

Popular Annual Financial Report

RALEIGH, NORTH CAROLINA
FISCAL YEAR ENDED JUNE 30

2025



TABLE OF CONTENTS

Table of Contents	Pg 1
About This Report	Pg 1
City Government	Pg 2
Letter from the City Manager	Pg 3
Raleigh by the Numbers	Pg 4
The City of Raleigh: Everyone's Household	Pg 5
Where the City's Money Comes From	Pg 5
How the City Spends Money	Pg 5
Government-Wide Statements	Pg 6
Governmental Activities	Pg 6
Business-Type Activities	Pg 6
Fund Balance	Pg 7
General Fund Five-Year Fund Balance Trend	Pg 7
General Fund Operating Results	Pg 8
Understanding City Debt	Pg 9
Bond Ratings	Pg 9
Raleigh Accolades and Demographics	Pg 10

About this Report

The City of Raleigh's Fiscal Year 2025 (FY25) Popular Annual Financial Report (PAFR) gives residents an easy-to-read summary of financial results. It aims to increase transparency and highlight trends, plans, and achievements.

The financial data in this report comes from the City's Annual Comprehensive Financial Report (ACFR), the city's audited financial statements. The FY25 ACFR was audited by Cherry Bekaert LLP and received a "clean" (unmodified) opinion. You can view the full ACFR on the City's website at the link below.

Unlike the ACFR, the PAFR is not required to follow generally accepted accounting principles (GAAP) and does not include the same level of detail. Instead, it is designed to be more accessible to the public.

What's inside

- An overview of the City's financial position and trends
- Updates on long-term planning initiatives
- City demographics and recognitions

GFOA Award

The Government Finance Officers Association (GFOA) is a professional group for public finance officials in the U.S. and Canada. Its goal is to promote strong financial management in state and local governments.

Raleigh participates in the GFOA's Award Program for Outstanding Achievement in Popular Annual Financial Reporting. The award pictured in this report was received for last year's report.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

City of Raleigh
North Carolina

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell
Executive Director/CEO



[Want to review
the entire ACFR?
Take a closer
look here!](#)

City Government

Raleigh was founded in 1792 and is the capital of North Carolina. Since 1947, Raleigh has used a council-manager form of government. The Mayor and two Council members (at-large) are elected by all city voters. The remaining five Council members are elected by voters in districts. All Council members, including the Mayor, serve two-year terms and each has one vote. Beginning in 2026, Council members will begin to serve four-year terms.

The City Council sets policies, enacts ordinances, adopts the annual budget and appoints the City Manager, City Attorney and City Clerk.

Council Meetings

Raleigh City Council meetings are typically held monthly on the 1st and 3rd Tuesdays at 1:00 p.m. Evening sessions are held on the 1st Tuesday of the month at 7:00 p.m. Work sessions are typically held on the 2nd Tuesday of the month at 4:00 p.m. and the 3rd Tuesday of the month at 11:30 a.m. All meetings are held in Council Chambers located at 222 W. Hargett Street and are available to watch on Raleigh Television Network.

“Click here”
for meeting dates,
agendas or to watch
past or live stream
City Council Meetings.

