\$ 768,139	\$ 768,139	\$ -
Software maintenance	660,830	660,830	-
Hardware maintenance	26,791	26,791	-
Training	51,577	51,577	-
Functions	257,887	49,723	208,164
<b>Total expenditures</b>	<u><b>1,765,224</b></u>	<u><b>1,557,060</b></u>	<u><b>208,164</b></u>
<b>OTHER FINANCING USES</b>			
Transfers to:			
General fund	215,684	215,684	-
<b>Total expenditures and other financing uses</b>	<u><b>\$ 1,980,908</b></u>	<u><b>\$ 1,772,744</b></u>	<u><b>\$ 208,164</b></u>

# General Capital Projects Funds

The purpose of the **General Capital Projects Funds** are to account for the financial resources segregated for the acquisition or construction of major general capital assets and facilities. The budgets within these funds are adopted for the life of the projects. Under the project accounting concept, project expenditures, and the revenues used to fund them, are accumulated until the year the project is completed. General projects accounted for within the general capital projects funds include street projects, park improvements, technology projects, and other miscellaneous capital projects.



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# General Capital Projects Funds

## **Sidewalk and Street Improvement Fund (nonmajor fund)**

The Street Improvement Fund accounts for all street improvement and sidewalk programs. Street Improvements are to be financed from applicable street assessment proceeds and other non-bond street improvement resources. Sidewalks account for capital project costs for the construction of sidewalks within the City.

## **Street Bond Fund (nonmajor fund)**

The Street Bond Fund accounts for the street construction projects financed from the general obligation street bond issues.

## **Park Improvement Fund (nonmajor fund)**

The Park Improvement Fund accounts for transfers from the general fund and other revenues and allocations, and all project costs in the construction of park improvements as well as park land and greenway acquisition.

## **Facility Fees Fund (nonmajor fund)**

The Facility Fees Fund accounts for facility fees collected from developers to be expended for street and park capital purposes within designated zones in the City.

## **Park Bond Fund (nonmajor fund)**

The Park Bond Fund accounts for all bond proceeds and capital project costs related to the construction of parks, amenities, improvements or park land acquisition.

## **Miscellaneous Capital Improvements Fund (nonmajor fund)**

The Miscellaneous Capital Improvements Fund accounts for all capital improvement costs not applicable to other capital improvement programs. With the Major Public Facilities projects completed, the funds are presented as part of the Miscellaneous Capital Improvements Fund for reporting purposes only.

## **Walnut Creek Amphitheater Projects Fund (nonmajor fund)**

The Walnut Creek Amphitheater Projects Fund accounts for capital projects costs of the Amphitheater financed by a portion of the Amphitheater rent.

## **Technology Capital Projects Fund (nonmajor fund)**

The Technology Capital Projects Fund accounts for long-term technology projects as recommended by the City's technology governance process. These projects are financed partially from general fund resources.

# Combining Balance Sheet

## Nonmajor Capital Projects Funds

### June 30, 2024

	Sidewalk and Street Improvement Fund	Street Bond Fund	Park Improvement Fund	Facility Fees Fund	Park Bond Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 76,835,836	\$ 850,197	\$ 20,577,336	\$ 47,121,277	\$ 20,412,407
Assessments receivable, net of allowance for uncollectibles of \$85,878	114,666	-	-	-	-
Franchise taxes receivable	-	-	-	-	-
Due from other governmental agencies	3,065,978	199,285	1,422,662	-	75,000
Sales tax receivable	166,003	52,800	169,848	-	190,326
Cash and cash equivalents/investments - restricted deposits and bond proceeds	3,315,329	-	-	-	-
<b>Total assets</b>	<b><u>\$ 83,497,812</u></b>	<b><u>\$ 1,102,282</u></b>	<b><u>\$ 22,169,846</u></b>	<b><u>\$ 47,121,277</u></b>	<b><u>\$ 20,677,733</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,154,287	\$ 545,682	\$ 764,931	\$ 3,779	\$ 8,195,940
Sales tax payable	454	620	1,931	-	-
Reimbursable facility fees	-	-	-	15,149,229	-
Escrow and other deposits payable from restricted assets	3,315,329	-	-	-	-
<b>Total liabilities</b>	<b><u>6,470,070</u></b>	<b><u>546,302</u></b>	<b><u>766,862</u></b>	<b><u>15,153,008</u></b>	<b><u>8,195,940</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Assessments receivable	114,666	-	-	-	-
Prepaid assessments	13,527	-	-	-	-
Deferred revenue	133,038	-	1,192	-	-
<b>Total deferred inflows of resources</b>	<b><u>261,231</u></b>	<b><u>-</u></b>	<b><u>1,192</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Restricted:					
Unspent capital debt proceeds	-	-	-	-	-
Assigned:					
Subsequent year's appropriation	20,013,714	555,980	8,597,472	-	2,732,809
City projects	56,752,797	-	12,804,320	31,968,269	9,748,984
<b>Total fund balances</b>	<b><u>76,766,511</u></b>	<b><u>555,980</u></b>	<b><u>21,401,792</u></b>	<b><u>31,968,269</u></b>	<b><u>12,481,793</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 83,497,812</u></b>	<b><u>\$ 1,102,282</u></b>	<b><u>\$ 22,169,846</u></b>	<b><u>\$ 47,121,277</u></b>	<b><u>\$ 20,677,733</u></b>



**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2024**

	Miscellaneous Capital Improvements Fund	Walnut Creek Amphitheater Projects Fund	Technology Capital Projects Fund	Combining Eliminations	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 79,869,910	\$ 1,784,817	\$ 7,533,832	\$ -	\$ 254,985,612
Assessments receivable, net of allowance for uncollectibles of \$85,878	-	-	-	-	114,666
Franchise taxes receivable	19,355	-	-	-	19,355
Due from other governmental agencies	-	-	-	-	4,762,925
Sales tax receivable	383,756	-	121,878	-	1,084,611
Cash and cash equivalents/investments - restricted deposits and bond proceeds	3,733,217	-	-	-	7,048,546
<b>Total assets</b>	<b><u>\$ 84,006,238</u></b>	<b><u>\$ 1,784,817</u></b>	<b><u>\$ 7,655,710</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 268,015,715</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 6,541,254	\$ -	\$ -	\$ -	\$ 19,205,873
Sales tax payable	3,255	-	-	-	6,260
Reimbursable facility fees	-	-	-	-	15,149,229
Escrow and other deposits payable from restricted assets	22,045	-	-	-	3,337,374
<b>Total liabilities</b>	<b><u>6,566,554</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>37,698,736</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Assessments receivable	-	-	-	-	114,666
Prepaid assessments	-	-	-	-	13,527
Deferred revenue	60,860	-	-	-	195,090
<b>Total deferred inflows of resources</b>	<b><u>60,860</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>323,283</u></b>
<b>FUND BALANCES</b>					
Restricted:					
Unspent capital debt proceeds	3,711,172	-	-	-	3,711,172
Assigned:					
Subsequent year's appropriation	6,249,581	1,333,179	7,397,283	-	46,880,018
City projects	67,418,071	451,638	258,427	-	179,402,506
<b>Total fund balances</b>	<b><u>77,378,824</u></b>	<b><u>1,784,817</u></b>	<b><u>7,655,710</u></b>	<b><u>-</u></b>	<b><u>229,993,696</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 84,006,238</u></b>	<b><u>\$ 1,784,817</u></b>	<b><u>\$ 7,655,710</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 268,015,715</u></b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2024**

	Sidewalk and Street Improvement Fund	Street Bond Fund	Park Improvement Fund	Facility Fees Fund	Park Bond Fund
<b>REVENUES</b>					
Intergovernmental	\$ 876,318	\$ -	\$ 53,400	\$ -	\$ 121,331
Non-governmental	6,806,542	-	-	-	3,011,554
Assessments	555,060	-	15,655	-	-
Licenses	-	-	-	-	-
Gain (loss) on investments	-	101,774	-	-	312,008
Facility fees	-	-	-	15,181,792	-
Other fees and charges	-	-	-	-	-
Developer participation	640,000	-	-	-	-
Donations and contributions	-	-	323,701	-	15,000
Miscellaneous other	-	-	46,026	-	-
<b>Total revenues</b>	<b>8,877,920</b>	<b>101,774</b>	<b>438,782</b>	<b>15,181,792</b>	<b>3,459,893</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Community development services	-	-	-	-	-
Public infrastructure	13,499,555	14,667,958	-	-	-
Public safety	-	-	-	-	-
Leisure services	-	-	8,456,508	-	41,951,153
<b>Total expenditures</b>	<b>13,499,555</b>	<b>14,667,958</b>	<b>8,456,508</b>	<b>-</b>	<b>41,951,153</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,621,635)</b>	<b>(14,566,184)</b>	<b>(8,017,726)</b>	<b>15,181,792</b>	<b>(38,491,260)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	15,046,500	-	7,289,900	-	750,000
Transfers out	-	-	-	(8,444,134)	-
Issuance of debt	-	7,040,225	-	-	20,059,775
<b>Total other financing sources (uses)</b>	<b>15,046,500</b>	<b>7,040,225</b>	<b>7,289,900</b>	<b>(8,444,134)</b>	<b>20,809,775</b>
Net change in fund balances	10,424,865	(7,525,959)	(727,826)	6,737,658	(17,681,485)
Fund balances, beginning of year	66,341,646	8,081,939	22,129,618	25,230,611	30,163,278
<b>Fund balances, end of year</b>	<b>\$ 76,766,511</b>	<b>\$ 555,980</b>	<b>\$ 21,401,792</b>	<b>\$ 31,968,269</b>	<b>\$ 12,481,793</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2024**

	Miscellaneous Capital Improvements Fund	Walnut Creek Amphitheater Projects Fund	Technology Capital Projects Fund	Combining Eliminations	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>					
Intergovernmental	\$ 50,042	\$ -	\$ -	\$ -	\$ 1,101,091
Non-governmental	-	-	-	-	9,818,096
Assessments	-	-	-	-	570,715
Licenses	77,419	-	-	-	77,419
Gain (loss) on investments	271,389	-	-	-	685,171
Facility fees	-	-	-	-	15,181,792
Other fees and charges	5,411	-	-	-	5,411
Developer participation	-	-	-	-	640,000
Donations and contributions	-	-	-	-	338,701
Miscellaneous other	-	-	-	-	46,026
<b>Total revenues</b>	<b>404,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,464,422</b>
<b>EXPENDITURES</b>					
Current:					
General government	1,481,072	-	2,022,336	-	3,503,408
Community development services	385,095	-	-	-	385,095
Public infrastructure	14,524,607	-	-	-	42,692,120
Public safety	6,384,756	-	170,082	-	6,554,838
Leisure services	90,000	44,083	-	-	50,541,744
<b>Total expenditures</b>	<b>22,865,530</b>	<b>44,083</b>	<b>2,192,418</b>	<b>-</b>	<b>103,677,205</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(22,461,269)</b>	<b>(44,083)</b>	<b>(2,192,418)</b>	<b>-</b>	<b>(75,212,783)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	39,737,500	746,653	3,904,000	(3,513,900)	63,960,653
Transfers out	(114,900)	(1,773,453)	-	3,513,900	(6,818,587)
Issuance of debt	18,631,407	-	-	-	45,731,407
<b>Total other financing sources (uses)</b>	<b>58,254,007</b>	<b>(1,026,800)</b>	<b>3,904,000</b>	<b>-</b>	<b>102,873,473</b>
Net change in fund balances	35,792,738	(1,070,883)	1,711,582	-	27,660,690
Fund balances, beginning of year	41,586,086	2,855,700	5,944,128	-	202,333,006
<b>Fund balances, end of year</b>	<b>\$ 77,378,824</b>	<b>\$ 1,784,817</b>	<b>\$ 7,655,710</b>	<b>\$ -</b>	<b>\$ 229,993,696</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Sidewalk and Street Improvement Fund  
For the Fiscal Year Ended June 30, 2024**

	Prior Years	Actual		Budget	Over (Under) Budget
		Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
State of North Carolina	\$ 21,234,903	\$ 876,318	\$ 22,111,221	\$ 29,288,001	\$ (7,176,780)
Other	-	-	-	537,500	(537,500)
Non-governmental	-	6,806,542	6,806,542	6,806,542	-
Developer participation	76,145	640,000	716,145	837,740	(121,595)
Assessments	2,049,522	555,060	2,604,582	8,616,920	(6,012,338)
Gain (loss) on investments	573,310	-	573,310	2,433,332	(1,860,022)
Inspections	-	-	-	2,200,000	(2,200,000)
Miscellaneous other	17,288	-	17,288	849,833	(832,545)
<b>Total revenues</b>	<b>23,951,168</b>	<b>8,877,920</b>	<b>32,829,088</b>	<b>51,569,868</b>	<b>(18,740,780)</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	66,255,899	10,608,500	76,864,399	76,864,399	-
Street bond fund	4,588,100	-	4,588,100	4,588,100	-
Facility fees fund	37,491,863	3,474,000	40,965,863	40,965,863	-
Disaster recovery fund	-	964,000	964,000	964,000	-
<b>Total other financing sources</b>	<b>108,335,862</b>	<b>15,046,500</b>	<b>123,382,362</b>	<b>123,382,362</b>	<b>-</b>
<b>Total revenues and other financing sources</b>	<b>\$ 132,287,030</b>	<b>\$ 23,924,420</b>	<b>\$ 156,211,450</b>	174,952,230	<b>\$ (18,740,780)</b>
Fund balance appropriated				7,939,399	
				<b>\$ 182,891,629</b>	
<b>EXPENDITURES</b>					
Public infrastructure	\$ 65,945,384	\$ 13,499,555	\$ 79,444,939	\$ 182,891,629	\$ (103,446,690)
<b>OTHER FINANCING USES</b>					
Transfers to:					
<b>Total expenditures and other financing uses</b>	<b>\$ 65,945,384</b>	<b>\$ 13,499,555</b>	<b>\$ 79,444,939</b>	<b>\$ 182,891,629</b>	<b>\$ (103,446,690)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Street Bond Fund  
For the Fiscal Year Ended June 30, 2024**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
<b>REVENUES</b>					
Intergovernmental:					
State of North Carolina	\$ 4,234,070	\$ -	\$ 4,234,070	\$ 4,234,070	\$ -
Developer participation	3,699,758	-	3,699,758	1,750,242	1,949,516
Gain (loss) on investments	4,842,717	101,774	4,944,491	285,253	4,659,238
<b>Total revenues</b>	<b>12,776,545</b>	<b>101,774</b>	<b>12,878,319</b>	<b>6,269,565</b>	<b>6,608,754</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Issuance of debt	91,891,926	7,040,225	98,932,151	239,802,067	(140,869,916)
<b>Total other financing sources</b>	<b>91,891,926</b>	<b>7,040,225</b>	<b>98,932,151</b>	<b>239,802,067</b>	<b>(140,869,916)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 104,668,471</b>	<b>\$ 7,141,999</b>	<b>\$ 111,810,470</b>	246,071,632	<b>\$ (134,261,162)</b>
Fund balance appropriated				1,212,000	
				<b>\$ 247,283,632</b>	
<b>EXPENDITURES</b>					
Public infrastructure	\$ 92,979,503	\$ 14,667,958	\$ 107,647,461	\$ 243,676,603	\$ (136,029,142)
<b>OTHER FINANCING USES</b>					
Transfers to:					
Mass transit fund	516,229	-	516,229	516,229	-
Street improvement fund	3,090,800	-	3,090,800	3,090,800	-
<b>Total other financing uses</b>	<b>3,607,029</b>	<b>-</b>	<b>3,607,029</b>	<b>3,607,029</b>	<b>-</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 96,586,532</b>	<b>\$ 14,667,958</b>	<b>\$ 111,254,490</b>	<b>\$ 247,283,632</b>	<b>\$ (136,029,142)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Park Improvement Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
State grants	\$ -	\$ -	\$ -	\$ 200,000	\$ (200,000)
US Department of the Interior	4,098,479	53,400	4,151,879	4,151,879	-
Non-governmental	40,000	-	40,000	40,000	-
Assessments	1,066,898	15,655	1,082,553	1,082,553	-
Gain (loss) on investments	136,281	-	136,281	136,281	-
Facility fees	391,012	-	391,012	164,264	226,748
Donations and contributions	392,151	323,701	715,852	-	715,852
Miscellaneous other	500,309	46,026	546,335	546,335	-
<b>Total revenues</b>	<b>6,625,130</b>	<b>438,782</b>	<b>7,063,912</b>	<b>6,321,312</b>	<b>742,600</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	21,514,340	7,250,000	28,764,340	28,764,340	-
Facility fees fund	9,060,000	-	9,060,000	9,060,000	-
Miscellaneous capital projects fund	50,000	39,900	89,900	89,900	-
Street bond fund	43,579	-	43,579	43,579	-
Park bond fund	4,743,012	-	4,743,012	4,743,012	-
<b>Total other financing sources</b>	<b>35,410,931</b>	<b>7,289,900</b>	<b>42,700,831</b>	<b>42,700,831</b>	<b>-</b>
<b>Total revenues and other financing sources</b>	<b>\$ 42,036,061</b>	<b>\$ 7,728,682</b>	<b>\$ 49,764,743</b>	49,022,143	<b>\$ 742,600</b>
Fund balance appropriated				2,506,000	
				<b>\$ 51,528,143</b>	
<b>EXPENDITURES</b>					
Leisure services	\$ 19,906,443	\$ 8,456,508	\$ 28,362,951	\$ 51,528,143	\$ (23,165,192)
<b>OTHER FINANCING USES</b>					
Transfers to:					
<b>Total expenditures and other financing uses</b>	<b>\$ 19,906,443</b>	<b>\$ 8,456,508</b>	<b>\$ 28,362,951</b>	<b>\$ 51,528,143</b>	<b>\$ (23,165,192)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Facility Fees Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Facility fees	\$ <u>15,181,792</u>	\$ 8,412,019	\$ <u>6,769,773</u>
Fund balance appropriated		<u>32,115</u>	
		<u>\$ 8,444,134</u>	
<b>OTHER FINANCING USES</b>			
Transfers to:			
General fund	\$ 4,970,134	\$ 4,970,134	\$ -
Street improvement fund	<u>3,474,000</u>	<u>3,474,000</u>	<u>-</u>
<b>Total other financing uses</b>	<u>\$ 8,444,134</u>	<u>\$ 8,444,134</u>	<u>\$ -</u>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Park Bond Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
State of North Carolina	\$ 103,669	\$ 121,331	\$ 225,000	\$ 225,000	\$ -
Non-governmental	9,545,000	3,011,554	12,556,554	20,545,000	(7,988,446)
Gain (loss) on investments	295,583	312,008	607,591	-	607,591
Donations and contributions	7,227,998	15,000	7,242,998	6,371,098	871,900
Miscellaneous other	315,155	-	315,155	450,000	(134,845)
<b>Total revenues</b>	<b>17,487,405</b>	<b>3,459,893</b>	<b>20,947,298</b>	<b>27,591,098</b>	<b>(6,643,800)</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	13,220,200	750,000	13,970,200	13,970,200	-
Facility fees fund	1,105,134	-	1,105,134	1,105,134	-
Issuance of debt	123,724,309	20,059,775	143,784,084	211,127,054	(67,342,970)
Premium on issuance of debt	2,781,558	-	2,781,558	2,781,558	-
<b>Total other financing sources</b>	<b>140,831,201</b>	<b>20,809,775</b>	<b>161,640,976</b>	<b>228,983,946</b>	<b>(67,342,970)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 158,318,606</b>	<b>\$ 24,269,668</b>	<b>\$ 182,588,274</b>	256,575,044	<b>\$ (73,986,770)</b>
Fund balance appropriated				2,850,000	
				<b>\$ 259,425,044</b>	
<b>EXPENDITURES</b>					
Leisure services	\$ 123,546,916	\$ 41,951,153	\$ 165,498,069	\$ 254,816,632	\$ (89,318,563)
<b>OTHER FINANCING USES</b>					
Transfers to:					
Park improvement fund	4,608,412	-	4,608,412	4,608,412	-
<b>Total expenditures and other financing uses</b>	<b>\$ 128,155,328</b>	<b>\$ 41,951,153</b>	<b>\$ 170,106,481</b>	<b>\$ 259,425,044</b>	<b>\$ (89,318,563)</b>



**Schedule of Revenues and Expenditures  
Compared with Budget  
Miscellaneous Capital Improvements Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
Other local	691,237	50,042	741,279	741,279	-
Project revenue (non-grant)	500,000	-	500,000	500,000	-
Gain (loss) on investments	444,380	271,389	715,769	1,045,056	(329,287)
Other fees and charges	121,877	5,411	127,288	-	127,288
Franchise tax	154,348	-	154,348	240,000	(85,652)
Licenses	-	77,419	77,419	60,000	17,419
Miscellaneous other	100,000	-	100,000	797,244	(697,244)
<b>Total revenues</b>	<b>2,011,842</b>	<b>404,261</b>	<b>2,416,103</b>	<b>3,383,579</b>	<b>(967,476)</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General fund	58,905,006	39,175,000	98,080,006	98,080,006	-
Street bond fund	7,934,806	-	7,934,806	7,934,806	-
Public utility fund	50,000	238,000	288,000	288,000	-
Stormwater fund	-	92,500	92,500	92,500	-
Solid waste fund	50,000	15,000	65,000	65,000	-
Disaster recovery fund	-	200,000	200,000	200,000	-
Vehicle fleet services fund	-	17,000	17,000	17,000	-
Transit fund	75,000	-	75,000	75,000	-
Issuance of debt	20,897,235	18,631,407	39,528,642	306,094,861	(266,566,219)
Premium on bonds	5,849,718	-	5,849,718	5,011,583	838,135
Gain (loss) on sale of property	9,353,298	-	9,353,298	-	9,353,298
<b>Total other financing sources</b>	<b>103,115,063</b>	<b>58,368,907</b>	<b>161,483,970</b>	<b>417,858,756</b>	<b>(256,374,786)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 105,126,905</b>	<b>\$ 58,773,168</b>	<b>\$ 163,900,073</b>	421,242,335	<b>\$ (257,342,262)</b>
Fund balance appropriated				32,832,245	
				<b>\$ 454,074,580</b>	
<b>EXPENDITURES</b>					
General government	\$ 282,131	\$ 1,481,072	\$ 1,763,203	\$ 17,652,019	\$ (15,888,816)
Community development	-	385,095	385,095	1,748,000	(1,362,905)
Public infrastructure	37,749,431	14,524,607	52,274,038	253,624,814	(201,350,776)
Leisure services	-	90,000	90,000	300,000	(210,000)
Public safety	30,865,172	6,384,756	37,249,928	180,466,655	(143,216,727)
<b>Total expenditures</b>	<b>68,896,734</b>	<b>22,865,530</b>	<b>91,762,264</b>	<b>453,791,488</b>	<b>(362,029,224)</b>
<b>OTHER FINANCING USES</b>					
Transfers to:					
Street bond fund	20,000	-	20,000	20,000	-
Park bond fund	87,700	39,900	127,600	127,600	-
Stormwater fund	26,715	75,000	101,715	101,715	-
Grants fund	33,777	-	33,777	33,777	-
<b>Total other financing uses</b>	<b>168,192</b>	<b>114,900</b>	<b>283,092</b>	<b>283,092</b>	<b>-</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 69,064,926</b>	<b>\$ 22,980,430</b>	<b>\$ 92,045,356</b>	<b>\$ 454,074,580</b>	<b>\$ (362,029,224)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Walnut Creek Amphitheater Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
<b>REVENUES</b>					
Rents	\$ 1,131,415	\$ -	\$ 1,131,415	\$ -	\$ 1,131,415
Other fees and charges	374,394	-	374,394	-	374,394
<b>Total revenues</b>	<b>1,505,809</b>	<b>-</b>	<b>1,505,809</b>	<b>-</b>	<b>1,505,809</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Walnut creek amphitheater operating fund	1,572,915	746,653	2,319,568	2,319,568	-
<b>Total other financing sources</b>	<b>1,572,915</b>	<b>746,653</b>	<b>2,319,568</b>	<b>2,319,568</b>	<b>-</b>
<b>Total revenues and other financing sources</b>	<b>\$ 3,078,724</b>	<b>\$ 746,653</b>	<b>\$ 3,825,377</b>	2,319,568	<b>\$ 1,505,809</b>
Fund balance appropriated				545,320	
				<b>\$ 2,864,888</b>	
<b>EXPENDITURES</b>					
Leisure services	223,024	44,083	267,107	1,091,435	(824,328)
<b>OTHER FINANCING USES</b>					
Transfers to:					
RCC expansion capital projects fund	-	1,773,453	1,773,453	1,773,453	-
<b>Total expenditures and other financing uses</b>	<b>\$ 223,024</b>	<b>\$ 1,817,536</b>	<b>\$ 2,040,560</b>	<b>\$ 2,864,888</b>	<b>\$ (824,328)</b>

**Schedule of Revenues and Expenditures  
Compared with Budget  
Technology Capital Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
Wake County	\$ 711,040	\$ -	\$ 711,040	\$ -	\$ 711,040
Gain (loss) on investments	2,129,859	-	2,129,859	-	2,129,859
<b>Total revenues</b>	<b>2,840,899</b>	<b>-</b>	<b>2,840,899</b>	<b>-</b>	<b>2,840,899</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Convention center complex fund	312,865	-	312,865	312,865	-
General fund	8,180,353	3,904,000	12,084,353	12,084,353	-
Mass transit fund	32,852	-	32,852	32,852	-
Parking fund	84,223	-	84,223	84,223	-
Solid waste services fund	577,144	-	577,144	577,144	-
Stormwater fund	529,642	-	529,642	529,642	-
Vehicle fleet services fund	240,347	-	240,347	240,347	-
Water and sewer fund	2,190,665	-	2,190,665	2,190,665	-
<b>Total other financing sources</b>	<b>12,148,091</b>	<b>3,904,000</b>	<b>16,052,091</b>	<b>16,052,091</b>	<b>-</b>
<b>Total revenues and other financing sources</b>	<b>\$ 14,988,990</b>	<b>\$ 3,904,000</b>	<b>\$ 18,892,990</b>	16,052,091	<b>\$ 2,840,899</b>
Fund balance appropriated				516,409	
				<b>\$ 16,568,500</b>	
<b>EXPENDITURES</b>					
General government	\$ 9,044,862	\$ 2,192,418	\$ 11,237,280	\$ 16,568,500	\$ (5,331,220)



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# Enterprise Funds

Enterprise Funds are a subclassification of the proprietary fund types and are used to account for operations:

- (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public be recovered through user charges; or,
- (b) where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City's enterprise fund operations include water and sewer utility, convention center complex, mass transit, stormwater utility, parking facilities and solid waste services.



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# Enterprise Funds

## **Water and Sewer Fund (major fund)**

The Water and Sewer Fund accounts for operating and capital costs associated with the City's water and sewer operations. This fund combines the Water and Sewer Operating Fund and the Water and Sewer Capital Projects Fund.

## **Convention Center Complex Fund (major fund)**

The Convention Center Complex Fund accounts for the operating and capital costs at the City's convention center and performing arts complex. This fund combines the Convention Center and Performing Arts Complex Operating Fund, the Convention Center and Performing Arts Projects Fund and the Convention Center Complex Capital Projects Fund.

## **Mass Transit Fund (major fund)**

The Mass Transit Fund accounts for user charges, fees, federal contributions and all operating costs associated with the operation of the transit system in the City. This fund also accounts for all capital projects financed by transit grant proceeds.

## **Stormwater Utility Fund (major fund)**

The Stormwater Utility Fund accounts for operating and capital costs associated with the City's stormwater management program. This fund combines the Stormwater Utility Operating Fund, the Stormwater Utility Capital Projects Fund and the Stormwater Utility Bond Fund.

## **Parking Facilities Fund (major fund)**

The Parking Facilities Fund accounts for parking fee charges and all operating costs associated with City-owned off-street and on-street parking facilities. This fund combines the Parking Facilities Operating Fund and the Parking Facilities Capital Projects Fund.

## **Solid Waste Services Fund (major fund)**

The Solid Waste Services Fund accounts for operating and capital costs associated with the City's residential solid waste and recycling program. This fund also accounts for the City's landfill post closure liability.



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## Schedule of Revenues and Expenditures – Budget (Modified Accrual Basis) and Actual Enterprise Funds

The following schedules present the results of operations for all individual enterprise funds on the modified accrual basis for comparison to the legally adopted budgets for each fund. For GAAP purposes the individual funds are consolidated into the three funds shown in basic financial statements and the two funds shown in the preceding combining financial statements. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows each schedule or group of schedules.

# Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Water and Sewer Operating Fund For the Fiscal Year Ended June 30, 2024

	Actual	Budget	Over (Under) Budget
<b>REVENUES</b>			
Water and sewer user charges	\$ 253,680,790	\$ 243,426,258	\$ 10,254,532
Water infrastructure replacement	5,280,745	4,900,000	380,745
Sewer infrastructure replacement	14,531,651	13,500,000	1,031,651
Watershed protection fees	2,649,018	2,300,000	349,018
Capital facility fees	27,971,135	20,000,000	7,971,135
Other operating revenues	7,018,604	5,486,095	1,532,509
<b>Total operating revenues</b>	<b>311,131,943</b>	<b>289,612,353</b>	<b>21,519,590</b>
<b>NONOPERATING REVENUES</b>			
Gain (loss) on investments	27,050,696	5,676,750	21,373,946
Gain (loss) on disposal of capital assets	121,400	-	121,400
Other nonoperating revenues	57,358	30,000	27,358
<b>Total nonoperating revenues</b>	<b>27,229,454</b>	<b>5,706,750</b>	<b>21,522,704</b>
<b>OTHER FINANCING SOURCES</b>			
Lease liabilities issued	478,058	478,058	-
IT subscription liabilities issued	335,767	335,767	-
<b>Total other financing sources</b>	<b>813,825</b>	<b>813,825</b>	<b>-</b>
<b>Total revenues and other financing sources</b>	<b>\$ 339,175,222</b>	296,132,928	<b>\$ 43,042,294</b>
Fund balance appropriated		36,622,443	
		<b>\$ 332,755,371</b>	
<b>EXPENDITURES</b>			
<b>Public utilities:</b>			
Administration	\$ 11,717,086	\$ 14,668,184	\$ (2,951,098)
Capital improvements management	6,266,533	6,209,687	56,846
Water plant	29,223,415	31,542,542	(2,319,127)
Waste treatment plant	31,567,649	36,262,981	(4,695,332)
Utility billing	9,365,192	11,232,667	(1,867,475)
Sewer maintenance	14,101,061	16,428,067	(2,327,006)
Water distribution	12,759,785	14,565,115	(1,805,330)
Meter operations	6,651,637	7,391,831	(740,194)
	<b>121,652,358</b>	<b>138,301,074</b>	<b>(16,648,716)</b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Water and Sewer Operating Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>			
<b>Special appropriations:</b>			
Reimbursement to general fund	\$ 11,129,624	\$ 11,129,624	\$ -
Insurance and risk management charges	5,813,889	5,848,898	(35,009)
Other expenditures	206,951	8,162,619	(7,955,668)
	<u>17,150,464</u>	<u>25,141,141</u>	<u>(7,990,677)</u>
<b>Debt service:</b>			
Leases:			
Principal	477,235	477,235	-
Interest	54,730	54,730	-
IT Subscriptions:			
Principal	824,929	824,929	-
Interest	29,637	29,637	-
Revenue bonds:			
Principal	33,470,000	33,470,000	-
Interest	25,989,357	25,989,357	-
Installment financing agreements:			
Principal	7,135,622	7,135,622	-
Interest	1,039,121	1,039,121	-
Other expenditures	134,698	4,352,525	(4,217,827)
<b>Total nonoperating expenditures</b>	<u>69,155,329</u>	<u>73,373,156</u>	<u>(4,217,827)</u>
<b>Total expenditures</b>	<u>207,958,151</u>	<u>236,815,371</u>	<u>(28,857,220)</u>
<b>OTHER FINANCING USES</b>			
Transfers to:			
Water capital projects fund	37,440,000	37,440,000	-
Sewer capital projects fund	58,500,000	58,500,000	-
Miscellaneous capital projects fund	238,000	-	238,000
<b>Total other financing uses</b>	<u>96,178,000</u>	<u>95,940,000</u>	<u>238,000</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 304,136,151</u>	<u>\$ 332,755,371</u>	<u>\$ (28,619,220)</u>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Water and Sewer Capital Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual Over			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
NC Department of Natural Resources	\$ 46,730,514	\$ 400,769	\$ 47,131,283	\$ 53,578,755	\$ (6,447,472)
<b>Total revenues</b>	<u>46,730,514</u>	<u>400,769</u>	<u>47,131,283</u>	<u>53,578,755</u>	<u>(6,447,472)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Water and sewer operating fund	605,750,462	95,940,000	701,690,462	621,554,492	80,135,970
Issuance of debt	<u>164,626,955</u>	<u>61,700,000</u>	<u>226,326,955</u>	<u>713,168,685</u>	<u>(486,841,730)</u>
<b>Total other financing sources</b>	<u>770,377,417</u>	<u>157,640,000</u>	<u>928,017,417</u>	<u>1,334,723,177</u>	<u>(406,705,760)</u>
<b>Total revenues and other financing sources</b>	<u>\$ 817,107,931</u>	<u>\$ 158,040,769</u>	<u>\$ 975,148,700</u>	1,388,301,932	<u>\$ (413,153,232)</u>
Fund balance appropriated				14,401,000	
				<u>\$ 1,402,702,932</u>	
<b>EXPENDITURES</b>					
Water capital projects	\$ 126,457,153	\$ 50,300,060	\$ 176,757,213	\$ 440,942,867	\$ (264,185,654)
Sewer capital projects	<u>421,946,885</u>	<u>146,020,933</u>	<u>567,967,818</u>	<u>961,760,065</u>	<u>(393,792,247)</u>
<b>Total expenditures</b>	<u>548,404,038</u>	<u>196,320,993</u>	<u>744,725,031</u>	<u>1,402,702,932</u>	<u>(657,977,901)</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 548,404,038</u>	<u>\$ 196,320,993</u>	<u>\$ 744,725,031</u>	<u>\$ 1,402,702,932</u>	<u>\$ (657,977,901)</u>

## Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Water and Sewer Funds For the Fiscal Year Ended June 30, 2024

### RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis:	
Water and sewer operating fund	\$ 339,175,222
Water and sewer capital projects fund	158,040,769
Total current year expenditures and other financing uses - modified accrual basis:	
Water and sewer operating fund	(304,136,151)
Water and sewer capital projects fund	(196,320,993)
Excess of revenues and other financing sources over expenditures and other financing uses	(3,241,153)
Adjustments to full accrual basis:	
Amortization of deferred refunding charges	(1,334,826)
Amortization of bond premiums and discounts	2,856,164
Bond and note proceeds	(61,700,000)
Bond and note principal payments	40,605,622
Lease proceeds	(312,778)
Lease principal payments	909,002
IT Subscription principal payments	824,929
Capital contributions	68,713,641
Capital outlay	196,986,204
Depreciation and amortization	(62,379,164)
Interest expense accrual	(2,398,388)
Vacation expense	(200,085)
Increase (decrease) in deferred outflows of resources - LGERS	(944,826)
(Increase) decrease in deferred inflows of resources - LGERS	(367,840)
(Increase) decrease in net pension liability - LGERS	(2,807,995)
Increase (decrease) in deferred outflows of resources - OPEB	(1,353,898)
(Increase) decrease in deferred inflows of resources - OPEB	1,541,516
(Increase) decrease in net pension liability - OPEB	758,915
Change in net position per statement of revenues, expenses and changes in fund net position	<u>\$ 176,155,040</u>

**Schedule of Revenues and Expenditures -  
Budget (Modified Accrual Basis) and Actual  
Convention Center and Performing Arts Complex Operating Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
User charges:			
Convention and civic center	\$ 7,679,841	\$ 7,268,753	\$ 411,088
Performing arts center	7,705,036	7,262,512	442,524
Red Hat amphitheater	2,619,338	3,313,477	(694,139)
Special events	69,445	104,461	(35,016)
<b>Total user charges</b>	<u>18,073,660</u>	<u>17,949,203</u>	<u>124,457</u>
Miscellaneous Other	1,156,835	1,103,456	53,379
Gain (loss) on investments	94,380	-	94,380
<b>Total revenues</b>	<u>19,324,875</u>	<u>19,052,659</u>	<u>272,216</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from:			
General fund	3,198,442	3,198,442	-
Convention center financing fund	22,795,636	22,805,140	(9,504)
Lease liabilities issued	678,030	678,030	-
IT subscription liabilities issued	135,748	135,748	-
<b>Total other financing sources</b>	<u>26,807,856</u>	<u>26,817,360</u>	<u>(9,504)</u>
<b>Total revenues and other financing sources</b>	<u>\$ 46,132,731</u>	45,870,019	<u>\$ 262,712</u>
Fund balance appropriated		5,096,729	
		<u>\$ 50,966,748</u>	
<b>EXPENDITURES</b>			
Civic and convention center	\$ 12,306,191	\$ 13,089,186	\$ (782,995)
Performing arts center	8,389,117	9,926,065	(1,536,948)
Red Hat amphitheater	2,387,676	3,480,758	(1,093,082)
Special events	222,529	249,321	(26,792)
<b>Total operating expenditures</b>	<u>23,305,513</u>	<u>26,745,330</u>	<u>(3,439,817)</u>
<b>DEBT SERVICE</b>			
Principal	12,198,180	12,198,180	-
Interest	7,236,075	7,236,075	-
Other debt service costs	-	462,163	(462,163)
<b>Total debt service</b>	<u>19,434,255</u>	<u>19,896,418</u>	<u>(462,163)</u>
<b>OTHER FINANCING USES</b>			
Transfers to:			
Convention Center and Performing Arts Complex Projects fund	4,325,000	4,325,000	-
<b>Total other financing uses</b>	<u>4,325,000</u>	<u>4,325,000</u>	<u>-</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 47,064,768</u>	<u>\$ 50,966,748</u>	<u>\$ (3,901,980)</u>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Convention and Performing Arts Complex Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
General Fund	\$ -	\$ 825,000	\$ 825,000	\$ 825,000	\$ -
Convention center operating fund	4,735,191	-	4,735,191	4,735,191	-
Convention center financing fund	4,750,000	1,000,000	5,750,000	5,750,000	-
<b>Total revenues and other financing sources</b>	<b>\$ 9,485,191</b>	<b>\$ 1,825,000</b>	<b>\$ 11,310,191</b>	<b>\$ 11,310,191</b>	<b>\$ -</b>
<b>EXPENDITURES</b>					
Convention center and performing arts complex projects	\$ 1,537,646	\$ 2,127,235	\$ 3,664,881	\$ 11,310,191	\$ (7,645,310)

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Convention Center Complex Capital Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Convention center financing fund	\$ 17,132,407	\$ 3,200,000	\$ 20,332,407	\$ 18,458,110	\$ 1,874,297
Convention center operating fund	-	4,325,000	4,325,000	4,325,000	-
<b>Total revenues and other financing sources</b>	<b>\$ 17,132,407</b>	<b>\$ 7,525,000</b>	<b>\$ 24,657,407</b>	22,783,110	<b>\$ 1,874,297</b>
Fund balance appropriated				764,247	
				<b>\$ 23,547,357</b>	
<b>EXPENDITURES</b>					
Convention center projects	\$ 10,051,259	\$ 3,322,843	\$ 13,374,102	\$ 15,547,357	\$ (2,173,255)
<b>OTHER FINANCING USES</b>					
Transfers to:					
Convention center expansion projects fund	-	8,000,000	8,000,000	8,000,000	-
<b>Total expenditures and other financing uses</b>	<b>\$ 10,051,259</b>	<b>\$ 11,322,843</b>	<b>\$ 21,374,102</b>	<b>\$ 23,547,357</b>	<b>\$ (2,173,255)</b>



**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Convention Center Expansion Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Convention center complex capital project fund	\$ -	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ -
Walnut creek amphitheater projects fund	-	1,773,453	1,773,453	1,773,453	-
Bond proceeds	-	-	-	34,655,583	\$ (34,655,583)
<b>Total other financing sources</b>	<b>\$ -</b>	<b>\$ 9,773,453</b>	<b>\$ 9,773,453</b>	<b>\$ 44,429,036</b>	<b>\$ (34,655,583)</b>
<b>EXPENDITURES</b>					
RCC expansion capital projects	-	4,323,269	4,323,269	44,429,036	\$ (40,105,767)

# Schedule of Revenues and Expenditures Budget (Modified Accrual Basis ) and Actual Convention Center Funds For the Fiscal Year Ended June 30, 2024

## RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	
Convention center and performing arts complex operating fund	\$ 46,132,731
Convention center and performing arts complex projects fund	1,825,000
Convention center complex capital projects fund	7,525,000
Convention center expansion capital projects fund	9,773,453
 Total current expenditures and other financing uses - modified accrual basis	
Convention center and performing arts complex operating fund	(47,064,768)
Convention center and performing arts complex projects fund	(2,127,235)
Convention center complex capital projects fund	(11,322,843)
Convention center expansion capital projects fund	<u>(4,323,269)</u>
 Deficiency of revenues and other financing sources under expenditures and other financing uses	 418,069
 Adjustments to full accrual basis:	
Amortization of deferred refunding charges	(3,945)
Amortization of premiums and discounts	117,881
Bond and note principal payments	11,900,734
Lease principal payments	212,943
IT subscription principal payments	84,683
Capital outlay	9,770,346
Depreciation and amortization	(9,104,176)
Interest expense accrual	(123,082)
Increase (decrease) in deferred outflows of resources - LGERS	(170,962)
(Increase) decrease in deferred inflows of resources - LGERS	(66,559)
(Increase) decrease in pension liability - LGERS	(508,094)
Increase (decrease) in deferred outflows of resources - OPEB	(244,981)
(Increase) decrease in deferred inflows of resources - OPEB	278,930
(Increase) decrease in pension liability - OPEB	137,322
Vacation expense	<u>(51,819)</u>
 Change in net position per statement of revenues, expenses and changes in net position	 <u><u>\$ 12,647,290</u></u>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Mass Transit Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Farebox	\$ -	\$ 1,494,628	\$ 1,494,628	\$ 2,000,000	\$ (505,372)
ART program fees	-	73,349	73,349	73,349	-
Intergovernmental revenue:					
Federal Transit Administration	22,569,099	29,791,714	52,360,813	129,056,360	(76,695,547)
State of North Carolina	1,021,723	3,041,187	4,062,910	3,000,000	1,062,910
Wake Transit	49,313,685	27,477,907	76,791,592	259,984,148	(183,192,556)
Miscellaneous other	-	283,153	283,153	360,100	(76,947)
<b>Total revenues</b>	<b>72,904,507</b>	<b>62,161,938</b>	<b>135,066,445</b>	<b>394,473,957</b>	<b>(259,407,512)</b>
<b>OTHER FINANCING SOURCES</b>					
Gain (loss) on disposal of capital assets	-	20,852	20,852	20,852	-
Transfers from:					
General fund	-	18,160,606	18,160,606	27,648,224	(9,487,618)
Street bond fund	-	-	-	108,274	(108,274)
Street improvement fund	-	-	-	516,229	(516,229)
Grants fund	-	20,403	20,403	53,573	(33,170)
Lease liabilities issued	-	2,166	2,166	2,166	-
<b>Total other financing sources</b>	<b>-</b>	<b>18,204,027</b>	<b>18,204,027</b>	<b>28,349,318</b>	<b>(10,145,291)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 72,904,507</b>	<b>\$ 80,365,965</b>	<b>\$ 153,270,472</b>	422,823,275	<b>\$ (269,552,803)</b>
Fund balance appropriated				-	
				<b>\$ 422,823,275</b>	
<b>EXPENDITURES</b>					
Mass transit operating expenditures	\$ -	\$ 19,696,618	\$ 19,696,618	\$ 24,291,392	\$ (4,594,774)
ART program operating expenditures	-	5,482,420	5,482,420	6,205,296	(722,876)
Capital grant expenditures	47,324,975	30,603,588	77,928,563	243,183,049	(165,254,486)
Wake Transit operating expenditures	-	13,432,349	13,432,349	22,920,197	(9,487,848)
Wake Transit capital expenditures	24,121,175	5,779,722	29,900,897	126,222,686	(96,321,789)
Interest expense	-	656	656	656	-
<b>Total expenditures</b>	<b>71,446,150</b>	<b>74,995,353</b>	<b>146,441,503</b>	<b>422,823,276</b>	<b>(276,381,773)</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 71,446,150</b>	<b>\$ 74,995,353</b>	<b>\$ 146,441,503</b>	<b>\$ 422,823,276</b>	<b>\$ (276,381,773)</b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Mass Transit Fund  
For the Fiscal Year Ended June 30, 2024**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	\$ 80,365,964
Total current year expenditures and other financing uses - modified accrual basis	<u>(74,995,353)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	5,370,611
Adjustments to full accrual basis:	
Capital outlay	27,371,611
Depreciation and amortization	(9,079,062)
Interest expense accrual	(156)
Lease principal payments	27,235
IT Subscription principal payments	23,627
Increase (decrease) in deferred outflows of resources - LGERS	(30,704)
(Increase) decrease in deferred inflows of resources - LGERS	(11,953)
(Increase) decrease in pension liability - LGERS	(91,249)
Increase (decrease) in deferred outflows of resources - OPEB	(43,997)
(Increase) decrease in deferred inflows of resources - OPEB	50,093
(Increase) decrease in pension liability - OPEB	24,662
Vacation expense	<u>(10,248)</u>
<b>Change in net position per statement of revenues, expenses, and changes in fund net position</b>	<b><u>\$ 23,600,470</u></b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Stormwater Utility Operating Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual	Budget	Over (Under) Budget
<b>REVENUES</b>			
User charges	\$ 35,776,572	\$ 36,054,676	\$ (278,104)
Gain (loss) on investments	1,670,232	249,864	1,420,368
Miscellaneous other	117,930	50,000	67,930
<b>Total revenues</b>	<b>37,564,734</b>	<b>36,354,540</b>	<b>1,210,194</b>
<b>OTHER FINANCING SOURCES</b>			
Lease liabilities issued	86,820	86,820	-
IT subscription liabilities issued	-	-	-
<b>Total other financing sources</b>	<b>86,820</b>	<b>86,820</b>	<b>-</b>
<b>Total revenues and other financing sources</b>	<b>\$ 37,651,554</b>	36,441,360	<b>\$ 1,210,194</b>
Fund balance appropriated		1,376,571	
		<b>\$ 37,817,931</b>	
<b>EXPENDITURES</b>			
Operating expenditures	\$ 21,787,568	\$ 24,129,825	\$ (2,342,257)
<b>DEBT SERVICE</b>			
Note principal	101,738	101,738	-
Lease principal	59,906	59,906	-
Lease interest	7,812	7,812	-
<b>Total Debt Service</b>	<b>169,456</b>	<b>169,456</b>	<b>-</b>
<b>OTHER FINANCING USES</b>			
Transfers to:			
Stormwater utility capital projects fund	13,128,000	13,128,000	-
Misc. Capital Project	92,500	92,500	-
General fund	298,150	298,150	-
<b>Total other financing uses</b>	<b>13,518,650</b>	<b>13,518,650</b>	<b>-</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 35,475,674</b>	<b>\$ 37,817,931</b>	<b>\$ (2,342,257)</b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Stormwater Utility Capital Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual			Budget	Over (Under) Budget
	Prior Years	Current Year	Total		
<b>REVENUES</b>					
Intergovernmental:					
Federal Emergency Management Agency	\$ 1,047,296	\$ -	\$ 1,047,296	\$ 1,378,317	\$ (331,021)
N.C. Clean Water Management Trust	721,086	15,707	736,793	1,626,554	(889,761)
Gain (loss) on investments	6,234,938	-	6,234,938	1,804,000	4,430,938
Miscellaneous other	346,832	2,368	349,200	136,014	213,186
<b>Total revenues</b>	<b>8,350,152</b>	<b>18,075</b>	<b>8,368,227</b>	<b>4,944,885</b>	<b>3,423,342</b>
<b>OTHER FINANCING SOURCES</b>					
Transfer from:					
Stormwater utility operating fund	60,079,901	13,128,000	73,207,901	85,849,745	(12,641,844)
Raleigh union station capital projects fund	51,300	-	51,300	51,300	-
Miscellaneous capital projects fund	26,715	75,000	101,715	101,715	-
<b>Total other financing sources</b>	<b>60,157,916</b>	<b>13,203,000</b>	<b>73,360,916</b>	<b>86,002,760</b>	<b>(12,641,844)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 68,508,068</b>	<b>\$ 13,221,075</b>	<b>\$ 81,729,143</b>	90,947,645	<b>\$ (9,218,502)</b>
Fund balance appropriated				2,756,000	
				<b>\$ 93,703,645</b>	
<b>EXPENDITURES</b>					
Stormwater capital projects	\$ 32,998,019	\$ 8,785,799	\$ 41,783,818	\$ 93,703,645	\$ (51,919,827)
<b>Total expenditures and other financing uses</b>	<b>\$ 32,998,019</b>	<b>\$ 8,785,799</b>	<b>\$ 41,783,818</b>	<b>\$ 93,703,645</b>	<b>\$ (51,919,827)</b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Stormwater Utility Bond Fund  
For the Fiscal Year Ended June 30, 2024**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Stormwater utility operating fund	\$ 82,945	\$ -	\$ 82,945	\$ 20,890	\$ 62,055
<b>EXPENDITURES</b>					
Stormwater capital projects	\$ 20,890	\$ -	\$ 20,890	\$ 20,890	\$ -

# Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Stormwater Utility Funds For the Fiscal Year Ended June 30, 2024

## RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	
Stormwater utility operating fund	\$ 37,651,554
Stormwater utility capital projects fund	13,221,075
Stormwater utility bond fund	-
Total current year expenditures and other financing uses - modified accrual basis	
Stormwater utility operating fund	(35,475,674)
Stormwater utility capital projects fund	(8,785,799)
Stormwater utility bond fund	-
Deficiency of revenues and other financing sources under expenditures and other financing uses	6,611,156
Adjustments to full accrual basis:	
Capital outlay	8,677,939
Depreciation and amortization	(5,814,941)
Note principal	101,738
Interest expense accrual	(2,642)
Lease principal payments	59,906
Increase (decrease) in deferred outflows of resources - LGERS	(209,341)
(Increase) decrease in deferred inflows of resources - LGERS	(81,501)
(Increase) decrease in pension liability - LGERS	(622,155)
Increase (decrease) in deferred outflows of resources - OPEB	(299,978)
(Increase) decrease in deferred inflows of resources - OPEB	341,547
(Increase) decrease in pension liability - OPEB	168,149
Vacation expense	(64,958)
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 8,864,919</u>



**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Parking Facilities Operating Fund  
For the Fiscal Year Ended June 30, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Parking fees	\$ 13,940,338	\$ 15,831,111	\$ (1,890,773)
Gain (loss) on investments	210,537	68,842	141,695
Miscellaneous other	54,401	153,500	(99,099)
<b>Total operating revenues</b>	<b><u>14,205,276</u></b>	<b><u>16,053,453</u></b>	<b><u>(1,848,177)</u></b>
<b>OTHER FINANCING SOURCES</b>			
Lease liabilities issued	217,389	217,389	-
<b>Total other financing sources</b>	<b><u>217,389</u></b>	<b><u>217,389</u></b>	<b><u>-</u></b>
<b>Total revenues and other financing sources</b>	<b><u>\$ 14,422,665</u></b>	16,270,842	<b><u>\$ (1,848,177)</u></b>
Fund balance appropriated		1,443,090	
		<b><u>\$ 17,713,932</u></b>	
<b>EXPENDITURES</b>			
Operating expenditures	\$ 8,203,139	\$ 10,133,959	\$ (1,930,820)
<b>DEBT SERVICE</b>			
Note principal	4,260,015	4,121,336	138,679
Note interest	2,117,390	2,045,231	72,159
Other debt service expenditures	115,923	260,000	(144,077)
<b>Total debt service</b>	<b><u>6,493,328</u></b>	<b><u>6,426,567</u></b>	<b><u>66,761</u></b>
<b>OTHER FINANCING USES</b>			
General debt service fund	578,406	578,406	-
Parking facilities capital projects fund	575,000	575,000	-
<b>Total other financing uses</b>	<b><u>1,153,406</u></b>	<b><u>1,153,406</u></b>	<b><u>-</u></b>
<b>Total expenditures and other financing uses</b>	<b><u>\$ 15,849,873</u></b>	<b><u>\$ 17,713,932</u></b>	<b><u>\$ (1,864,059)</u></b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Parking Facilities Capital Projects Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual		Budget	Over (Under) Budget	
	Prior Current	Current Year			Total
<b>REVENUES</b>					
Gain (loss) on investments	\$ -	\$ 16,341	\$ 16,341	\$ -	\$ 16,341
<b>Total revenues</b>	<b>-</b>	<b>16,341</b>	<b>16,341</b>	<b>-</b>	<b>16,341</b>
<b>OTHER FINANCING SOURCES</b>					
Parking facilities operating fund	\$ 1,043,565	\$ 575,000	\$ 1,618,565	\$ 4,909,885	\$ (3,291,320)
<b>Total other financing sources</b>	<b>1,043,565</b>	<b>575,000</b>	<b>1,618,565</b>	<b>4,909,885</b>	<b>(3,291,320)</b>
<b>Total revenue and other financing sources</b>	<b>\$ 1,043,565</b>	<b>\$ 591,341</b>	<b>\$ 1,634,906</b>	4,909,885	<b>\$ (3,274,979)</b>
Fund balance appropriated				3,176,829	
				<b>\$ 8,086,714</b>	
<b>EXPENDITURES</b>					
Parking facilities capital projects	\$ 2,291,633	\$ 829,056	\$ 3,120,689	\$ 8,086,714	\$ (4,966,025)

## Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Parking Facilities Funds For the Fiscal Year Ended June 30, 2024

### RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	
Parking facilities operating fund	\$ 14,422,665
Parking facilities capital projects fund	591,341
Total current year expenditures and other financing uses - modified accrual basis	
Parking facilities operating fund	(15,849,873)
Parking facilities capital projects fund	<u>(829,056)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(1,664,923)
Adjustments to full accrual basis:	
Accrued interest expense	62,779
Amortization of bond refunding costs	(30,041)
Amortization of premiums and discounts	261,114
Bond and note principal	4,574,675
Lease principal payments	59,686
IT Subscription principal payments	78,993
Lease proceeds (payments)	270,288
Capital outlay	829,056
Depreciation and amortization	(4,833,511)
Increase (decrease) in deferred outflows of resources - LGERS	(53,033)
(Increase) decrease in deferred inflows of resources - LGERS	(20,647)
Increase (decrease) in pension liability - LGERS	(157,613)
Increase (decrease) in deferred outflows of resources - OPEB	(75,994)
(Increase) decrease in deferred inflows of resources - OPEB	86,525
Increase (decrease) in pension liability - OPEB	42,598
Vacation expense	<u>(936)</u>
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ (570,984)</u>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Solid Waste Services Fund  
For the Fiscal Year Ended June 30, 2024**

	Actual	Budget	Over (Under) Budget
<b>REVENUES</b>			
Solid waste residential collection	\$ 25,746,022	\$ 28,119,333	\$ (2,373,311)
Recycling residential collection	11,906,831	11,812,518	94,313
Yardwaste center	4,505,366	1,147,038	3,358,328
<b>Total revenues</b>	<b>42,158,219</b>	<b>41,078,889</b>	<b>1,079,330</b>
<b>OTHER FINANCING SOURCES</b>			
Other revenue	707,558	153,367	554,191
Transfer from:			
General fund	5,047,500	6,730,000	(1,682,500)
Lease liabilities issued	38,545	38,545	-
<b>Total other financing sources</b>	<b>5,793,603</b>	<b>6,921,912</b>	<b>(1,128,309)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 47,951,822</b>	48,000,801	<b>\$ (48,979)</b>
Fund balance appropriated		4,817,383	
		<b>\$ 52,818,184</b>	
<b>EXPENDITURES</b>			
Administration	\$ 11,106,165	\$ 12,647,352	\$ (1,541,187)
Residential collection	5,960,745	6,970,987	(1,010,242)
Residential recycling	21,676,584	26,298,530	(4,621,946)
Yardwaste center	5,052,213	5,609,046	(556,833)
	<b>43,795,707</b>	<b>51,525,915</b>	<b>(7,730,208)</b>
<b>DEBT SERVICE</b>			
Note principal	786,480	786,480	-
Note interest	310,686	314,789	(4,103)
	<b>1,097,166</b>	<b>1,101,269</b>	<b>(4,103)</b>
<b>Total expenditures</b>	<b>44,892,873</b>	<b>52,627,184</b>	<b>(7,734,311)</b>
<b>OTHER FINANCING USES</b>			
Transfers to:			
Solid waste services capital fund	176,000	176,000	-
Miscellaneous capital improvements fund	15,000	15,000	-
<b>Total other financing uses</b>	<b>191,000</b>	<b>191,000</b>	<b>-</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 45,083,873</b>	<b>\$ 52,818,184</b>	<b>\$ (7,734,311)</b>

**Schedule of Revenues and Expenditures  
Budget (Modified Accrual Basis) and Actual  
Solid Waste Services Capital Fund  
For the Fiscal Year Ended June 30, 2024**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
<b>OTHER FINANCING SOURCES</b>					
Transfers from:					
Solid waste services operations fund	\$ -	\$ 176,000	\$ 176,000	\$ 176,000	\$ -
<b>EXPENDITURES</b>					
Solid waste services capital projects	\$ -	\$ -	\$ -	\$ 176,000	\$ (176,000)

## Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Solid Waste Services Fund For the Fiscal Year Ended June 30, 2024

### RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis		
Solid waste services operating fund	\$	47,951,822
Solid waste services capital projects fund		176,000
Total current year expenditures and other financing uses - modified accrual basis		
Solid waste services operating fund		(45,083,873)
Solid waste services capital projects fund		-
Excess of revenues and other financing sources over expenditures and other financing uses		3,043,949
Adjustments to full accrual basis:		
Amortization of refunding charges		(17,614)
Amortization of note premiums and discounts		125,275
Bond and note principal payments		786,480
Lease principal payments		50,684
Depreciation and amortization		(781,686)
Interest expense accrual		11,257
Landfill closure/postclosure liability adjustment		(498,532)
Increase (decrease) in deferred outflows of resources - LGERS		(293,077)
(Increase) decrease in deferred inflows of resources - LGERS		(114,101)
(Increase) decrease in pension liability - LGERS		(871,017)
Increase (decrease) in deferred outflows of resources - OPEB		(419,968)
(Increase) decrease in deferred inflows of resources - OPEB		478,165
(Increase) decrease in pension liability - OPEB		235,409
Vacation expense		90,646
Change in net position per statement of revenues, expenses, and changes in fund net position	\$	<u>1,825,870</u>

# Internal Service Funds

Internal Service Funds are used to account for centralized services provided on a cost-reimbursement basis. The City maintains six internal service funds for its risk management, health benefits, equipment replacement programs, and vehicle fleet services.



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# Internal Service Funds

## **Risk Management Fund**

The Risk Management Fund accounts for risk management activities of the City, including premiums, claims expenses and loss reserves.

## **Employees' Health Benefits Fund**

The Employees' Health Benefits Fund accounts for the City's and employees' contributions to a medical trust and its related costs, including claims and operating expenses.

## **Governmental Equipment Replacement Fund**

The Governmental Equipment Replacement Fund accounts for the activities related to managing the equipment replacement program for governmental activities.

## **Solid Waste Services Equipment Replacement Fund**

The Solid Waste Services Equipment Replacement Fund accounts for the activities related to managing the City's equipment replacement program for the City's Solid Waste Services Department.

## **Public Utilities Equipment Replacement Fund**

The Public Utilities Equipment Replacement Fund accounts for the activities related to managing the City's equipment replacement program for the City's Public Utilities Department.

## **Vehicle Fleet Services Fund**

The Vehicle Fleet Services Fund accounts for the activities related to the City's central garage operations.