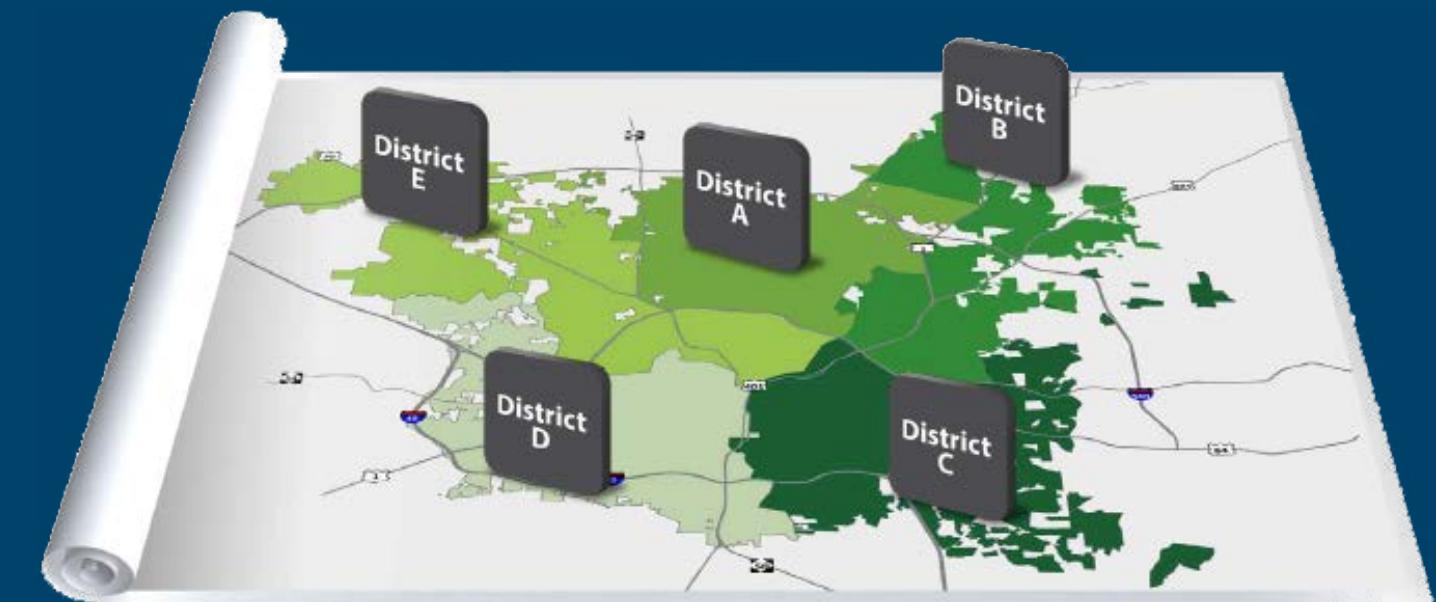
LIVE
STREAM



Raleigh City Council 2025

(Pictured left to right)

Corey Branch, Megan Patton, Christina Jones, Jane Harrison, Janet Cowell, Mitchell Silver, Jonathan Lambert-Melton, Stormie D. Forte



Mitchell Silver (District A), Megan Patton (District B), Corey Branch (District C),
Jane Harrison (District D), Christina Jones (District E)

From the City Manager

Dear Readers:

The City of Raleigh's 2024-25 annual budget highlights a future that accepts challenges as an opportunity to develop innovative approaches that enhance operations, minimize disruption, and elevate the customer experience. The fiscal year budget theme – *Investing in Raleigh's Future* – allows for investments in service enhancements, critical capital needs and our most important asset, our employees. The budget also reaffirms our commitment to fiscal stewardship and responsible management while promoting deeper community connections.

Raleigh is consistently ranked among the nation's best places to live, work and play. In this report, you will find accolades which reinforce our ability to provide world-class services to our residents.

This year's report has a new look and feel, with the goal of presenting key financial results and information in an easy-to-follow manner for all interested readers.

I certainly hope that you enjoy and find the FY25 Popular Annual Financial Report useful.

Sincerely,

Marchell Adams-Laird

City Manager

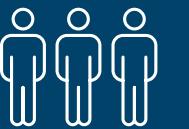


"reaffirms our commitment to fiscal stewardship and responsible management"

Raleigh by the Numbers



\$1.426 BILLION
FY2025 Budget



4,572
Full-Time Employees



548,697
911 Calls



6
Police Stations



28
Fire Stations



10,290
Parks and Recreation
Programs



2.1 MILLION
Attendees at Parks



51
Park Community
Centers



35.50 CENTS
City Property
Tax Rate



10,352
Parks Acreage



1,156
Street Miles



37,847
Street Lights



159,403
Permits Issued



795
Convention Center
Complex Events



\$132,700
Median Family Income



24,064 TONS
Recyclables Collected



1,266
Fire Calls Answered



2,584
Miles of Water Mains



55.29 MILLION
Average Gallons
of Water Used Daily



1,219,376
Convention Center
Event Attendance



Everyone's Household

CITY SERVICES AND FINANCES

The City of Raleigh provides many of the services residents use every day - public safety, trash pickup, clean water, housing and construction standards, public transit, road maintenance, parks and recreational facilities, and community events. These services help Raleigh remain one of the best places to live, work, and play in the U.S.

Raleigh has grown faster than the national average for the last several decades. The City plans carefully to keep its finances strong and sustainable. Just like a household, the City uses a budget to ensure that it maintains healthy finances and uses its resources effectively.

Where the City's Money Comes From

Raleigh's funding comes from several sources to support both everyday services (ex. public safety) and business-type services (ex. water and sewer).

Property And Sales Taxes – The City's largest source of funding. These pay for core services like police, fire, streets, parks, and other community needs.

Water And Sewer Charges – The second largest source of funding. Rates are set by City Council and projects are planned years in advance to keep the utility system strong.

User Fees – Charges for services used directly by residents, such as trash collection, stormwater, permits, recreation programs, conventions, and parking. In FY25, user rates increased for water/sewer, solid waste, and stormwater to maintain service levels and to fund infrastructure.

Grants – Federal and state funds that support projects like affordable housing, park improvements, road repairs, and outreach programs.

Intergovernmental – Funding allocated from other governments, like funding from the State of North Carolina to fund street improvements.

Debt and Fund Balance Reserves - The governmental savings accounts for future needs like an emergency or economic downturns.

Budget and Planning

As required by North Carolina law, the City adopts a balanced budget every year. The budget includes funding for daily services and a five-year Capital Improvement Plan (CIP) to responsively plan ahead for long-term needs. Financial models are used to provide a means of projecting long-term resource requirements. The City manages financial resources in a prudent and fiscally responsible manner, which ensures revenues cover operational needs. Each May, the proposed budget is presented to City Council and the community. State law requires budget approval prior to the start of the fiscal year, which begins July 1st.

How the City Spends Money

Raleigh uses funds to provide a wide range of services. Over the past three years, spending has stayed relatively consistent, with capital investment increases in some areas to keep up with growth.

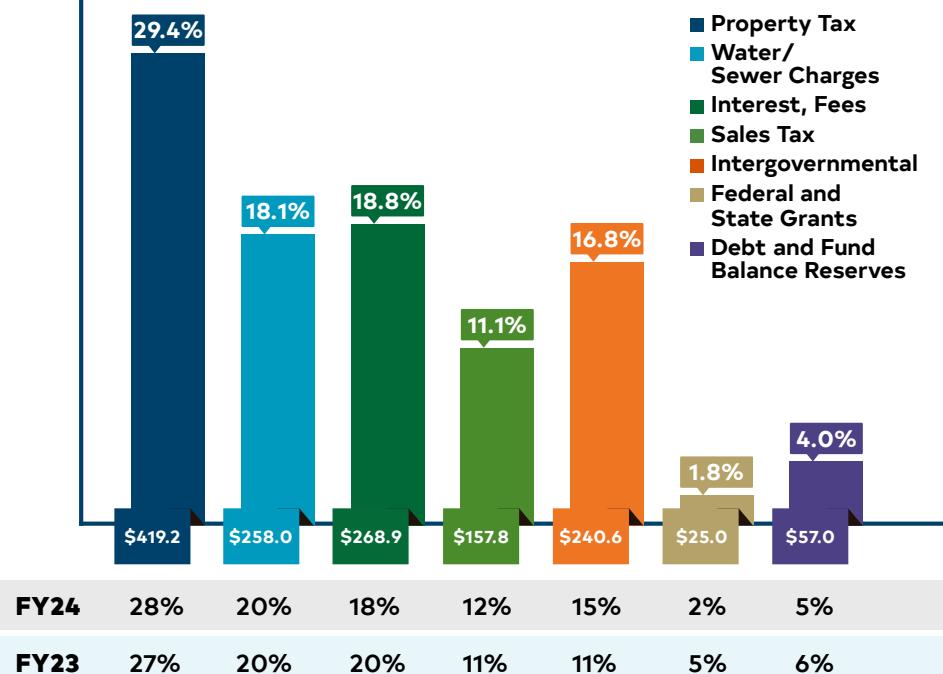
Personnel And Employee Benefits - All costs associated with employees, including salary and benefits.