**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2024**

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 46,017,750	\$ 30,347,736	\$ 8,409,582	\$ 4,304,230
Due from other funds	-	33,750	370	-
Accrued interest receivable	642,745	113,514	-	-
Other receivables and assets	-	-	1,654,160	-
Sales tax receivable	289	-	448,561	677,619
Inventories	-	-	-	-
Insurance deposit	420,000	-	-	-
<b>Total current assets</b>	<b>47,080,784</b>	<b>30,495,000</b>	<b>10,512,673</b>	<b>4,981,849</b>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	1,258,232	4,942,354
Capital assets:				
Buildings and machinery	-	-	-	-
Buses	-	-	104,241	-
Equipment	-	-	136,080,806	50,999,267
Intangible right to use lease asset, net of amortization	2,246	-	-	-
Less accumulated depreciation	-	-	(98,370,013)	(34,080,862)
<b>Total noncurrent assets</b>	<b>2,246</b>	<b>-</b>	<b>39,073,266</b>	<b>21,860,759</b>
<b>Total assets</b>	<b>47,083,030</b>	<b>30,495,000</b>	<b>49,585,939</b>	<b>26,842,608</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals - LGERS	104,168	-	-	-
OPEB deferrals	22,482	-	-	-
<b>Total deferred outflows of resources</b>	<b>126,650</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	9,255	11,035	217,789	1,209,291
Sales tax payable	-	1,547	889	16,620
Accrued salaries and employee payroll taxes	103	-	-	-
Accrued interest payable	41	-	65,897	30,875
Claims payable and other liabilities	6,986,303	3,271,000	-	-
Due to other funds	-	15,717	-	74
Earned vacation pay	14,452	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	8,185,668	5,068,253
Contracts and other notes payable, net of unamortized premiums and discounts	1,661	-	-	-
<b>Total current liabilities</b>	<b>7,011,815</b>	<b>3,299,299</b>	<b>8,470,243</b>	<b>6,325,113</b>
Noncurrent liabilities:				
Claims payable and other liabilities	13,855,892	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	19,553,636	9,763,686
Contracts and other notes payable, net of unamortized premiums and discounts	775	-	-	-
Earned vacation pay	8,032	-	-	-
Net pension liability - LGERS	274,936	-	-	-
Net OPEB liability	304,658	-	-	-
<b>Total noncurrent liabilities</b>	<b>14,444,293</b>	<b>-</b>	<b>19,553,636</b>	<b>9,763,686</b>
<b>Total liabilities</b>	<b>21,456,108</b>	<b>3,299,299</b>	<b>28,023,879</b>	<b>16,088,799</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals - LGERS	17,596	-	-	-
OPEB deferrals	14,948	-	-	-
<b>Total deferred inflows of resources</b>	<b>32,544</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	(190)	-	11,333,962	7,028,820
Unrestricted	25,721,218	27,195,701	10,228,098	3,724,989
<b>Total net position</b>	<b>\$ 25,721,028</b>	<b>\$ 27,195,701</b>	<b>\$ 21,562,060</b>	<b>\$ 10,753,809</b>

**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2024**

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 6,678,209	\$ 2,578,967	\$ 98,336,474
Due from other funds	-	-	34,120
Accrued interest receivable	-	-	756,259
Other receivables and assets	-	15,425	1,669,585
Sales tax receivable	77,214	538,295	1,741,978
Inventories	-	776,569	776,569
Insurance deposit	-	-	420,000
<b>Total current assets</b>	<b>6,755,423</b>	<b>3,909,256</b>	<b>103,734,985</b>
Noncurrent assets:			
Restricted cash and cash equivalents	3,420,234	-	9,620,820
Capital assets:			
Buildings and machinery	-	230,912	230,912
Buses	-	-	104,241
Equipment	43,677,630	1,146,483	231,904,186
Intangible right to use lease asset, net of amortization	-	40,130	42,376
Less accumulated depreciation	(37,368,963)	(1,182,704)	(171,002,542)
<b>Total noncurrent assets</b>	<b>9,728,901</b>	<b>234,821</b>	<b>70,899,993</b>
<b>Total assets</b>	<b>16,484,324</b>	<b>4,144,077</b>	<b>174,634,978</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals - LGERS	-	1,381,588	1,485,756
OPEB deferrals	-	336,777	359,259
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>1,718,365</b>	<b>1,845,015</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	858,082	2,305,452
Sales tax payable	-	11,418	30,474
Accrued salaries and employee payroll taxes	-	1,340	1,443
Accrued interest payable	15,285	698	112,796
Claims payable and other liabilities	-	-	10,257,303
Due to other funds	296	-	16,087
Earned vacation pay	-	241,896	256,348
Bonds, notes and loans payable, net of unamortized premiums and discounts	2,499,528	-	15,753,449
Contracts and other notes payable, net of unamortized premiums and discounts	-	17,246	18,907
<b>Total current liabilities</b>	<b>2,515,109</b>	<b>1,130,680</b>	<b>28,752,259</b>
Noncurrent liabilities:			
Claims payable and other liabilities	-	-	13,855,892
Bonds, notes and loans payable, net of unamortized premiums and discounts	4,829,031	-	34,146,353
Contracts and other notes payable, net of unamortized premiums and discounts	-	24,145	24,920
Earned vacation pay	-	170,371	178,403
Net pension liability - LGERS	-	3,803,636	4,078,572
Net OPEB liability	-	3,900,357	4,205,015
<b>Total noncurrent liabilities</b>	<b>4,829,031</b>	<b>7,898,509</b>	<b>56,489,155</b>
<b>Total liabilities</b>	<b>7,344,140</b>	<b>9,029,189</b>	<b>85,241,414</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals - LGERS	-	206,684	224,280
OPEB deferrals	-	159,003	173,951
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>365,687</b>	<b>398,231</b>
<b>NET POSITION</b>			
Net investment in capital assets	2,400,342	193,430	20,956,364
Unrestricted	6,739,842	(3,725,864)	69,883,984
<b>Total net position</b>	<b>\$ 9,140,184</b>	<b>\$ (3,532,434)</b>	<b>\$ 90,840,348</b>

**Combining Statement of Revenues, Expenses  
And Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2024**

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
<b>Operating revenues</b>				
Charges for services - internal	\$ 12,312,851	\$ 51,628,041	\$ 9,496,958	\$ 5,915,454
Other	-	-	-	-
<b>Total operating revenues</b>	<b>12,312,851</b>	<b>51,628,041</b>	<b>9,496,958</b>	<b>5,915,454</b>
<b>Operating expenses</b>				
Personnel services	444,417	-	-	-
Other operational expenses	1,178,811	4,643,134	439,887	20,000
Claims	7,563,444	45,885,992	-	-
Premiums	4,293,201	-	-	-
Depreciation and amortization	-	-	10,656,179	4,941,338
<b>Total operating expenses</b>	<b>13,479,873</b>	<b>50,529,126</b>	<b>11,096,066</b>	<b>4,961,338</b>
<b>Operating income (loss)</b>	<b>(1,167,022)</b>	<b>1,098,915</b>	<b>(1,599,108)</b>	<b>954,116</b>
<b>Nonoperating revenue (expense)</b>				
Gain (loss) on investments	7,159,301	1,309,624	495,420	413,418
Recovery of claims	580,999	2,680,474	-	-
Interest expense	(211)	-	(936,338)	(408,093)
Proceeds on sale of property	-	-	636,283	995,722
<b>Total nonoperating revenue (expense)</b>	<b>7,740,089</b>	<b>3,990,098</b>	<b>195,365</b>	<b>1,001,047</b>
Income (loss) before contributions and transfers	6,573,067	5,089,013	(1,403,743)	1,955,163
Transfers in	-	-	4,924,942	-
Transfers out	-	-	-	-
Change in net position	6,573,067	5,089,013	3,521,199	1,955,163
Net position, beginning of year	19,147,961	22,106,688	18,040,861	8,798,646
<b>Net position, end of year</b>	<b>\$ 25,721,028</b>	<b>\$ 27,195,701</b>	<b>\$ 21,562,060</b>	<b>\$ 10,753,809</b>

**Combining Statement of Revenues, Expenses  
And Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2024**

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
<b>Operating revenues</b>			
Charges for services - internal	\$ 2,801,132	\$ 18,755,397	\$ 100,909,833
Other	-	8,951	8,951
<b>Total operating revenues</b>	<b>2,801,132</b>	<b>18,764,348</b>	<b>100,918,784</b>
<b>Operating expenses</b>			
Personnel services	-	6,710,991	7,155,408
Other operational expenses	28,376	12,374,659	18,684,867
Claims	-	-	53,449,436
Premiums	-	-	4,293,201
Depreciation and amortization	2,966,883	41,832	18,606,232
<b>Total operating expenses</b>	<b>2,995,259</b>	<b>19,127,482</b>	<b>102,189,144</b>
<b>Operating income (loss)</b>	<b>(194,127)</b>	<b>(363,134)</b>	<b>(1,270,360)</b>
<b>Nonoperating revenue (expense)</b>			
Gain (loss) on investments	203,585	-	9,581,348
Recovery of claims	12,264	-	3,273,737
Interest expense	(211,260)	(3,276)	(1,559,178)
Proceeds on sale of property	193,934	10,242	1,836,181
<b>Total nonoperating revenue (expense)</b>	<b>198,523</b>	<b>6,966</b>	<b>13,132,088</b>
Income (loss) before contributions and transfers	4,396	(356,168)	11,861,728
Transfers in	-	-	4,924,942
Transfers out	-	(17,000)	(17,000)
Change in net position	4,396	(373,168)	16,769,670
Net position, beginning of year	9,135,788	(3,159,266)	74,070,678
<b>Net position, end of year</b>	<b>\$ 9,140,184</b>	<b>\$ (3,532,434)</b>	<b>\$ 90,840,348</b>

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2024**

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 12,312,851	\$ 51,628,041	\$ 9,496,958	\$ 5,915,454
Payments to employees	(412,869)	-	-	-
Payments to suppliers and service providers	(1,181,610)	(4,654,222)	(601,571)	(64,370)
Claims paid	(7,002,059)	(46,139,967)	-	-
Premiums paid	(4,293,201)	-	-	-
Other receipts	580,999	2,680,474	-	-
Other payments	-	-	(1,654,160)	-
<b>Net cash provided by (used in) operating activities</b>	<b>4,111</b>	<b>3,514,326</b>	<b>7,241,227</b>	<b>5,851,084</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating subsidies and transfers from other funds	-	-	4,924,942	-
Operating subsidies and transfers to other funds	-	-	-	-
Internal activity - payments from (to) other funds	(450,110)	(18,033)	(370)	74
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(450,110)</b>	<b>(18,033)</b>	<b>4,924,572</b>	<b>74</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase and construction of capital assets	-	-	(18,202,986)	(5,317,236)
Proceeds from capital debt	-	-	-	-
Principal paid on capital debt	-	-	(11,831,383)	(6,036,753)
Interest paid on capital debt	-	-	(933,308)	(406,799)
Lease proceeds (payments)	(291)	-	-	-
Proceeds from the sale of capital assets	-	-	636,283	995,722
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(291)</b>	<b>-</b>	<b>(30,331,394)</b>	<b>(10,765,066)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Gain (loss) on investments held	6,897,773	1,273,279	495,420	413,418
<b>Net cash provided by (used in) investing activities</b>	<b>6,897,773</b>	<b>1,273,279</b>	<b>495,420</b>	<b>413,418</b>
Net increase (decrease) in cash and cash equivalents	6,451,483	4,769,572	(17,670,175)	(4,500,490)
Cash and cash equivalents - beginning of year	39,566,267	25,578,164	27,337,989	13,747,074
<b>Cash and cash equivalents - end of year</b>	<b>\$ 46,017,750</b>	<b>\$ 30,347,736</b>	<b>\$ 9,667,814</b>	<b>\$ 9,246,584</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (1,167,022)	\$ 1,098,915	\$ (1,599,108)	\$ 954,116
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	-	-	10,656,179	4,941,338
Miscellaneous nonoperating income	580,999	2,680,474	-	-
Change in assets, liabilities, deferred inflows and outflows:				
Sales tax receivable	(17)	-	(149,895)	(46,707)
Inventories	-	-	-	-
Other receivables and assets	-	807,611	(1,654,160)	-
Accounts payable and other accrued liabilities	558,603	(1,072,674)	(11,789)	2,337
(Increase) decrease in deferred outflows of resources - LGERS	8,374	-	-	-
Increase (decrease) in deferred inflows of resources - LGERS	3,260	-	-	-
Increase (decrease) in pension liability - LGERS	24,886	-	-	-
(Increase) decrease in deferred outflows of resources - OPEB	11,999	-	-	-
Increase (decrease) in deferred inflows of resources - OPEB	(13,662)	-	-	-
Increase (decrease) in OPEB liability	(6,726)	-	-	-
Earned vacation pay and other payroll liabilities	3,417	-	-	-
<b>Total adjustments</b>	<b>1,171,133</b>	<b>2,415,411</b>	<b>8,840,335</b>	<b>4,896,968</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 4,111</b>	<b>\$ 3,514,326</b>	<b>\$ 7,241,227</b>	<b>\$ 5,851,084</b>

# Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2024

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,801,132	\$ 18,755,397	\$ 100,909,833
Payments to employees	-	(6,295,575)	(6,708,444)
Payments to suppliers and service providers	(36,916)	(12,297,501)	(18,836,190)
Claims paid	-	-	(53,142,026)
Premiums paid	-	-	(4,293,201)
Other receipts	12,264	8,951	3,282,688
Other payments	-	(9,931)	(1,664,091)
<b>Net cash provided by (used in) operating activities</b>	<b>2,776,480</b>	<b>161,341</b>	<b>19,548,569</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating subsidies and transfers from other funds	-	-	4,924,942
Operating subsidies and transfers to other funds	-	(17,000)	(17,000)
Internal activity - payments from (to) other funds	296	450,110	(18,033)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>296</b>	<b>433,110</b>	<b>4,889,909</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase and construction of capital assets	(1,451,281)	(41,616)	(25,013,119)
Proceeds from capital debt	-	-	-
Principal paid on capital debt	(3,689,010)	-	(21,557,146)
Interest paid on capital debt	(213,163)	-	(1,553,270)
Lease proceeds (payments)	-	(2,597)	(2,888)
Proceeds from the sale of capital assets	193,934	10,242	1,836,181
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(5,159,520)</b>	<b>(33,971)</b>	<b>(46,290,242)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Gain (loss) on investments held	203,585	-	9,283,475
<b>Net cash provided by (used in) investing activities</b>	<b>203,585</b>	<b>-</b>	<b>9,283,475</b>
Net increase (decrease) in cash and cash equivalents	(2,179,159)	560,480	(12,568,289)
Cash and cash equivalents - beginning of year	12,277,602	2,018,487	120,525,583
<b>Cash and cash equivalents - end of year</b>	<b>\$ 10,098,443</b>	<b>\$ 2,578,967</b>	<b>\$ 107,957,294</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (194,127)	\$ (363,134)	\$ (1,270,360)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	2,966,883	41,832	18,606,232
Miscellaneous nonoperating income	12,264	-	3,273,737
Change in assets, liabilities, deferred inflows and outflows:			
Sales tax receivable	(8,540)	(113,661)	(318,820)
Inventories	-	(77,642)	(77,642)
Other receivables and assets	-	(9,931)	(856,480)
Accounts payable and other accrued liabilities	-	268,461	(255,062)
(Increase) decrease in deferred outflows of resources - LGERS	-	111,649	120,023
Increase (decrease) in deferred inflows of resources - LGERS	-	43,467	46,727
Increase (decrease) in pension liability - LGERS	-	331,816	356,702
(Increase) decrease in deferred outflows of resources - OPEB	-	159,988	171,987
Increase (decrease) in deferred inflows of resources - OPEB	-	(182,158)	(195,820)
Increase (decrease) in OPEB liability	-	(89,680)	(96,406)
Earned vacation pay and other payroll liabilities	-	40,334	43,751
<b>Total adjustments</b>	<b>2,970,607</b>	<b>524,475</b>	<b>20,818,929</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,776,480</b>	<b>\$ 161,341</b>	<b>\$ 19,548,569</b>



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# Fiduciary Funds

The **Fiduciary Funds** are used to account for resources received and held by the City as the trustee. These funds are expended or invested in accordance with agreements or applicable prescribed procedures.

The City's fiduciary funds include three pension trust funds, which account for activities of the City's general supplemental retirement plan, Law enforcement officers' special separation allowance pension benefits, and other post employment benefits.



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# Fiduciary Funds

## **Supplemental Money Purchase Pension Plan Fund**

The Supplemental Money Purchase Pension Plan Fund accounts for the City's contributions to the City of Raleigh Money Purchase Pension Plan, a Section 401a plan established to provide supplemental retirement benefits to eligible general government employees. Plan assets are held by the City through a third party in a fiduciary capacity.

## **Law Enforcement Officers' Special Separation Allowance Pension Benefit Trust Fund**

The Law Enforcement Officers' Special Separation Allowance Pension Benefit Trust Fund accounts for the City's contributions and retirees' contributions to retirement benefits provided to eligible sworn law enforcement officers.

## **Other Post Employment Benefits Fund**

The Other Post Employment Benefits Fund accounts for the City's contributions and retirees' contributions to health, life insurance, and Medicare supplement benefits provided to eligible retirees.

## Combining Fiduciary Statement of Net Position June 30, 2024

	Supplemental Money Purchase Pension Plan	LEOSSA Pension Benefit Trust	Other Post Employment Benefits Trust	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 103,593,155	\$ 8,656,971	\$ 84,130,077	\$ 196,380,203
Accrued interest receivable	-	-	33,734	33,734
Due from other funds	-	-	15,717	15,717
<b>Total assets</b>	<b>103,593,155</b>	<b>8,656,971</b>	<b>84,179,528</b>	<b>196,429,654</b>
<b>LIABILITIES</b>				
Claims payable	-	-	1,173,715	1,173,715
Accounts payable	-	-	1,071	1,071
Due to other funds	-	-	33,750	33,750
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,208,536</b>	<b>1,208,536</b>
<b>NET POSITION</b>				
Restricted for pensions	103,593,155	8,656,971	-	112,250,126
Restricted for postemployment benefits other than pensions	-	-	82,970,992	82,970,992
<b>Total net position</b>	<b>\$ 103,593,155</b>	<b>\$ 8,656,971</b>	<b>\$ 82,970,992</b>	<b>\$ 195,221,118</b>

**Combining Statement of Changes  
In Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2024**

	Supplemental Money Purchase Pension Plan	LEOSSA Pension Benefit Trust	Other Post Employment Benefits Trust	Total
<b>ADDITIONS</b>				
Contributions:				
Employer contributions	\$ 6,163,554	\$ 12,673,184	\$ 22,242,763	\$ 41,079,501
Retiree contributions	-	-	3,305,666	3,305,666
Total contributions	<u>6,163,554</u>	<u>12,673,184</u>	<u>25,548,429</u>	<u>44,385,167</u>
Investment income				
Net increase (decrease) in the fair value of investments	12,316,109	933,990	7,164,052	20,414,151
Interest	1,967,755	191,403	2,705,711	4,864,869
Total investment income	<u>14,283,864</u>	<u>1,125,393</u>	<u>9,869,763</u>	<u>25,279,020</u>
Investment expense	(120,500)	-	-	(120,500)
Net investment income	<u>14,163,364</u>	<u>1,125,393</u>	<u>9,869,763</u>	<u>25,158,520</u>
Recovery of claims	-	-	1,189,134	1,189,134
<b>Total additions</b>	<u><b>20,326,918</b></u>	<u><b>13,798,577</b></u>	<u><b>36,607,326</b></u>	<u><b>70,732,821</b></u>
<b>DEDUCTIONS</b>				
Benefits and withdrawals	5,721,018	5,141,606	23,892,296	34,754,920
Professional services	-	-	78,957	78,957
<b>Total deductions</b>	<u><b>5,721,018</b></u>	<u><b>5,141,606</b></u>	<u><b>23,971,253</b></u>	<u><b>34,833,877</b></u>
Change in net position restricted for employees' retirement and other post-employment benefits	14,605,900	8,656,971	12,636,073	35,898,944
Net position, beginning of year	88,987,255	-	70,334,919	159,322,174
<b>Net position, end of year</b>	<u><b>\$ 103,593,155</b></u>	<u><b>\$ 8,656,971</b></u>	<u><b>\$ 82,970,992</b></u>	<u><b>\$ 195,221,118</b></u>



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# Statistical Section







## Statistical Section

The Statistical Section presents detailed information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall health.