Operating Expenditures - The ongoing costs incurred to keep daily operations running.

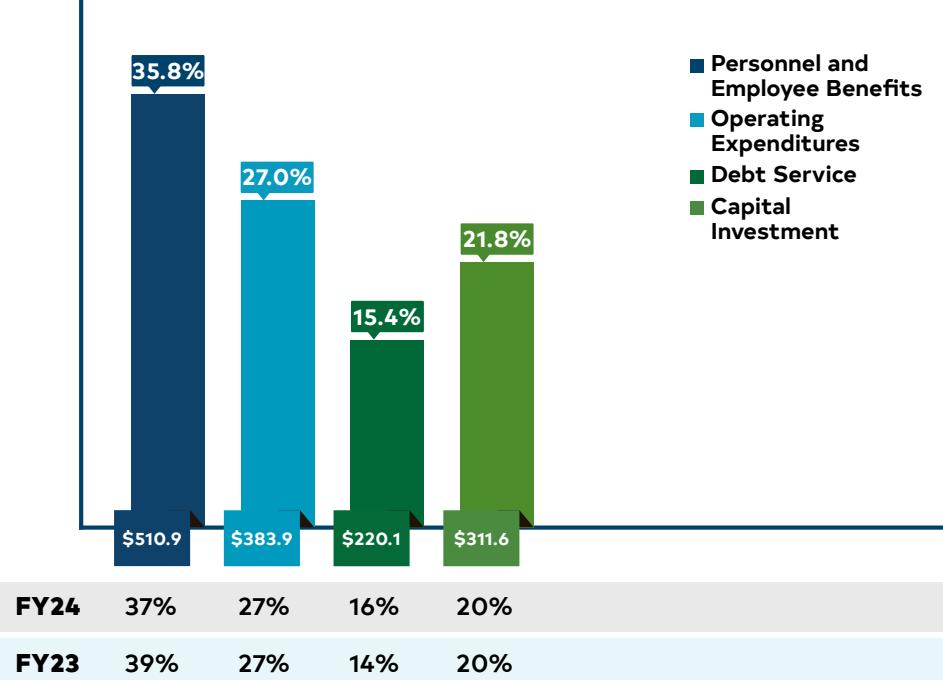
Debt Service - Funding used to pay the debt service on the City's bonds including principal and interest.

Capital Investment - Funding used for capital needs such as streets, parks, infrastructure, or buildings.

FY25 Adopted Revenue Budget (amounts in millions)



FY25 Adopted Expenditure Budget (amounts in millions)



You can view the City's operating and capital budgets [click here!](#)

Government-Wide Statements

Government-wide statements report the City of Raleigh's financial activity and information in one place using accounting methods similar to those used by private-sector companies. As a result, all assets and liabilities, sources and uses are accounted for.

Governmental Activities

Many of the City's basic services, such as public safety (ex. fire, police, and emergency communications); parks and recreational programs, infrastructure management and planning and development are represented as governmental activities.

The majority (or 55%) of the City's \$1,766 million net position represents investments in capital assets, including land, buildings and other infrastructure that are used to provide services to residents. As shown in the table, the City's change in net position increased by \$155 million. The City's continued investment in capital assets, continued growth in key revenues, and diligent monitoring of expenditures yielded positive fiscal results. FY25 revenue increase in the City's governmental activities was primarily driven by property tax collections, sales tax collections and interest income that was positively driven by the current high interest rate environment. Current year expenses increased and are in-line with management's expected annual operating increases.

Business-Type Activities

The business-type operations are primarily funded by fees charged to customers who directly benefit from the services provided. Examples include Raleigh Water, Convention Center Complex, Mass Transit, Stormwater, Parking, and Solid Waste Services.

The majority (or 74%) of the \$2,517 million business-type net position represents investment in capital assets that are used to provide services to our residents. The largest examples of capital assets

are water and sewer treatment plants and the supporting infrastructure pipelines. As shown in the table, the City's change in net position for business-type activities increased by \$239 million. The City's continued investment in capital assets and ongoing operations yielded positive fiscal results. The City's business-type activities experienced positive trends and growth during FY25. The year-over-year revenue increase was driven primarily by growth in business-type activities associated with approved rate increases to support water and sewer, solid waste, and stormwater operations. Expenses increased to maintain operations and meet growing service demands which met management expectations. City management will continue to monitor user charges by leveraging financial projection models for long-term planning.

Did You Know?

Balance Sheet

A balance sheet provides a snapshot of what the City currently owns (assets) and owes (liabilities), as well as sources (deferred inflows) and uses (deferred outflows).

Net Position

Net position represents the City's investment in the assets it uses to provide services to its residents. Increases in net position are a useful indicator of the strength of the City's financial position.

Income Statement

The income statement summarizes amounts earned (revenues) and amounts spent (expenses). The difference between revenues and expenses shows the City's change in net position. A positive change indicates the City had enough revenues to cover its expenses and the ability to save for the future.

(amounts in millions)

GOVERNMENTAL ACTIVITIES	2025	2024	2023
Total Assets & Deferred Outflows	\$3,086	\$2,797	\$2,632
Total Liabilities & Deferred Inflows	(1,320)	(1,177)	(1,210)
Total Net Position	1,766	1,620	1,422
Total Revenues	861	827	742
Total Expenses	(706)	(629)	(588)
Change in Net Position	\$155	\$198	\$154

(amounts in millions)

BUSINESS-TYPE ACTIVITIES	2025	2024	2023
Total Assets & Deferred Outflows	\$3,959	\$3,694	\$3,452
Total Liabilities & Deferred Inflows	(1,442)	(1,416)	(1,398)
Total Net Position	2,517	2,278	2,054
Total Revenues	679	636	539
Total Expenses	(440)	(412)	(388)
Change in Net Position	\$239	\$224	\$151

Financial Results: Governmental Funds FY2025

Fund Balance

Cities prepare for the unexpected by having reserves in the form of fund balance. Reserves are similar to savings because they provide financial flexibility to react to economic downturns and unexpected circumstances in a timely manner. Maintaining fund balance is a major factor considered by bond rating agencies when they evaluate the City's credit worthiness.

CITY POLICY (UNASSIGNED)

City policy is to maintain a fund balance of 17% of next years budget in the General Fund, which represents approximately two months of funding for operations. This fund balance is reported as unassigned fund balance and is available for any purpose in the General Fund.

Fund balance exceeding 17% is dedicated to be used in the following year's budget process, unless otherwise directed by the City Council.

RESTRICTED BY STATUTE

The restricted by state statute fund balance category is a portion of the general fund that is required to be maintained in reserves to ensure compliance with state statute. The statute is in place to ensure North Carolina local governments maintain adequate reserves for the future.