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# Statistical Schedules

**This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.**

## **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:					
Net investment in capital assets	\$ 601,802	\$ 597,711	\$ 656,258	\$ 695,890	\$ 726,472
Restricted	315,650	346,933	382,018	363,161	339,274
Unrestricted	<u>68,728</u>	<u>107,327</u>	<u>39,911</u>	<u>(80,377)</u>	<u>5,194</u>
<b>Total governmental activities net position</b>	<b><u>986,180</u></b>	<b><u>1,051,971</u></b>	<b><u>1,078,187</u></b>	<b><u>978,674</u></b>	<b><u>1,070,940</u></b>
Business-type activities:					
Net investment in capital assets	763,249	798,997	855,401	937,859	1,030,539
Unrestricted	<u>318,455</u>	<u>374,419</u>	<u>433,114</u>	<u>389,162</u>	<u>428,920</u>
<b>Total business-type activities net position</b>	<b><u>1,081,704</u></b>	<b><u>1,173,416</u></b>	<b><u>1,288,515</u></b>	<b><u>1,327,021</u></b>	<b><u>1,459,459</u></b>
Total government:					
Net investment in capital assets	1,365,051	1,396,708	1,511,659	1,633,749	1,757,011
Restricted	315,650	346,933	382,018	363,161	339,274
Unrestricted	<u>387,183</u>	<u>481,746</u>	<u>473,025</u>	<u>308,785</u>	<u>434,114</u>
<b>Total government net position</b>	<b><u>\$ 2,067,884</u></b>	<b><u>\$ 2,225,387</u></b>	<b><u>\$ 2,366,702</u></b>	<b><u>\$ 2,305,695</u></b>	<b><u>\$ 2,530,399</u></b>

**Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:					
Net investment in capital assets	\$ 753,431	\$ 835,295	\$ 871,723	\$ 837,522	\$ 872,640
Restricted	346,843	316,075	347,818	456,560	512,061
Unrestricted	<u>5,424</u>	<u>20,009</u>	<u>48,174</u>	<u>128,030</u>	<u>234,858</u>
<b>Total governmental activities net position</b>	<b><u>1,105,698</u></b>	<b><u>1,171,379</u></b>	<b><u>1,267,715</u></b>	<b><u>1,422,112</u></b>	<b><u>1,619,559</u></b>
Business-type activities:					
Net investment in capital assets	1,135,617	1,247,085	1,380,135	1,522,390	1,745,662
Unrestricted	<u>466,638</u>	<u>489,107</u>	<u>523,131</u>	<u>531,307</u>	<u>531,903</u>
<b>Total business-type activities net position</b>	<b><u>1,602,255</u></b>	<b><u>1,736,192</u></b>	<b><u>1,903,266</u></b>	<b><u>2,053,697</u></b>	<b><u>2,277,565</u></b>
Total government:					
Net investment in capital assets	1,889,048	2,082,380	2,251,858	2,359,912	2,618,302
Restricted	346,843	316,075	347,818	456,560	512,061
Unrestricted	<u>472,062</u>	<u>509,116</u>	<u>571,305</u>	<u>659,337</u>	<u>766,761</u>
<b>Total government net position</b>	<b><u>\$ 2,707,953</u></b>	<b><u>\$ 2,907,571</u></b>	<b><u>\$ 3,170,981</u></b>	<b><u>\$ 3,475,809</u></b>	<b><u>\$ 3,897,124</u></b>

**Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)**

	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities:					
General government	\$ 37,368	\$ 46,408	\$ 47,446	\$ 53,954	\$ 54,954
Community development services	22,867	20,081	30,613	28,276	31,160
Public infrastructure	50,719	58,186	69,785	71,552	75,982
Public safety	147,887	156,680	167,155	168,747	177,817
Leisure services	63,835	66,795	63,483	62,672	65,734
Economic development programs	4,868	6,979	3,331	5,474	4,151
Interest on long-term debt	18,735	20,876	19,302	18,931	17,560
<b>Total governmental activities expenses</b>	<b>346,279</b>	<b>376,005</b>	<b>401,115</b>	<b>409,606</b>	<b>427,358</b>
Business-type activities:					
Water and sewer	146,919	152,921	162,002	169,217	175,882
Convention center	33,886	34,702	34,158	34,628	35,253
Mass transit	37,854	38,180	41,319	42,091	46,532
Parking facilities	11,456	12,404	12,506	12,989	13,699
Solid waste services	28,450	32,330	30,683	34,051	35,498
Stormwater	12,205	13,346	15,131	16,648	17,970
<b>Total business-type activities</b>	<b>270,770</b>	<b>283,883</b>	<b>295,799</b>	<b>309,624</b>	<b>324,834</b>
<b>Total government expenses</b>	<b>\$ 617,049</b>	<b>\$ 659,888</b>	<b>\$ 696,914</b>	<b>\$ 719,230</b>	<b>\$ 752,192</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 14,697	\$ 13,564	\$ 21,427	\$ 22,895	\$ 26,142
Community development services	1,902	1,346	1,485	273	105
Public infrastructure	12,950	11,004	9,466	1,102	693
Public safety	448	458	414	-	-
Leisure services	16,189	17,187	12,073	10,368	10,870
Economic development programs	2	-	-	-	-
Operating grants and contributions	35,296	39,775	37,526	41,502	46,634
Capital grants and contributions	10,080	11,843	26,459	37,632	26,582
<b>Total governmental activities program revenues</b>	<b>91,564</b>	<b>95,177</b>	<b>108,850</b>	<b>113,772</b>	<b>111,026</b>
Business-type activities:					
Charges for services:					
Water and sewer	213,298	228,211	240,163	255,568	258,608
Convention center	13,342	13,785	15,085	14,736	16,417
Mass transit	7,356	7,118	6,720	5,707	6,134
Parking facilities	13,417	15,022	15,784	16,259	16,787
Solid waste services	24,170	26,104	27,281	27,709	28,796
Stormwater	17,459	17,939	22,725	23,043	23,259
Operating grants and contributions	9,029	7,685	12,332	11,272	9,836
Capital grants and contributions	13,688	4,835	9,923	5,910	24,811
<b>Total business-type activities program revenues</b>	<b>311,759</b>	<b>320,699</b>	<b>350,013</b>	<b>360,204</b>	<b>384,648</b>
<b>Total government program revenues</b>	<b>\$ 403,323</b>	<b>\$ 415,876</b>	<b>\$ 458,863</b>	<b>\$ 473,976</b>	<b>\$ 495,674</b>
Net (expense)/revenue:					
Governmental activities	\$ (254,715)	\$ (280,828)	\$ (292,265)	\$ (295,834)	\$ (316,332)
Business-type activities	40,989	36,816	54,214	50,580	59,814
<b>Total government net expense</b>	<b>\$ (213,726)</b>	<b>\$ (244,012)</b>	<b>\$ (238,051)</b>	<b>\$ (245,254)</b>	<b>\$ (256,518)</b>

**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2020	2021	2022	2023	2024
<b>Expenses</b>					
Governmental activities:					
General government	\$ 63,137	\$ 64,614	\$ 86,660	\$ 89,282	\$ 93,277
Community development services	38,915	27,679	31,436	34,219	37,140
Public infrastructure	79,107	89,897	88,436	105,693	108,574
Public safety	191,128	192,409	186,625	204,826	214,834
Leisure services	67,911	64,369	64,380	76,444	83,198
Economic development programs	3,152	8,817	2,575	4,795	17,560
Interest on long-term debt	16,228	16,381	15,792	17,435	19,325
<b>Total governmental activities expenses</b>	<b>459,578</b>	<b>464,166</b>	<b>475,904</b>	<b>532,694</b>	<b>573,908</b>
Business-type activities:					
Water and sewer	182,430	185,584	186,015	216,332	231,929
Convention center	35,596	26,887	31,403	37,737	39,481
Mass transit	46,972	37,000	46,554	50,629	52,280
Parking facilities	13,754	12,900	12,929	13,883	15,128
Solid waste services	38,118	40,574	38,442	44,060	45,704
Stormwater	19,527	20,527	21,494	25,907	28,471
<b>Total business-type activities</b>	<b>336,397</b>	<b>323,472</b>	<b>336,837</b>	<b>388,548</b>	<b>412,993</b>
<b>Total government expenses</b>	<b>\$ 795,975</b>	<b>\$ 787,638</b>	<b>\$ 812,741</b>	<b>\$ 921,242</b>	<b>\$ 986,901</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 26,927	\$ 29,645	\$ 35,627	\$ 43,352	\$ 36,843
Community development services	840	3,154	1,722	531	784
Public infrastructure	1,163	1,963	1,484	474	555
Public safety	-	-	868	-	-
Leisure services	6,037	4,533	8,897	10,912	11,740
Economic development programs	-	-	-	-	-
Operating grants and contributions	40,779	37,950	77,542	76,482	80,028
Capital grants and contributions	19,116	18,283	40,266	60,169	70,598
<b>Total governmental activities program revenues</b>	<b>94,862</b>	<b>95,528</b>	<b>166,406</b>	<b>191,920</b>	<b>200,548</b>
Business-type activities:					
Charges for services:					
Water and sewer	264,036	271,043	282,671	294,774	311,123
Convention center	12,396	2,745	11,860	19,188	19,172
Mass transit	4,812	1,794	2,054	2,016	1,851
Parking facilities	14,470	10,734	13,531	14,490	14,014
Solid waste services	30,939	35,371	37,604	37,989	42,866
Stormwater	23,555	25,779	33,668	34,551	35,897
Operating grants and contributions	15,829	18,167	44,989	35,651	50,260
Capital grants and contributions	26,842	28,305	35,688	34,526	74,774
<b>Total business-type activities program revenues</b>	<b>392,879</b>	<b>393,938</b>	<b>462,065</b>	<b>473,185</b>	<b>549,957</b>
<b>Total government program revenues</b>	<b>\$ 487,741</b>	<b>\$ 489,466</b>	<b>\$ 628,471</b>	<b>\$ 665,105</b>	<b>\$ 750,505</b>
Net (expense)/revenue:					
Governmental activities	\$ (364,716)	\$ (368,638)	\$ (309,498)	\$ (340,774)	\$ (373,360)
Business-type activities	56,482	70,466	125,228	84,637	136,964
<b>Total government net expense</b>	<b>\$ (308,234)</b>	<b>\$ (298,172)</b>	<b>\$ (184,270)</b>	<b>\$ (256,137)</b>	<b>\$ (236,396)</b>

**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2015	2016	2017	2018	2019
<b>General Revenues and Change in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 214,288	\$ 227,723	\$ 243,511	\$ 252,991	\$ 266,350
Local sales tax	82,864	88,837	92,879	97,394	104,943
Franchise tax	28,552	29,311	28,699	29,425	30,320
Other taxes	20,124	21,526	30,341	39,794	39,798
Privilege license tax	4,282	93	-	-	-
Investment earnings	2,288	3,257	4,501	5,000	15,636
Miscellaneous	18,191	16,293	12,280	2,116	2,431
Transfers	(54,858)	(51,072)	(55,334)	(50,803)	(55,046)
Gain on sale of property	256	7,574	4,196	3,455	4,165
Capital contributions	-	-	(2,723)	-	-
<b>Total governmental activities</b>	<b><u>315,987</u></b>	<b><u>343,542</u></b>	<b><u>358,350</u></b>	<b><u>379,372</u></b>	<b><u>408,597</u></b>
Business-type activities:					
Investment earnings	2,029	3,824	3,032	4,723	17,022
Transfers	54,858	51,072	54,984	50,803	55,046
Gain on the sale of property	-	-	145	769	557
Capital contributions	-	-	2,723	-	-
<b>Total business-type activities</b>	<b><u>56,887</u></b>	<b><u>54,896</u></b>	<b><u>60,884</u></b>	<b><u>56,295</u></b>	<b><u>72,625</u></b>
<b>Total government general revenues</b>	<b><u>\$ 372,874</u></b>	<b><u>\$ 398,438</u></b>	<b><u>\$ 419,234</u></b>	<b><u>\$ 435,667</u></b>	<b><u>\$ 481,222</u></b>
<b>Change in Net Position</b>					
Governmental activities	\$ 61,272	\$ 62,714	\$ 66,085	\$ 83,538	\$ 92,265
Business-type activities	97,876	91,712	115,098	106,875	132,439
<b>Total government change in net position</b>	<b><u>\$ 159,148</u></b>	<b><u>\$ 154,426</u></b>	<b><u>\$ 181,183</u></b>	<b><u>\$ 190,413</u></b>	<b><u>\$ 224,704</u></b>



**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2020	2021	2022	2023	2024
<b>General Revenues and Change in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 271,131	\$ 275,575	\$ 291,853	\$ 315,814	\$ 359,735
Local sales tax	107,581	123,182	139,532	150,029	153,635
Franchise tax	28,865	28,598	28,605	30,406	33,385
Other taxes	38,273	43,728	28,379	28,525	28,507
Privilege license tax	-	-	-	-	-
Investment earnings	17,907	17,305	(27,674)	16,744	45,381
Miscellaneous	1,627	672	2,581	3,961	4,455
Transfers	(67,795)	(56,752)	(58,740)	(54,786)	(55,452)
Gain on sale of property	1,886	2,011	1,298	4,478	1,161
Capital contributions	-	-	-	-	-
<b>Total governmental activities</b>	<b><u>399,475</u></b>	<b><u>434,319</u></b>	<b><u>405,834</u></b>	<b><u>495,171</u></b>	<b><u>570,807</u></b>
Business-type activities:					
Investment earnings	17,671	6,045	(17,649)	10,359	30,061
Transfers	67,795	56,752	58,740	54,786	55,452
Gain on the sale of property	847	674	755	648	1,391
Capital contributions	-	-	-	-	-
<b>Total business-type activities</b>	<b><u>86,313</u></b>	<b><u>63,471</u></b>	<b><u>41,846</u></b>	<b><u>65,793</u></b>	<b><u>86,904</u></b>
<b>Total government general revenues</b>	<b><u>\$ 485,788</u></b>	<b><u>\$ 497,790</u></b>	<b><u>\$ 447,680</u></b>	<b><u>\$ 560,964</u></b>	<b><u>\$ 657,711</u></b>
<b>Change in Net Position</b>					
Governmental activities	\$ 34,759	\$ 65,681	\$ 96,336	\$ 154,397	\$ 197,447
Business-type activities	142,795	133,937	167,074	150,430	223,868
<b>Total government change in net position</b>	<b><u>\$ 177,554</u></b>	<b><u>\$ 199,618</u></b>	<b><u>\$ 263,410</u></b>	<b><u>\$ 304,827</u></b>	<b><u>\$ 421,315</u></b>

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund					
Nonspendable	\$ 3,976	\$ 4,762	\$ 4,823	\$ 8,277	\$ 11,197
Restricted	54,396	55,361	56,389	59,670	63,716
Committed	-	2,898	3,924	4,088	4,616
Assigned	108,058	120,418	132,624	135,791	159,232
Unassigned	83,397	84,784	76,757	74,033	85,438
<b>Total general fund</b>	<b><u>\$ 249,827</u></b>	<b><u>\$ 268,223</u></b>	<b><u>\$ 274,517</u></b>	<b><u>\$ 281,859</u></b>	<b><u>\$ 324,199</u></b>
All other governmental funds					
Nonspendable	\$ 69,510	\$ 72,920	\$ 72,483	\$ -	\$ -
Restricted	38,360	41,491	43,056	46,493	54,162
Assigned	215,969	176,675	210,091	256,998	221,396
<b>Total all other governmental funds</b>	<b><u>\$ 323,839</u></b>	<b><u>\$ 291,086</u></b>	<b><u>\$ 325,630</u></b>	<b><u>\$ 303,491</u></b>	<b><u>\$ 275,558</u></b>

**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General fund					
Nonspendable	\$ 13,833	\$ 13,704	\$ 18,618	\$ 17,288	\$ 23,648
Restricted	58,985	65,114	70,716	79,948	83,077
Committed	5,535	7,815	7,250	10,092	5,159
Assigned	178,586	214,304	224,547	236,873	294,842
Unassigned	91,731	104,220	107,716	126,366	137,368
<b>Total general fund</b>	<b><u>\$ 348,670</u></b>	<b><u>\$ 405,157</u></b>	<b><u>\$ 428,847</u></b>	<b><u>\$ 470,567</u></b>	<b><u>\$ 544,094</u></b>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	46,669	37,820	52,409	100,089	99,997
Assigned	241,189	213,161	224,693	276,522	328,987
<b>Total all other governmental funds</b>	<b><u>\$ 287,858</u></b>	<b><u>\$ 250,981</u></b>	<b><u>\$ 277,102</u></b>	<b><u>\$ 376,611</u></b>	<b><u>\$ 428,984</u></b>

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

	2015	2016	2017	2018	2019
<b>Revenues</b>					
Ad valorem taxes	\$ 215,042	\$ 227,934	\$ 243,503	\$ 252,969	\$ 266,299
Intergovernmental	87,900	94,840	104,716	83,871	75,153
Project revenue (non-grant)	-	-	3,650	2,092	3,611
Non-governmental	80	3	46	128	129
Mutual aid reimbursements	-	-	-	-	511
Developer participation	-	-	-	-	-
Assessments	1,270	1,294	1,427	1,349	849
Franchise tax <sup>(3)</sup>	-	-	-	29,425	30,320
Local sales tax	82,864	88,837	92,879	97,394	104,943
Licenses	19,506	14,772	15,087	14,910	14,798
Gain (loss) on investments	2,851	4,614	3,810	5,434	16,836
Inspection fees	12,416	12,757	12,250	16,664	18,317
Highway maintenance refunds	1,393	857	1,148	1,079	975
Facility fees	11,990	9,891	8,235	9,627	11,431
Parks and recreation fees <sup>(4)</sup>	-	-	-	6,368	6,790
Other fees and charges	15,488	16,087	16,869	7,028	6,540
Rents	857	719	763	2,475	2,480
Leases	-	-	-	-	-
Program income	1,180	902	878	1,346	674
Recovery of claims	-	-	-	-	573
Donations and contributions <sup>(5)</sup>	-	-	-	3,700	2,402
Other revenues	2,941	2,987	2,567	1,230	1,179
<b>Total revenues</b>	<b>455,778</b>	<b>476,494</b>	<b>507,828</b>	<b>537,089</b>	<b>564,810</b>
<b>Expenditures</b>					
General government	40,352	46,090	45,825	52,700	56,254
Community development services	23,067	19,952	30,421	30,529	30,882
Public works <sup>(2)</sup>	81,695	75,675	-	-	-
Public infrastructure	-	-	114,548	103,318	82,898
Public safety	185,497	188,839	169,281	179,130	185,857
Leisure services	79,384	118,035	67,667	65,968	82,835
Economic development programs	4,868	6,979	3,331	5,474	4,151
Debt service					
Principal	31,726	34,400	40,092	43,399	40,823
Interest	19,602	21,362	21,201	21,488	19,995
Other debt service expenditures	597	746	921	326	648
<b>Total expenditures</b>	<b>466,788</b>	<b>512,078</b>	<b>493,287</b>	<b>502,332</b>	<b>504,343</b>
<b>Other financing sources (uses)</b>					
Transfers in	35,916	40,338	52,318	42,617	35,278
Transfers out	(87,878)	(90,990)	(103,992)	(95,019)	(85,030)
Proceeds from sale of property	256	7,574	4,196	2,848	3,692
Bonds issuance	-	-	68,000	-	-
Premium on bonds issued	103,231	335	5,775	-	-
Premium on refunding bond issued	8,507	-	-	-	-
Refunding bonds issuance	-	60,892	-	-	-
Payments to escrow agent	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>60,032</b>	<b>18,149</b>	<b>26,297</b>	<b>(49,554)</b>	<b>(46,060)</b>
<b>Net change in fund balances</b>	<b>\$ 49,022</b>	<b>\$ (17,435)</b>	<b>\$ 40,838</b>	<b>\$ (14,797)</b>	<b>\$ 14,407</b>
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	14.68%	15.39%	15.69%	15.57%	14.42%

<sup>(1)</sup> Capital outlay component of ratio calculation included as follows: FY13 -FY22 - capital outlay as per reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities

<sup>(2)</sup> Public works changed to public infrastructure in FY17 as part of a City-wide department reorganization effort.