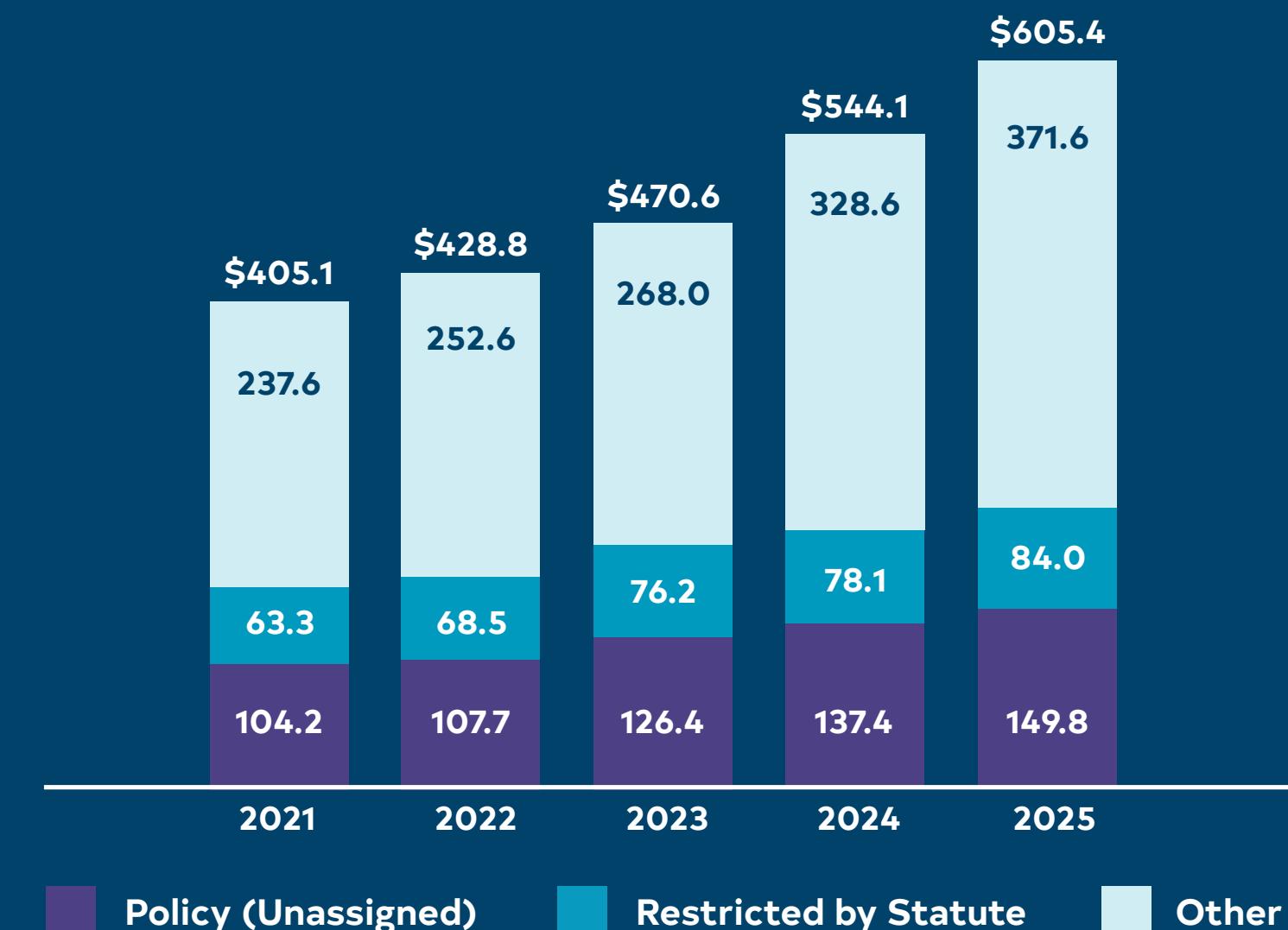
OTHER

The other fund balance category includes nonspendable, other restrictions and assigned fund balance. Nonspendable fund balance cannot be spent, such as inventory. The use of restricted fund balance is limited to be used for debt service payments, as an example.

An assigned fund balance is used for a specific purpose such as for capital needs.