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

	2020	2021	2022	2023	2024
<b>Revenues</b>					
Ad valorem taxes	\$ 270,851	\$ 275,622	\$ 291,708	\$ 315,668	\$ 359,521
Intergovernmental	68,420	67,625	112,368	115,516	128,876
Project revenue (non-grant)	192	-	-	-	-
Non-governmental	-	105	262	9,943	10,011
Mutual aid reimbursements	11	14	-	-	-
Developer participation	20	1,657	15	76	640
Assessments	1,257	2,139	1,657	528	571
Franchise tax <sup>(3)</sup>	28,865	28,599	28,606	30,483	33,385
Local sales tax	107,581	123,182	139,532	150,029	153,635
Licenses	14,360	15,120	14,737	14,508	14,294
Gain (loss) on investments	17,392	11,849	(24,584)	17,333	43,684
Inspection fees	16,499	19,350	24,756	24,989	25,334
Highway maintenance refunds	1,185	1,008	1,014	1,048	1,121
Facility fees	9,602	11,439	16,465	17,931	15,182
Parks and recreation fees <sup>(4)</sup>	3,779	2,952	5,505	6,844	7,109
Other fees and charges	5,292	3,982	6,603	7,203	7,663
Rents	1,992	764	2,358	4,033	4,311
Leases	-	-	374	-	-
Program income	983	3,203	1,994	673	1,037
Recovery of claims	84	51	-	-	-
Donations and contributions <sup>(5)</sup>	1,759	2,320	3,040	3,229	1,898
Other revenues	1,493	1,030	1,887	1,664	1,616
<b>Total revenues</b>	<b>551,617</b>	<b>572,011</b>	<b>628,297</b>	<b>721,698</b>	<b>809,888</b>
<b>Expenditures</b>					
General government	57,765	59,526	79,894	81,125	86,412
Community development services	38,343	31,344	39,710	39,844	57,755
Public works <sup>(2)</sup>	-	-	-	-	-
Public infrastructure	85,574	105,279	101,869	101,767	112,475
Public safety	202,243	197,868	196,092	206,966	224,835
Leisure services	81,743	76,577	72,010	95,322	118,530
Economic development programs	3,152	8,817	2,576	4,795	17,560
Debt service					
Principal	40,529	41,304	41,356	40,068	45,482
Interest	18,937	18,067	16,557	18,341	21,176
Other debt service expenditures	1,036	1,023	576	1,136	950
<b>Total expenditures</b>	<b>529,322</b>	<b>539,805</b>	<b>550,640</b>	<b>589,364</b>	<b>685,175</b>
<b>Other financing sources (uses)</b>					
Transfers in	30,897	21,003	50,846	61,998	75,411
Transfers out	(96,697)	(80,063)	(110,682)	(119,609)	(135,771)
Proceeds from sale of property	1,287	937	806	4,256	615
Bonds issuance	72,162	45,527	31,184	62,251	60,931
Premium on bonds issued	6,381	-	-	-	-
Premium on refunding bond issued	5,426	-	-	-	-
Refunding bonds issuance	56,590	-	-	-	-
Payments to escrow agent	(61,570)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>14,476</b>	<b>(12,596)</b>	<b>(27,846)</b>	<b>8,896</b>	<b>1,186</b>
<b>Net change in fund balances</b>	<b>\$ 36,771</b>	<b>\$ 19,610</b>	<b>\$ 49,811</b>	<b>\$ 141,230</b>	<b>\$ 125,899</b>
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	13.51%	13.39%	12.34%	11.54%	11.94%

<sup>(3)</sup> <sup>(4)</sup> <sup>(5)</sup> For improved transparency, The City broke out franchise tax <sup>(4)</sup>, parks and recreation fees <sup>(5)</sup> and donations and contributions <sup>(6)</sup> into separate lines on the appropriate statements starting FY18. Prior to that, they were included in miscellaneous and other revenues.

<sup>(6)</sup> Adjusted to show the refunding of bonds issued and payment to bond refunding escrow agent in FY20.

**Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)**

Fiscal Year	Real Property	Personal Property	Corporate Excess	Total Taxable Assessed Value	Property Tax Rate (Per \$100 Assessed Value)
2015	\$ 45,837,276	\$ 6,170,996	\$ 717,557	\$ 52,725,829	0.4038
2016	46,568,861	6,350,280	806,368	53,725,509	0.4210
2017	50,892,976	6,752,840	819,339	58,465,155 <sup>(1)</sup>	0.4183
2018	51,426,935	6,927,715	840,898	59,195,548	0.4253
2019	52,407,240	7,157,611	849,900	60,414,751	0.4382
2020	53,331,994	7,253,926	855,757	61,441,677	0.4382
2021	69,010,673	7,892,835	859,113	77,762,621 <sup>(1)</sup>	0.3552
2022	69,143,646	8,132,646	1,019,206	78,295,498	0.3730
2023	70,041,816	8,624,750	954,931	79,621,497	0.3930
2024	72,181,760	9,341,478	857,917	82,381,155	0.4330

**Notes:**

<sup>(1)</sup> Increase due to revaluation of property every four years.

This schedule does not include valuations on property owned by the State of North Carolina, United States Government, charitable institutions, etc., not subject to taxation.

Assessed valuations are established at 100% of estimated market value for real property and 100% of actual value for personal property.

**Source:**

Wake County Tax Administrator

**Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Per \$100 of Assessed Value)**

Fiscal Year	City Rate	Wake County Rate	Total
2015	0.4038	0.5780	0.9818
2016	0.4210	0.6145	1.0355
2017 <sup>(1)</sup>	0.4183	0.6005	1.0188
2018	0.4253	0.6150	1.0403
2019	0.4382	0.6544	1.0926
2020	0.4382	0.7207	1.1589
2021 <sup>(1)</sup>	0.3552	0.6000	0.9552
2022	0.3730	0.6000	0.9730
2023	0.3930	0.6195	1.0125
2024	0.4330	0.6570 <sup>(2)</sup>	1.0900

**Note:**

<sup>(1)</sup> Tax rate decreased due to revaluation.

<sup>(2)</sup> County rate is for Wake County only. A small section of the City of Raleigh is located in Durham County where the county rate is 0.7522.

**Source:**

Wake County Tax Administrator

**Other Tax Data:**

Property taxes are listed and assessed as of January 1, and the collections are first budgeted for the fiscal year beginning the next July 1.

There is a State statutory tax rated limit of \$1.50 per hundred dollars valuation for operating expenses, but no limitation on the rate of tax which may be levied for debt service.

The City has no financial responsibility for any part of the public school system. The school budget is approved and funded by the Wake County Board of Commissioners with revenues derived from County, State and Federal governments.

**Principal Property Taxpayers  
Current Year and Ten Years Ago  
(amounts expressed in thousands)**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Highwoods Realty LP	\$ 483,788	1	0.59%	\$ 283,587	3	0.54%
Duke Energy Progress, Inc.	412,529	2	0.50%	346,360	1	0.66%
CVM Holdings LLC	401,432	3	0.49%	334,466	2	0.63%
First Citizens Bank	331,973	4	0.40%	168,791	5	0.32%
Mid America Apartments LP	287,890	5	0.35%	-		-%
Starwood Real Estate Income Trust (SREIT)	277,158	6	0.34%	-		-%
State Employees Credit Union	209,061	7	0.25%	138,641	6	0.26%
LVA4 Raleigh P&W LLC	188,943	8	0.23%	-		-%
MCP Dillon	156,242	9	0.19%	-		-%
North Hills Owner LP	153,564	10	0.19%	-		-%
Triangle Town Center LLC	-		-%	173,177	4	0.33%
NHM Owner-1 LLC	-		-%	132,802	7	0.25%
Highwoods DLF Forum LLC	-		-%	116,825	8	0.22%
ARI RCC 32 LLC	-		-%	110,377	9	0.21%
Bellsouth Telephone	-		-%	105,598	10	0.20%
<b>Totals</b>	<b>\$ 2,902,580</b>		<b>3.52%</b>	<b>\$ 1,910,624</b>		<b>3.62%</b>

**Note:**

Above taxable assessed valuations are as of January 1, 2023 and 2014 respectively, and the associated tax levies were due in the fiscal year ended June 30, 2024 and 2015 respectively.

**Source:**

Wake County website, Statistics and Reports and 2015 City of Raleigh ACFR.



**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

Fiscal Year Ended June 30	Original Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2015	\$ 212,617	\$ 211,668	99.55%	\$ 286	\$ 211,954	99.69%
2016	227,479	225,261	99.02%	137	225,398	99.09%
2017	243,201	241,145	99.15%	(31)	241,114	99.14%
2018	252,877	250,734	99.15%	245	250,979	99.25%
2019	266,178	263,654	99.05%	326	263,980	99.17%
2020	271,048	267,946	98.86%	636	268,582	99.09%
2021	275,554	272,426	98.86%	(428)	271,998	98.71%
2022	291,972	289,350	99.10%	233	289,583	99.18%
2023	314,023	311,093	99.07%	276	311,369	99.15%
2024	357,642	354,310	99.07%	-	354,310 <sup>(1)</sup>	99.07%

**Note:**

<sup>(1)</sup> Reconciliation to revenues per general fund financial statements:

Total collected as per above	\$ 354,310
Penalties collected	697
Prior year collections in current year	383
Special districts	4,131
<b>Ad valorem taxes collected per general fund financial statements</b>	<b><u>\$ 359,521</u></b>

Collection in Subsequent Years updated to remove interest and fees previously reported.

# Analysis of Current Tax Levy

## City - Wide Levy

### For the Fiscal Year Ended June 30, 2024

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 80,802,353,388	\$ .4330	\$ 349,808,688	\$ 330,733,956	\$ 19,074,732
Registered motor vehicles taxed at prior year's rate	1,277,954,568	.3930	5,001,559	-	5,001,559
	<u>82,080,307,956</u>		<u>354,810,247</u>	<u>330,733,956</u>	<u>24,076,291</u>
Discoveries:					
Prior years' taxes	<u>300,846,530</u> <sup>(1)</sup>		<u>1,119,380</u>	<u>1,119,380</u>	<u>-</u>
<b>Total property valuation</b>	<b><u>\$ 82,381,154,486</u></b>				
Deferred and waived			1,998,757	1,998,757	-
Penalty			696,678	696,678	-
Rebates			<u>(983,477)</u> <sup>(2)</sup>	<u>(983,477)</u>	<u>-</u>
Net levy			357,641,585	333,565,294	24,076,291
Uncollected taxes at June 30, 2024			<u>(635,945)</u>	<u>(635,945)</u>	<u>-</u>
<b>Current year's taxes collected</b>			<b><u>\$ 357,005,640</u></b>	<b><u>\$ 332,929,349</u></b>	<b><u>\$ 24,076,291</u></b>
<b>Current levy collection percentage</b>			<b><u>99.82%</u></b>	<b><u>99.81%</u></b>	<b><u>100.00%</u></b>

**Note:**

<sup>(1)</sup> Taxes levied on discovered properties of prior periods at tax rates applicable to those periods.

<sup>(2)</sup> Rebates are higher in revaluation years

## Schedule of Ad Valorem Taxes Receivable June 30, 2024

Fiscal Year Ended June 30	Taxes Receivable June 30, 2023	Additions	Collections and Other Reductions	Taxes Receivable June 30, 2024
				(1)
2015 & prior	\$ 5,335,240	\$ -	\$ 3,161	\$ 5,332,079
2016	148,864	-	1,240	147,624
2017	527,745	-	2,101	525,644
2018	82,669	-	4,934	77,735
2019	165,155	-	7,244	157,911
2020	303,918	-	11,184	292,734
2021	655,055	-	20,807	634,248
2022	578,620	-	50,002	528,618
2023	567,051	-	53,652	513,399
2024	-	360,379,644	359,641,886	737,758
<b>Totals</b>	<b>\$ 8,364,317</b>	<b>\$ 360,379,644</b>	<b>\$ 359,796,211</b>	<b>\$ 8,947,750</b>

(2)

### Notes:

(1) Ad valorem taxes receivable only; does not include vehicle tag fee receivable (\$3,808,468).

(2) Reconciliation to revenues collected:

Collections and other reductions per above	\$ 359,796,211
Late list penalties collected-Wake County	(252,363)
Penalties collected	696,678
Prior year levy adjustments	264,121
Rebates and waived taxes	(983,477)
	<u>\$ 359,521,170</u>

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	Governmental Activities				Business-type Activities						Total Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	General Bond Anticipation Notes	Installment Financing Agreements	Lease & IT Subscription Liability	General Obligation Bonds	Water and Sewer Revenue Bonds	Revenue Bond Anticipation Notes	Installment Financing Agreements	Lease & IT Subscription Liability				
2015 <sup>(3)</sup>	\$ 363,605	\$ -	\$ 230,467	\$ -	1,771	\$ 687,136	\$ -	\$ 408,636	\$ -	1,691,615	7.94%	\$3,845.49	
2016 <sup>(3)</sup>	351,863	-	266,013	-	386	664,085	-	417,537	-	1,699,884	7.47%	3,768.59	
2017 <sup>(3)</sup>	399,236	-	270,251	-	-	761,470	-	420,100	-	1,851,057	7.69%	4,033.86	
2018 <sup>(3)</sup>	369,456	-	241,462	-	-	735,108	-	393,343	-	1,739,369	6.80%	3,742.51	
2019 <sup>(3)</sup>	340,904	-	233,990	-	-	705,486	-	380,696	-	1,661,076	6.12%	3,539.48	
2020 <sup>(3)</sup>	311,002 <sup>(4)</sup>	34,751	252,646	-	-	673,166	-	370,917	-	1,642,482	5.69%	3,464.42	
2021 <sup>(3)</sup>	282,486 <sup>(4)</sup>	80,278	241,222	-	-	639,899	30,100 <sup>(5)</sup>	403,649	-	1,677,634	5.96%	3,469.06	
2022 <sup>(3)</sup>	254,075 <sup>(4)</sup>	111,461	211,692	17,564	-	604,425	154,000 <sup>(5)</sup>	374,346	1,764	1,729,327	5.05%	3,559.53	
2023 <sup>(3)</sup>	391,298 <sup>(4)</sup>	9,851	214,449	17,638	-	776,172	21,500 <sup>(5)</sup>	362,761	4,293	1,797,962	<sup>(2)</sup>	3,758.47	
2024 <sup>(3)</sup>	358,104 <sup>(4)</sup>	70,782	185,544	18,135	-	739,846	83,200 <sup>(5)</sup>	328,485	4,365	1,788,461	<sup>(2)</sup>	3,658.48	

### Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See the Schedule of Demographic and Economic Statistics schedule for personal income and population data.

<sup>(2)</sup> Personal income data unavailable

<sup>(3)</sup> Amounts shown are net of premiums, discounts, and adjustments. Certain non-debt long term liabilities are excluded here, but are included in long term liabilities on page 1 and in the notes to the financial statements. A reconciliation to page 1 is below:

<sup>(4)</sup> Governmental Activities Bond Anticipation Notes presented separately from General Obligation Bonds.

<sup>(5)</sup> Revenue Bond Anticipation Notes presented separately from Revenue Bonds.

	Governmental Activities	Business-type Activities
General obligation bonds	\$ 358,104	\$ -
Revenue bonds	-	739,846
Bond anticipation notes	70,782	83,200
Installment financing agreements	185,544	328,485
Earned vacation payable	28,063	7,152
Landfill postclosure costs	-	3,533
Lease liabilities	16,432	2,189
IT subscription liabilities	1,703	2,176
Claims payable	24,113	-
	<u>\$ 684,741</u>	<u>\$ 1,166,581</u>

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capital amounts)**

Fiscal Year	General Bonded Debt (1)	Net Bonded Debt (2)	Percentage Actual Taxable Value of Property (3)	Per Capita Bonded Debt	
				General (4)	Net
2015	\$ 363,605	\$ 361,578	0.69%	\$ 755	\$ 751
2016 (5)	351,863	350,558	0.65%	675	672
2017 (5)	399,236	398,219	0.60%	761	759
2018 (5)	369,456	368,703	0.62%	696	694
2019 (5)	340,904	340,295	0.56%	726	725
2020 (5)	345,753	345,244	0.56%	729	728
2021 (5)	362,764	362,357	0.47%	750	749
2022 (5)	365,536	365,129	0.47%	761	760
2023 (5)	401,149	400,871	0.50%	849	848
2024 (5)	428,886	428,617	0.52%	877	877

**Notes:**

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Total includes all general obligation bonded debt, including bond anticipation notes.

(2) Represents gross bonded debt less allowable statutory deductions.

(3) See Assessed Value of Taxable Property statistical schedule for property value data.

(4) See Demographic and Economic Statistics statistical schedule for population data.

(5) Amounts shown here are net of premiums, discounts and adjustments.

**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2024**  
**(amounts expressed in thousands)**

	<u>Bonded Debt</u>	<u>Percentage Applicable to City</u>	<u>City's Share of Debt</u>
Direct Debt - City of Raleigh <sup>(1)</sup>	\$ 632,565	100.00%	\$ 632,565
Overlapping Debt: <sup>(2)</sup>			
Wake County Debt <sup>(3)</sup>	2,628,768	39.55% <sup>(4)</sup>	1,039,798
<b>Total Direct and Overlapping Debt</b>	<b><u>\$ 3,261,333</u></b>		<b><u>\$ 1,672,363</u></b>

**Notes:**

<sup>(1)</sup> This total includes all governmental activities debt including leases and IT subscriptions.

<sup>(2)</sup> Overlapping debt does not include the debt of the Special Airport Tax District of Durham and Wake Counties as these bonds are payable by the Airport Authority out of airport revenues.

<sup>(3)</sup> This total includes \$1,118,205,141 of Wake County School Bonds.

<sup>(4)</sup> Percentage of direct and overlapping debt is based on June 30, 2024 assessed valuation of the City of Raleigh (\$82,381,154,486) as compared to the June 30, 2024 assessed valuation of Wake County (\$208,272,051,043).

**Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

Fiscal Year Ended June 30	Debt Limit	Less: Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2015	\$ 4,218,066	\$ 1,134,703	\$ 3,083,363	26.90%
2016	4,298,041	1,139,717	3,158,324	26.52%
2017	4,677,212	1,124,420	3,552,792	24.04%
2018	4,735,644	1,251,042	3,484,602	26.42%
2019	4,833,180	1,207,499	3,625,681	24.98%
2020	4,915,334	1,212,052	3,703,282	24.66%
2021	6,221,010	1,266,748	4,954,262	20.36%
2022	6,263,640	1,230,383	5,033,257	19.64%
2023	6,369,720	1,484,582	4,885,138	23.31%
2024	6,590,492	1,446,991	5,143,501	21.96%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	\$ 82,381,155
Debt limit (8% of assessed value)	6,590,492
Debt applicable to limit:	
General Obligation bonds	358,104
GO bonds authorized not issued	514,475
Other outstanding debt	574,681
Less: Statutory deductions	
Uncollected special assessments levied for local improvements for which gross debt incurred to the extent to be applied to the payment of such gross debt	(269)
<b>Total net debt applicable to limit</b>	<b>1,446,991</b>
<b>Legal debt margin</b>	<b>\$ 5,143,501</b>

## Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year Ended	Gross Revenues	15% of CY Unrestricted Net Position	Operating Expenses	Debt Service Requirements (3 and 4)	Debt Service Requirements <sup>(3)</sup>			Coverage Ratios		
					Principal	Interest	Total	Net	With 15%	Covenanted Coverage
Parity Debt Service Coverage <sup>(2)</sup>										
2015	\$ 214,997,564	\$ 37,843,467	\$ 89,725,721	\$ 125,271,843	\$ 19,445,000	\$ 27,004,803	\$ 46,449,803	2.70	3.51	1.20
2016	231,560,704	46,008,826	91,722,046	139,838,658	22,155,000	28,966,854	51,121,854	2.74	3.64	1.20
2017	243,174,781	52,018,440	99,896,408	143,278,373	22,860,000	26,348,958	49,208,958	2.91	3.97	1.20
2018	259,719,422	50,142,853	100,287,101	159,432,321	23,130,000	30,070,063	53,200,063	3.00	3.94	1.20
2019	272,685,950	55,506,967	104,023,906	168,662,044	25,980,000	29,093,590	55,073,590	3.06	4.07	1.20
2020	278,601,167	62,174,287	114,994,110	163,607,057	27,540,000	26,959,007	54,499,007	3.00	4.14	1.20
2021	279,331,751	65,431,229	111,235,970	168,095,781	30,905,000	23,353,545	54,258,545	3.10	<sup>(4)</sup> 4.30	1.20
2022	289,808,464	66,248,919	112,310,105	177,498,359	32,530,000	22,144,500	54,674,500	3.25	<sup>(4)</sup> 4.46	1.20
2023	301,273,561	65,370,214	123,551,522	177,722,039	31,395,000	25,930,436	57,325,436	3.10	<sup>(4)</sup> 4.24	1.20
2024	324,856,321	64,035,999	136,050,950	188,805,371	33,470,000	25,989,357	59,459,357	3.18	<sup>(4)</sup> 4.25	1.20

### Parity and Subordinate Debt Service Coverage<sup>(3)</sup>

2015	\$ 214,997,564	\$ 89,725,721	\$ 125,271,843	\$ 22,480,320	\$ 27,388,673	\$ 49,868,993	2.51	1.00
2016	231,560,704	91,722,046	139,838,658	25,223,884	29,315,460	54,539,344	2.56	1.00
2017	243,174,781	99,896,408	143,278,373	24,926,658	26,630,347	51,557,005	2.78	1.00
2018	259,719,422	100,287,101	159,432,321	28,287,396	32,092,890	60,380,286	2.64	1.00
2019	272,685,950	104,023,906	168,662,044	30,802,225	30,546,534	61,348,759	2.75	1.00
2020	278,601,167	114,994,110	163,607,057	32,362,225	28,326,612	60,688,837	2.70	1.00
2021	279,331,751	111,235,970	168,095,781	35,562,225	24,635,812	60,198,037	2.79	<sup>(4)</sup> 1.00
2022	289,808,464	112,310,105	177,498,359	37,057,606	23,345,718	60,403,324	2.94	<sup>(4)</sup> 1.00
2023	301,273,561	123,551,522	177,722,039	36,030,622	27,050,605	63,081,227	2.82	<sup>(4)</sup> 1.00
2024	324,856,321	136,050,950	188,805,371	40,605,622	27,028,477	67,634,099	2.79	<sup>(4)</sup> 1.00

### Notes:

- <sup>(1)</sup> Water and sewer user charges and other utility revenues are pledged revenues; operating expenses are exclusive of depreciation and interest expense.
- <sup>(2)</sup> Parity debt service includes interest and principal of revenue bonds.
- <sup>(3)</sup> Parity and subordinate debt service includes interest and principal of revenue bonds, State loans, and water and sewer general obligation bonds. Certain other debt paid within the Utility Fund is not subject to legal coverage requirements, and is not included above.
- <sup>(4)</sup> Pledged revenue coverage calculation updated prospectively in fiscal year 2020-21 to exclude fair market value adjustments on investments and net pension and OPEB expense.



## Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (expressed in thousands) (2)	Per Capita Personal Income (2)	School Enrollment ADM (3)	Unemployment Rate % (4)
2015	\$ 432,520	\$ 21,295,805	\$ 48,411	\$ 161,027	5.0
2016	441,326	22,753,573	50,444	164,429	4.3
2017	449,477	24,065,503	52,444	169,436	3.6
2018	457,159	25,582,604	55,045	170,202	3.6
2019	464,485	27,149,359	57,851	171,158	4.1
2020	469,698	28,863,217	60,884	172,292	8.2
2021	462,219	28,141,742	60,884	172,965	4.5
2022	479,138	33,840,559	70,628	174,599	3.6
2023	472,540	Unavailable	Unavailable	175,368	3.4
2024	488,854	Unavailable	Unavailable	179,912	3.8

### Sources:

<sup>(1)</sup> U.S. Census City and Town Comparative Demographic ACS 5-Year Estimates 2015 - 2024

<sup>(2)</sup> U.S. Bureau of Economic Analysis Per capita income for the Raleigh-Cary MSA. Updated 2022 info as released. Data for 2023 and 2024 are unavailable.

<sup>(3)</sup> North Carolina Department of Public Instruction, Information Analysis and Reporting. ADM = Average daily membership - (final ADM). Includes all Wake County charter schools. 2021 figure has been updated to reflect consistency of data source

<sup>(4)</sup> North Carolina Department of Commerce - Labor and Economic Analysis Division Estimated percentage of labor force unemployed in Raleigh, not seasonally adjusted

Note: Population, school enrollment and unemployment data is reported as of June 30. Personal income data is reported as of December 31.

## Principal Employers Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of North Carolina	24,083	1	8.92%	20,635	1	9.11%
Wake County Public School System	17,000	2	6.30%	18,554	2	8.19%
Wake Med Health and Hospitals	10,307	3	3.82%	8,422	3	3.72%
Food Lion	9,037	4	3.35%	-		0.00%
North Carolina State University	9,019	5	3.34%	7,876	4	3.48%
Target Stores	8,400	6	3.11%	-		0.00%
UNC Rex Healthcare System	7,700	7	2.85%	-		0.00%
Harris Teeter	5,300	8	1.96%	-		0.00%
Wake County Government	4,389	9	1.63%	3,692	9	1.63%
City of Raleigh	3,974	10	1.47%	4,049	6	1.79%
Rex Healthcare	-		0.00%	5,300	5	2.34%
NC Department of Health and Human Services	-		0.00%	3,800	7	1.68%
Duke Energy Progress	-		0.00%	3,700	8	1.63%
Wake Technical Community College	-		0.00%	2,547	10	1.12%
<b>Total</b>	<b>99,209</b>		<b>36.74%</b>	<b>78,575</b>		<b>34.68%</b>

### Notes:

City-wide employment as of June 30, 2024: 270,054

City-wide employment as of June 30, 2015: 226,537

### Source:

Wake County Economic Development

NC Employment Security Commission (Laus City Wide Employment)

## City Government Employees By Function/Department Last Ten Fiscal Years

Function	Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Policy &amp; Management Services</b>										(6)
General Government	103	109	111	111	111	132	132	135	140	146
Human Resources	30	31	33	34	34	34	32	34	36	45
Finance	61	65	63	63	62	62	62	62	63	63
Information Technology <sup>(5)</sup>	81	80	81	90	90	90	90	90	89	92
<b>Community Development Services</b>										
Public Infrastructure <sup>(1) (4)</sup>	445	586	597	627	628	654	654	669	682	678
Planning & Development Services <sup>(2)</sup>	191	195	210	215	218	193	193	193	193	193
Housing and Neighborhoods <sup>(3)</sup>	73	76	76	76	79	70	70	74	75	75
<b>Public Safety</b>										
Police	898	902	904	906	901	901	901	908	908	915
Fire	609	611	621	621	621	621	621	626	627	631
Emergency Communications	115	127	129	129	129	129	129	129	129	130
<b>Solid Waste Services</b>	204	208	210	213	210	210	210	210	210	210
<b>Public Utilities</b>	640	652	656	659	663	663	663	663	677	677
<b>Leisure Services</b>										
Convention Center	104	104	107	109	116	116	116	116	116	129
Parks & Recreation	495	417	420	423	429	429	429	435	438	531
<b>Total</b>	<b>4,049</b>	<b>4,163</b>	<b>4,218</b>	<b>4,276</b>	<b>4,291</b>	<b>4,304</b>	<b>4,302</b>	<b>4,344</b>	<b>4,383</b>	<b>4,515</b>

### Notes:

Numbers presented are authorized positions.

<sup>(1)</sup> Includes Central Engineering, Construction Management, Transit, Parking, Vehicle Fleet Services and Stormwater through 2016.

<sup>(2)</sup> Planning and Development Services reorganized in 2020 to revert back to a previous design of divisions.

<sup>(3)</sup> Housing and Neighborhoods was formed to include Community Development, Community Services and Housing & Neighborhood Preservation - 2015.

<sup>(4)</sup> Public Works changed to Public Infrastructure to include Engineering Services and Transportation - 2017.

<sup>(5)</sup> Changed name to Information Technology from Information Services - 2017.

<sup>(6)</sup> Permanent part-time employees included in total beginning in 2024

### Source:

City of Raleigh Adopted Budget - Position Summary

## Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Community Development Services Inspections and Permits (all trade types)	107,628	117,340	123,119	118,368	119,149
<b>Community Development:</b>					
New housing units constructed	14	18	5	18	28
Homeownership loans provided	85	66	32	38	61
Rehabilitation loans provided	55	42	29	36	30
<b>Public Infrastructure</b>					
Asphalt failures repaired	5,000	5,800	4,257	3,213	5,157 <sup>(1)</sup>
Drainage structures repaired/maintained/inspected <sup>(3)</sup>	1,200	2,721	2,176	3,857	22,804
<b>Police</b>					
Physical arrests and citations	86,498	75,157	68,214	60,095	52,784
Traffic accidents investigated	21,706	27,566	27,621	25,016	25,937
<b>Fire</b>					
Emergency responses	24,349	39,301	40,891	40,518	42,173
Fire calls answered	1,192	1,079	1,188	1,138	896
<b>Emergency Communications</b>					
911 calls processed	597,245	611,047	574,315	622,515	553,997 <sup>(1)</sup>
<b>Solid Waste</b>					
Refuse collected (tons)	91,786	98,028	94,252	94,800	92,524 <sup>(1)</sup>
Recyclables collected (tons)	27,584	28,239	28,412	28,690	27,966 <sup>(1)</sup>
<b>Water</b>					
Number of consumers	176,918	191,479	195,681	198,984	204,377
Average daily consumption (millions of gallons per day)	47.30	49.00	55.78	49.75	49.06
Maximum daily flow (millions of gallons per day)	67.88	62.00	62.59	63.40	69.18
<b>Wastewater</b>					
Average daily sewage treatment (millions of gallons per day)	48.19	50.00	50.11	48.76	48.96
Maximum daily flow (millions of gallons per day)	68.03	89.00	101.09	64.49	101.08
<b>Leisure Services</b>					
Convention center events	705	912	917	924	927
Event attendance	768,501	973,038	1,346,883	1,375,964	1,197,309
Parks and recreation programs	13,170	11,810	13,088	13,343	13,389
Registrants	158,500	148,194	105,102	114,270	113,587
Attendance at parks & recreation facilities (millions) <sup>(2)</sup>	-	-	-	3.1	2.9

### Notes:

<sup>(1)</sup> Numbers represent estimates.

<sup>(2)</sup> Parks and Recreation changed reporting measure in years 2015 to 2017 to not include attendance at facilities.

<sup>(3)</sup> Infrastructure reports changed reporting measure starting in 2019 to include inspections of drainage structures as well.

<sup>(4)</sup> Change in reporting measure from count to feet beginning in 2020. Further change to reporting from feet to tons to align with industry standards beginning in 2022.

<sup>(5)</sup> Number represents NRRRF, SCRRF, and LCRRF beginning 2020. Prior to 2020, this number only included NRRRF.

<sup>(6)</sup> Global COVID-19 pandemic forced pass closures of public venues, and led to significant cancellations.

<sup>(7)</sup> Changed to reflect fiscal year operating indicators from fiscal year 2018 through 2020

<sup>(8)</sup> 2021 figure has been updated to reflect figures reported within the Letter of Transmittal

### Source:

Various city departments and the Budget and Management Services Department's Performance Indicators document.

## Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2020	2021	2022	2023	2024
Community Development Services Inspections and Permits (all trade types)	97,012	102,476	136,709	175,799	173,029
<b>Community Development:</b>					
New housing units constructed	19	21	8	5	34
Homeownership loans provided	62	59	16	9	59
Rehabilitation loans provided	29	23	16	15	28
<b>Public Infrastructure</b>					
Asphalt failures repaired	96,921 <sup>(4)</sup>	54,041	21,949 <sup>(4)</sup>	28,188	18,945
Drainage structures repaired/maintained/inspected <sup>(3)</sup>	8,596	6,982	23,942	13,031	17,180
<b>Police</b>					
Physical arrests and citations	33,297	30,604	36,883	24,180	27,575
Traffic accidents investigated	31,425	26,984	22,046	22,005	22,136
<b>Fire</b>					
Emergency responses	43,782 <sup>(8)</sup>	43,980	51,293	52,591	56,713
Fire calls answered	1,048	1,028	1,209	1,094	1,296
<b>Emergency Communications</b>					
911 calls processed	535,000 <sup>(1)</sup>	515,516	545,929	555,921	540,606
<b>Solid Waste</b>					
Refuse collected (tons)	92,600 <sup>(1)</sup>	100,490	97,437	98,436	95,535
Recyclables collected (tons)	27,970 <sup>(1)</sup>	30,205	27,915	26,528	24,265
<b>Water</b>					
Number of consumers	207,596	211,910	216,651	221,819	228,324
Average daily consumption (millions of gallons per day)	51.44	51.32	53.56	56.02	59.23
Maximum daily flow (millions of gallons per day)	67.40	67.99	69.49	67.58	78.73
<b>Wastewater</b>					
Average daily sewage treatment (millions of gallons per day)	50.23	52.65	48.93	51.38	50.87
Maximum daily flow (millions of gallons per day)	116.63	84.49	76.58	82.45	78.73
<b>Leisure Services</b>					
Convention center events	622 <sup>(6)</sup>	119 <sup>(8)</sup>	646	795	831
Event attendance	552,870 <sup>(6)</sup>	35,758 <sup>(6)</sup>	652,148	843,505	908,039
Parks and recreation programs	12,915	17,602	9,741	9,135	8,968
Registrants	69,072 <sup>(6)</sup>	75,380 <sup>(6)</sup>	91,889	86,910	69,501
Attendance at parks & recreation facilities (millions) <sup>(2)</sup>	1.5	0.8 <sup>(6)</sup>	1.4	2.0	2.1

<sup>(1)</sup> Numbers represent estimates.

<sup>(2)</sup> Parks and Recreation changed reporting measure in years 2015 to 2017 to not include attendance at facilities.

<sup>(3)</sup> Infrastructure reports changed reporting measure starting in 2019 to include inspections of drainage structures as well.

<sup>(4)</sup> Change in reporting measure from count to feet beginning in 2020. Further change to reporting from feet to tons to align with industry standards beginning in 2022.

<sup>(5)</sup> Number represents NRRRF, SCRRF, and LCRRF beginning 2020. Prior to 2020, this number only included NRRRF.

<sup>(6)</sup> Global COVID-19 pandemic forced pass closures of public venues, and led to significant cancellations.

<sup>(7)</sup> Changed to reflect fiscal year operating indicators from fiscal year 2018 through 2020

<sup>(8)</sup> 2021 figure has been updated to reflect figures reported within the Letter of Transmittal

### Source:

Various city departments and the Budget and Management Services Department's Performance Indicators document.

## Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019
<b>Public safety</b>					
Police stations	6	6	6	6	6
Fire stations	28	28	28	29	29
<b>Highways and streets</b>					
Streets (miles) - City <sup>(2)</sup>	1,087	1,092	1,094	1,100	1,104
Streets (miles) - State <sup>(2)</sup>	265	265	272	269	265
Streetlights	34,749	34,891	35,038	35,228	35,527
Signalized intersections	619	620	620	625	625
<b>Leisure services</b>					
Number of major parks	86	86	112	197	197
Parks acreage	10,194	9,893	9,893	10,124	10,126
Aquatic facilities	9	9	9	8	8
Community centers (staffed and unstaffed)	47	49	49	49	49
<b>Water</b>					
Water mains (miles) <sup>(3)</sup>	2,245	2,355	2,496	2,521	2,602
<b>Sewers</b>					
Sanitary sewers (miles) <sup>(3)</sup>	2,297	2,300	2,569	2,616	2,649

### Notes:

Capital asset indicators are not available for the general government function.

<sup>(1)</sup> Major parks measure was re-evaluated in 2017.

<sup>(2)</sup> Schedule restated to separately display City owned and maintained street miles from NC State-owned street miles within City limits. The City occasionally performs sidewalk repairs, ADA ramp repairs, pothole repairs, and other capital work conducted on NCDOT right-of-ways. General maintenance conducted on NCDOT-owned assets (traffic signals, signs, pavement markings) within City limits is reimbursable. Please note that only City-owned streets are included in the annual Powell Bill report.

<sup>(3)</sup> Water and Sewer miles are calculated using GIS for accurate data as of FY23. Prior to FY23 miles calculated using private mains that are no longer included.

### Source:

Various city departments and the Budget and Management Services Department

## Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2020	2021	2022	2023	2024
<b>Public safety</b>					
Police stations	6	6	6	6	6
Fire stations	29	29	29	29	28
<b>Highways and streets</b>					
Streets (miles) - City <sup>(2)</sup>	1,115	1,123	1,132	1,145	1,148
Streets (miles) - State <sup>(2)</sup>	270	269	272	273	267
Streetlights	35,681	36,192	36,640	36,753	37,399
Signalized intersections	635	647	661	661	663
<b>Leisure services</b>					
Number of major parks <sup>(1)</sup>	199	199	199	200	205
Parks acreage	10,130	10,018	10,054	10,054	10,352
Aquatic facilities	8	8	8	8	8
Community centers (staffed and unstaffed)	38	49	49	49	51
<b>Water</b>					
Water mains (miles) <sup>(3)</sup>	2,658	2,719	2,769	2,418	2,529
<b>Sewers</b>					
Sanitary sewers (miles) <sup>(3)</sup>	2,690	2,723	2,771	2,600	2,711

### Notes:

Capital asset indicators are not available for the general government function.

<sup>(1)</sup> Major parks measure was re-evaluated in 2017.

<sup>(2)</sup> Schedule restated to separately display City owned and maintained street miles from NC State-owned street miles within City limits. The City occasionally performs sidewalk repairs, ADA ramp repairs, pothole repairs, and other capital work conducted on NCDOT right-of-ways. General maintenance conducted on NCDOT-owned assets (traffic signals, signs, pavement markings) within City limits is reimbursable. Please note that only City-owned streets are included in the annual Powell Bill report.

<sup>(3)</sup> Water and Sewer miles are calculated using GIS for accurate data as of FY23. Prior to FY23 miles calculated using private mains that are no longer included.

### Source:

Various city departments and the Budget and Management Services Department



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# Single Audit Section





## Single Audit Section

The Single Audit Section contains schedules, exhibits and auditor reports reflecting federal, state and other participation in various projects and programs of the City as required by the Title 2 United States Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the North Carolina state Single Audit Implementation Act, and the American Recovery and Reinvestment Act.



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## **Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and Members of the City Council  
City of Raleigh, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Raleigh, North Carolina (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
October 28, 2024



## **Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

To the Honorable Mayor and Members of the City Council  
City of Raleigh, North Carolina

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Raleigh, North Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance; and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

#### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.



A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**City's Response to Finding**

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
October 28, 2024



## **Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with the Uniform Guidance and the State Single Audit Implementation Act**

To the Honorable Mayor and Members of the City Council  
City of Raleigh, North Carolina

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited the City of Raleigh, North Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2024. The City's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's state programs.

#### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### ***Report on Internal Control over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Raleigh, North Carolina  
October 28, 2024

# Single Audit Schedules

# Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2024

Grantor/Passed-Through Grantor/ Grantor Program and/or Project Title	Assistance Listing Number	Grant Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local (1)
<b>EXPENDITURES OF FEDERAL AWARDS:</b>						
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Direct Programs: Federal Transit Administration:						
Federal Transit Cluster:						
Federal Transit Cap & Maint 2017	20.507	NC-2017-041-00	\$ 16,790	\$ -	\$ -	4,198
Federal Transit Cap & Maint 2018	20.507	NC-2018-040-00	428,000	-	-	107,000
Poole Road Park & Ride Lot	20.507	NC-2018-070-00	62,443	-	-	15,611
Transit Signal Priority Capital Blvd - LAPP Funding	20.507	NC-2019-033-00	356,607	-	-	89,152
Federal Transit Cap & Maint 2019	20.507	NC-2019-059-00	106,684	-	-	5,432
(4) Federal Transit Cap & Maint 2020 (SG1)	20.507	NC-2020-039-00	89,902	-	-	22,476
(4) Federal Transit Cap & Maint 2020 (SG1)	20.507	NC-2020-039-00	18,662	-	-	5,264
(4) Navaho Dr Sidewalk (SG1)	20.507	NC-2020-039-00	388,784	-	-	97,196
CARES Act 2020 Operating Assistance	20.507	NC-2020-047-01	1,386,210	-	-	-
CARES Act 2020-Planning Assistance	20.507	NC-2020-047-01	397,974	-	-	-
(4) Planning Assistance - Section 9 (5307) (SG3)	20.507	NC-2021-047-00	81,842	-	-	20,461
(4) Federal Transit Cap & Maint 2021 - GoRaleigh Operations (SG3)	20.507	NC-2021-047-00	245,403	-	-	61,351
Planning Assistance - Section 9 (5307)	20.507	19-08-101	80,820	-	-	20,205
Operating Assistance (CARES Act 2020)	20.507	NC-2020-047-01	1,997,772	-	1,997,772	-
Section 5307 CRRSAA Operating Assistance FY23	20.507	NC-2023-018-00	1,660,671	-	-	-
Multi-Source Sec. 5307 Bus Rapid Transit New Bern Ave Corridor	20.507	NC-2022-045-00	(2) 2,798,243	-	-	3,700,784
Multi-Source Sec. 5309 Bus Rapid Transit New Bern Ave Corridor	20.507	NC-2022-045-00	(2) 6,366,037	-	-	5,147,949
Multi-Source Section 5309 - ARP Raleigh Bus Rapid Transit Vehicles (New Bern)	20.507	NC-2002-046-00	5,401,600	-	-	-
Section 5339 Poole Road Park & Ride Lot	20.507	NC-2022-052-00	79,192	-	-	19,798
ARP Operating and Capital Assistance - Sec 5307 GoRaleigh Access	20.507	NC-2023-019-00	2,151,416	-	-	-
ARP Operating and Capital Assistance - Operating Assistance	20.507	NC-2023-019-00	4,383,525	-	-	-
ARP Operating and Capital Assistance - Sec 5307 Operating Assistance	20.507	NC-2023-019-00	2,895,173	-	-	-
Multi-Source Flex Capital and Planning - LAPP Enhanced Transfer Point	20.507	NC-2023-052-00	47,474	-	-	11,868
Multi-Source Flex Capital and Planning Section 5307	20.507	NC-2023-052-00	29,782	-	-	7,445
Multi-Source Flex Capital and Planning - GoRaleigh Access	20.507	NC-2023-052-00	17,102	-	-	4,276
Multi-Source Flex Capital and Planning - GoAccess	20.507	NC-2023-052-00	266,559	-	-	266,559
Multi-Source Flex Capital and Planning - Navaho Dr	20.507	NC-2023-052-00	9,451	-	-	2,363
Multi-Source Section 5307 for Capital and Planning	20.507	NC-2024-070-00	(2) 1,174,958	37,400	-	256,339
Multi-Source Section 5307 Formula Funding GoRaleigh Capital	20.507	NC-2024-070-00	(2) 992,325	-	-	248,081
Multi-Source Section 5307 Wake County Sub-recipient	20.507	NC-2024-070-00	1,731,684	-	1,731,684	-
Total Federal Transit Cluster			35,663,085	37,400	3,729,456	10,113,808
Public Transit Intergration:						
Integrated Mobility Innovation-Section 5312 - Wake County	20.530	NC-2020-066-00	220,141	-	220,141	-
Total Public Transit Intergration			220,141	-	220,141	-
Buses and Buses Facility Formula:						
ADA Facility Engineering Design and Operator Break Area Renovations - Section 5339	20.526	NC-2023-044-00	3,420	-	-	855
(4) Buses and Bus Facilities (5339) (SG2)	20.526	NC-2021-040-00	(3) (190,467)	-	-	(47,617)
Total Buses and Buses Facility Formula			(187,047)	-	-	(46,762)
Transit Services Programs Cluster:						
Enhanced Mobility 2020	20.513	NC-2019-045-00	64,527	-	64,527	-
Enhanced Mobility 2021	20.513	NC-2022-053-00	99,231	-	12,417	-
Section 5310 CRRSAA Mobility Management and Operating Assistance	20.513	NC-2023-059-00	114,611	-	114,611	-
Section 5310 ARP Mobility Management and Operating Assistance	20.513	NC-2023-060-00	83,946	-	83,946	-
Section 5310 Enhanced Mobility	20.513	NC-2024-073-00	210,234	-	191,305	-
Total Transit Services Programs Cluster			572,549	-	466,806	-
Total Direct Programs U.S. Department of Transportation			36,268,728	37,400	4,416,403	10,067,046
Passed-Through North Carolina Department of Transportation - Federal Highway Administration:						
Highway Planning and Construction Cluster:						
Crabtree Creek Greenway (West)	20.205	CMAQ 0520 (057)	(3) (1,346,171)	-	-	(2,613,155)
Walnut Creek Greenway	20.205	CMAQ 0520 (058)	8,681	-	-	4,275
Capital BikeShare Phase I	20.205	CMAQ 0520 (074)	(3) (152,909)	-	-	(112,822)
Old Wake Forest Road - LAPP STP-DA	20.205	9420	(3) (446,093)	-	-	(111,523)
Blue Ridge Road LAPP	20.205	C-5604OF	939,803	-	-	284,811
Total Highway Planning and Construction Cluster			(996,689)	-	-	(2,548,414)

The notes to the Schedule of Expenditures of Federal and State Financial Awards are an integral part of this schedule.

# Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2024

Grantor/Passed-Through Grantor/ Grantor Program and/or Project Title	Assistance Listing Number	Grant Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local (1)
Highway Safety Cluster:						
Bikesafe Coordinator 2024	20.616	MC-24-03-02	\$ 1,545	\$ -	\$ -	\$ -
Governor's Highway Safety Program 2022	20.616	200062500	15,954	-	-	-
Governor's Highway Safety Program 2022	20.616	200070515	40,688	-	-	-
Total Highway Safety Cluster			58,187	-	-	-
Total Passed-Through North Carolina Department of Transportation			(938,502)	-	-	(2,548,414)
<b>Total U.S. Department of Transportation</b>			<b>35,330,226</b>	<b>37,400</b>	<b>4,416,403</b>	<b>7,518,632</b>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
Direct Programs: Foster Grandparent /Senior Companion Cluster:						
Foster Grandparent Program	94.011	20SFSNC002 (24)	127,706	-	-	29,680
<b>Total Corporation for National and Community Service</b>			<b>127,706</b>	<b>-</b>	<b>-</b>	<b>29,680</b>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
Direct Programs: CDBG Entitlement Grant Cluster:						
Community Development Block Grant - Entitlement	14.218	B19MC370009	148,705	-	-	-
Community Development Block Grant - Entitlement	14.218	B20MC370009	389,526	-	-	-
Community Development Block Grant - Entitlement	14.218	B21MC370009	988,082	-	43,150	-
Community Development Block Grant - Entitlement	14.218	B22MC370009	1,209,454	-	3,875	-
Community Development Block Grant - Entitlement	14.218	B23MC370009	924,222	-	436,700	-
Community Development Block Grant - Entitlement	14.218	B20MW370009	578,498	-	553,262	-
Total CDBG Entitlement Grant Cluster			4,238,487	-	1,036,987	-
Direct Programs: HOME						
HOME Investment Partnerships Program FY2017	14.239	M17MC370206	128,001	-	-	-
HOME Investment Partnerships Program FY2018	14.239	M18MC370206	890,111	-	-	-
HOME Investment Partnerships Program FY2019	14.239	M19MC370206	718,130	-	-	-
HOME Investment Partnerships Program FY2020	14.239	M20MC370206	494,544	-	-	-
HOME Investment Partnerships Program FY2021	14.239	M21MC370206	217,232	-	-	-
HOME Investment Partnerships Program FY2022	14.239	M22MC370206	152,736	-	-	-
HOME Investment Partnerships Program FY2023	14.239	M23MC370206	68,619	-	-	-
Total Direct Programs HOME			2,669,373	-	-	-
Direct Programs: ESG Grant						
Emergency Solutions Grant Program - CARES 2020/2021	14.231	E20MW370009	15,470	-	15,470	-
Emergency Solutions Grant Program - FY2023	14.231	E23MC370009	61,657	-	61,657	-
Emergency Solutions Grant Program - FY2024	14.231	E24MC370009	152,531	-	152,531	-
Total Direct Programs ESG			229,658	-	229,658	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>7,137,518</b>	<b>-</b>	<b>1,266,645</b>	<b>-</b>
<u>U.S. DEPARTMENT OF COMMERCE</u>						
Passed-Through: National Oceanic Atmospheric Administration (NOAA)						
Mission Related Education Awards: Community Climate Education for a Resilient Raleigh	11.008	NA23SEC0080003-T1-0	12,707	-	-	-
<b>Total U.S. Department of Commerce</b>			<b>12,707</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>U.S. DEPARTMENT OF JUSTICE</u>						
Direct Programs:						
JAG Cluster:						
Edward Byrne Memorial Justice Assistance (JAG) 2020	16.738	2020-DJ-BX-0928	3,892	-	33,477	-
Edward Byrne Memorial Justice Assistance (JAG) 2021	16.738	15PBJA-21-GG-01655-JAGX	30,755	-	39,771	-
Edward Byrne Memorial Justice Assistance (JAG) 2022	16.738	15PBJA-22-GG-02117-JAGX	43,452	-	16,830	-
Edward Byrne Memorial Justice Assistance (JAG) 2023	16.738	15PBJA-23-GG-03608-JAGX	67,053	-	24,755	-
Total JAG Cluster			145,152	-	114,833	-

The notes to the Schedule of Expenditures of Federal and State Financial Awards are an integral part of this schedule.

# Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2024

Grantor/Passed-Through Grantor/ Grantor Program and/or Project Title	Assistance Listing Number	Grant Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local (1)
<b>Direct Programs:</b>						
Equitable Sharing	16.922	2024	\$ 745,390	\$ -	\$ -	\$ -
Bureau of Justice Assistance ( BVP) 2022	16.607	2023	20,808	-	-	-
Bureau of Justice Assistance ( BVP) 2023	16.607	2024	23,250	-	-	-
2021 Community Policing Development (CDP) De-Escalation Training Solicitation	16.710	15JCOPS-21-GG-02439-SPPS	98,110	-	-	-
Total Direct Programs U.S. Department of Justice			887,558	-	-	-
<b>Total U.S. Department of Justice</b>			<b>1,032,710</b>	<b>-</b>	<b>114,833</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>						
Passed-Through N.C. Department of Public Safety - FEMA:						
COVID-19 Pandemic 2020	97.036	FEMA-4487-DR-NC	135,435	-	-	-
Total Passed-Through N.C. Department of Public Safety - FEMA			135,435	-	-	-
Homeland Security Cluster:						
USAR	97.067	EMW-2021-SS-039	60,000	-	-	-
Assistance to Firefighters 2021	97.044	EMW-2021-FG-06414	9,091	-	-	909
Fire Prevention & Safety 2022	97.044	EMW-2022-FP-00090	18,973	-	-	949
Total Homeland Security Cluster			88,064	-	-	1,858
Total Passed-Through N.C. Department of Public Safety - FEMA			88,064	-	-	1,858
<b>Total U.S. Department of Homeland Security</b>			<b>223,499</b>	<b>-</b>	<b>-</b>	<b>1,858</b>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>						
Direct Programs:						
State & Local Fiscal Recovery	21.027	SLFRP0273	37,314,439	-	5,107,227	-
Total Direct Programs U.S. Department of Treasury			37,314,439	-	5,107,227	-
<b>Total U.S. Department of Treasury</b>			<b>37,314,439</b>	<b>-</b>	<b>5,107,227</b>	<b>-</b>
<b><u>OFFICE OF NATIONAL DRUG CONTROL POLICY</u></b>						
Passed -Through Durham County:						
High Intensity Drug Trafficking Area (HIDTA) 2022	95.001	G22GA0004A	2,380	-	-	-
High Intensity Drug Trafficking Area (HIDTA) 2023	95.001	G23GA0004A	26,189	-	-	-
Total Office of National Drug Control and Policy			28,569	-	-	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 81,207,374</b>	<b>\$ 37,400</b>	<b>\$ 10,905,108</b>	<b>\$ 7,550,170</b>
<b>EXPENDITURES OF STATE AWARDS:</b>						
<b><u>N.C. DEPARTMENT OF TRANSPORTATION</u></b>						
Direct Programs: Division of Highways:						
Powell Bill	N/A	WBS32570	\$ -	\$ 7,160,857	\$ -	\$ -
Direct Programs: Public Transportation Division:						
Public Transportation Maint Asst Prog	N/A	18-SM-013	-	3,041,187	-	-
Total Direct Programs N.C. Department of Transportation			-	10,202,044	-	-
Passed-Through Triangle J Council of Governments:						
Transportation Demand Management Grant 2024	N/A	TDMRAL24	-	94,258	-	94,258
Total Passed-Through Triangle J Council of Governments			-	94,258	-	94,258
<b>Total N.C. Department of Transportation</b>			<b>-</b>	<b>10,296,302</b>	<b>-</b>	<b>94,258</b>

The notes to the Schedule of Expenditures of Federal and State Financial Awards are an integral part of this schedule.



# Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2024

Grantor/Passed-Through Grantor/ Grantor Program and/or Project Title	Assistance Listing Number	Grant Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local (1)
<u>N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY</u>						
Direct Programs:						
Walnut Creek Wetland Park Subsurface Gravel Wetland Project	N/A	CW18358	<sup>(B)</sup> \$ -	\$ 3,000	\$ -	\$ (23,110)
Division of Water Resources - Dix Rocky Branch	N/A	CW18433	-	81,367	-	81,367
<b>Total N.C. Department of Environmental Quality</b>			<u>-</u>	<u>84,367</u>	<u>-</u>	<u>58,257</u>
<u>N.C. DEPARTMENT OF NATURAL &amp; CULTURAL RESOURCES</u>						
Passed-Through Clean Water Management Trust Fund:						
NCLWF Wilders Grove Stream Restoration	N/A	2020-421	-	-	-	14,072
NCLWF Dix Rocky Branch Enhancement	N/A	2020-813	-	39,964	-	92,016
<b>Total N.C. Department of Natural &amp; Cultural Resources</b>			<u>-</u>	<u>39,964</u>	<u>-</u>	<u>106,088</u>
<u>N.C. DEPARTMENT OF PUBLIC SAFETY</u>						
Direct Programs:						
Fire Regional Response Team (RRT)	N/A	RRT42024	-	68,753	-	-
NC Helo-Aquatic Rescue Team	N/A	2023	-	18,151	-	-
Total Direct Programs N.C. Department of Public Safety			<u>-</u>	<u>86,904</u>	<u>-</u>	<u>-</u>
<b>Total N.C. Department of Public Safety</b>			<u>-</u>	<u>86,904</u>	<u>-</u>	<u>-</u>
<u>N.C. OFFICE OF STATE BUDGET &amp; MANAGEMENT</u>						
Direct Programs:						
NCOSBM Special Appropriations FY22 Directed Grants	N/A	FY22-DG-0017	-	42,171	-	-
<b>Total N.C. Office of State Budget &amp; Management</b>			<u>-</u>	<u>42,171</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>\$ -</u>	<u>\$ 10,549,708</u>	<u>\$ -</u>	<u>\$ 258,603</u>
<b>TOTAL EXPENDITURES ALL AWARDS</b>			<u>\$ 81,207,374</u>	<u>\$ 10,587,108</u>	<u>\$ 10,905,108</u>	<u>\$ 7,808,773</u>

The notes to the Schedule of Expenditures of Federal and State Financial Awards are an integral part of this schedule.

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS:

### Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the Federal and State grant activity of the City of Raleigh under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Raleigh, it is not intended to present the financial position, changes in net assets or cash flows of the City of Raleigh.

### Note 2: Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

The City of Raleigh has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Powell Bill expenditures as reported above represent eligible expenditures reported to the North Carolina Department of Transportation for the fiscal year ending June 30, 2024. The City is required to report annually to the North Carolina Department of Transportation on the accumulated unexpended Powell Bill funds. Unexpended Powell Bill funds are accounted for and maintained within various City funds. The total unexpended balance on-hand at June 30, 2024 is \$-0-.

Local dollars represent City of Raleigh matching as well as awards from local governments. **(1)**

Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2024. Generally, this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions. **(2)**

Negative current year expenditures represent adjustments to previously reported balances for grant projects completed during FY 2024, awards newly executed or amended, or scope changes identified in FY 2024, which adjusted prior year anticipated allocations between federal, state, and local components. **(3)**

Projects grouped under a "Supergrant" award, FTA Multi-Source Flex and Formula Funding to include Section 5307 and LAPP funding, but are bifurcated in schedule above for project & scope tracking. Each project line lists the unique grant number to associate back to the FTA Award identification. Cumulative fiscal activities reported below. **(4)**

Grant Number		Federal	State	Local
NC-2020-039-00	(SG1)	497,348	-	124,936
NC-2021-040-00	(SG2)	(190,467)	-	(47,617)
NC-2021-047-00	(SG3)	327,248	-	81,812

### Note 3: Loan Balances

The City of Raleigh had the following loan balances outstanding at June 30, 2024 for which the grantor/pass-through grantor has still imposed continuing compliance requirements. The loan balance outstanding is included in the federal expenditures presented in the schedule. For each program, the outstanding loan balance may differ from expenditures presented in the schedule above due to timing of cash receipts.

Program Name	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
SRF Neuse River WWTP Phase II Revolving Loan	66.458	CS-370419-18	\$ 17,964,994
SRF Crabtree Creek Wastewater Conveyance Revolving Loan	66.458	CS-370419-19	\$ 15,933,517
SRF Bioenergy Recovery Revolving Loan	66.458	CS-370419-20	\$ 44,383,596

**CITY OF RALEIGH, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2024

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to federal awards?  yes  no

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516 (a)?  yes  no

Identification of major federal programs:

**ALN Numbers**

14.239  
21.027

**Names of Federal Program or Cluster**

Home Investment Partnerships Program  
 COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 2,436,221

Auditee qualified as low-risk auditee?

yes  no

**CITY OF RALEIGH, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED JUNE 30, 2024

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**Section I – Summary of Auditor’s Results (continued)**

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to state awards?  yes  no

Type of auditor’s report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Implementation Act*?  yes  no

Identification of major state programs:

**Names of State Program or Cluster**  
Powell Bill

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

**U.S. Department of Housing and Urban Development**  
**Federal Program Name: Home Investment Partnerships Program**  
**Assistance Listing Number 14.239**  
**Significant Deficiency and Non-Material Non-Compliance – Special Tests – Wage Rate Requirements**  
**Finding 2024-001**

**Criteria:** In accordance with Section 200.303 of the Uniform Guidance, a non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The non-federal entity is also required to notify contractors and subcontractors of the requirements to comply with the Wage Rate Requirements and obtain copies of certified payrolls.

**Condition:** For one construction contractor selected for testing, it was discovered through audit procedures that the City was not collecting the weekly certified payroll forms for two active projects to ensure they were being completed and in compliance with federal wage rate requirements. However, the City was obtaining certifications that the pay amounts charged were correct via the pay request applications being submitted by the contractor to the City.

**Context:** We selected one construction contractor to test that weekly certified payrolls were being completed and maintained by the City on active projects the contractor was working on.

**Questioned Costs:** No questioned costs reported.

**CITY OF RALEIGH, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2024*

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**Effect:** The City would be unable to identify when contractors did not comply with the wage rate requirements.

**Cause:** The City's Housing and Neighborhoods department did not request from contractors and subcontractors working on the grant for the weekly certified payrolls as required.

**Recommendation:** We recommend management collect the weekly certified payrolls from construction contractors actively working on projects funded by the grant and verify that the amounts reported are correct.

**Views of Responsible Officials:** Management agrees with the finding and is implementing procedures to correct this, which is further discussed in the corrective action plan.

**U.S. Department of Housing and Urban Development**  
**Federal Program Name: Home Investment Partnerships Program**  
**Assistance Listing Number 14.239**

**Significant Deficiency and Non-Material Non-Compliance – Special Tests – Housing Quality Standards**  
**Finding 2024-002**

**Criteria:** In accordance with Section 200.303 of the Uniform Guidance, a non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The grantee is also required to perform the required inspections to ensure that property standards were met and any needed repairs were completed timely.

**Condition:** For one of the four housing unit contracts, the City was not able to provide support that repairs were completed. For the other three housing unit contracts, there was no formal evidence available that the required housing quality inspections occurred timely or completed annually as required by grant guidelines.

**Context:** We tested four housing unit contracts that were completed using grant funds.

**Questioned Costs:** No questioned costs reported.

**Effect:** The City would not be able to ensure that proper housing quality standards are being met.

**Cause:** The City's Housing and Neighborhoods department did not have a system in place to ensure that housing units serviced under the grant were having the required inspections or needed repairs completed timely based on grant terms and conditions.

**Recommendation:** We recommend the City implement and maintain a tracking system and documentation to ensure all grant funded housing units have housing quality inspections and needed repairs performed on a timely basis.

**Views of Responsible Officials:** Management agrees with the finding and is implementing procedures to correct this, which is further discussed in the corrective action plan.

**Section IV – State Award Findings and Questioned Costs**

None.

**CITY OF RALEIGH, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2024*

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**Section V – Summary Schedule of Prior Audit Findings**

**Financial Statement Findings**

None.

**Federal Award Findings and Questioned Costs**

None.

**State Award Findings and Questioned Costs**

None.



**Finding 2024-001, Significant Deficiency – Special Tests – Wage Rate Requirements**

**Corrective Action Plan:**

**Goal:** To ensure that the weekly certified payrolls from construction contractors and subcontractors working on the grant funded projects are being completed, collected, and verifying that amounts reported for wages are correct and in compliance with grant provisions.

**Plan:** Staff is updating and revising policies and procedures and creating detailed checklists which align with each stage of the funding, development and monitoring process. In addition, staff has engaged an external vendor to perform oversight and monitoring.

**Responsible Parties:** Housing & Neighborhoods

**Timeframes:** All elements of the Corrective Action Plan will be implemented by January 31, 2025.





**Finding 2024-002, Significant Deficiency – Special Tests – Housing Quality Standards**

**Corrective Action Plan:**

**Goal:** To ensure that all required housing unit quality inspections and repairs are performed in compliance with grant provisions.

**Plan:** Staff is updating and revising policies and procedures and creating detailed checklists which align with the required housing unit inspection and repair timelines and required documents.

**Responsible Parties:** Housing & Neighborhoods

**Timeframes:** All elements of the Corrective Action Plan will be completed by January 31, 2025.



**Raleigh**

**OFFICE OF THE CITY MANAGER**

919.996.3070

**OFFICE OF THE CHIEF FINANCIAL OFFICER**

919.996.3215

POST OFFICE BOX 590  
RALEIGH, NORTH CAROLINA 27602

**[raleighnc.gov](http://raleighnc.gov)**