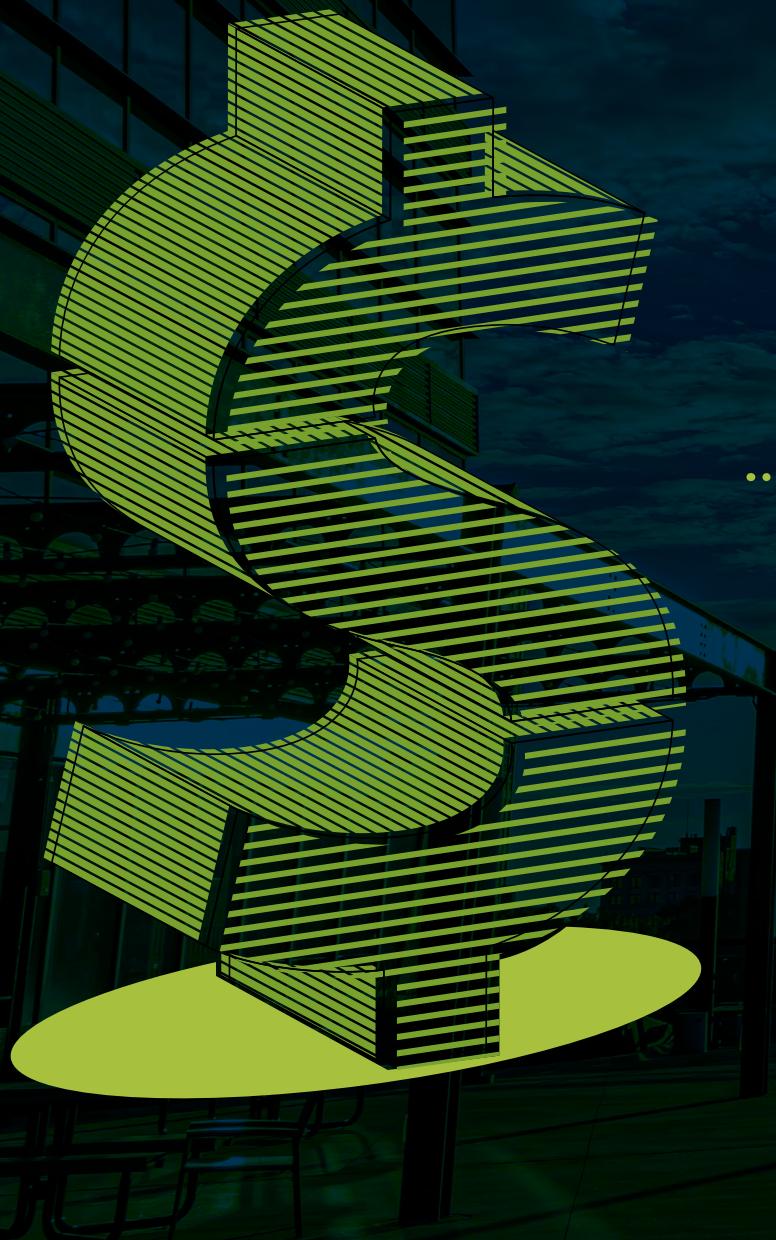
General Fund Five-Year Fund Balance Trend

(amounts in millions)



General Fund Operating Results

The General Fund is the City's main operating fund supporting key operations, such as public safety, public infrastructure, and leisure services. This page displays FY25 actual results in cents to provide an easy-to-understand illustration of General Fund revenue sources and expenditure uses. Property taxes and sales taxes are the two largest sources of General Fund revenue which total 76 cents of every dollar received, a small decrease from prior year which totaled 79 cents. Public safety (fire, police, and emergency communications) accounts for the largest area of General Fund spending at 35 cents. The City's General Fund revenues and expenditures allocation is similar to the prior year with increases in revenues and spending as a result of the continued growth of the city. The General Fund results met management expectations.



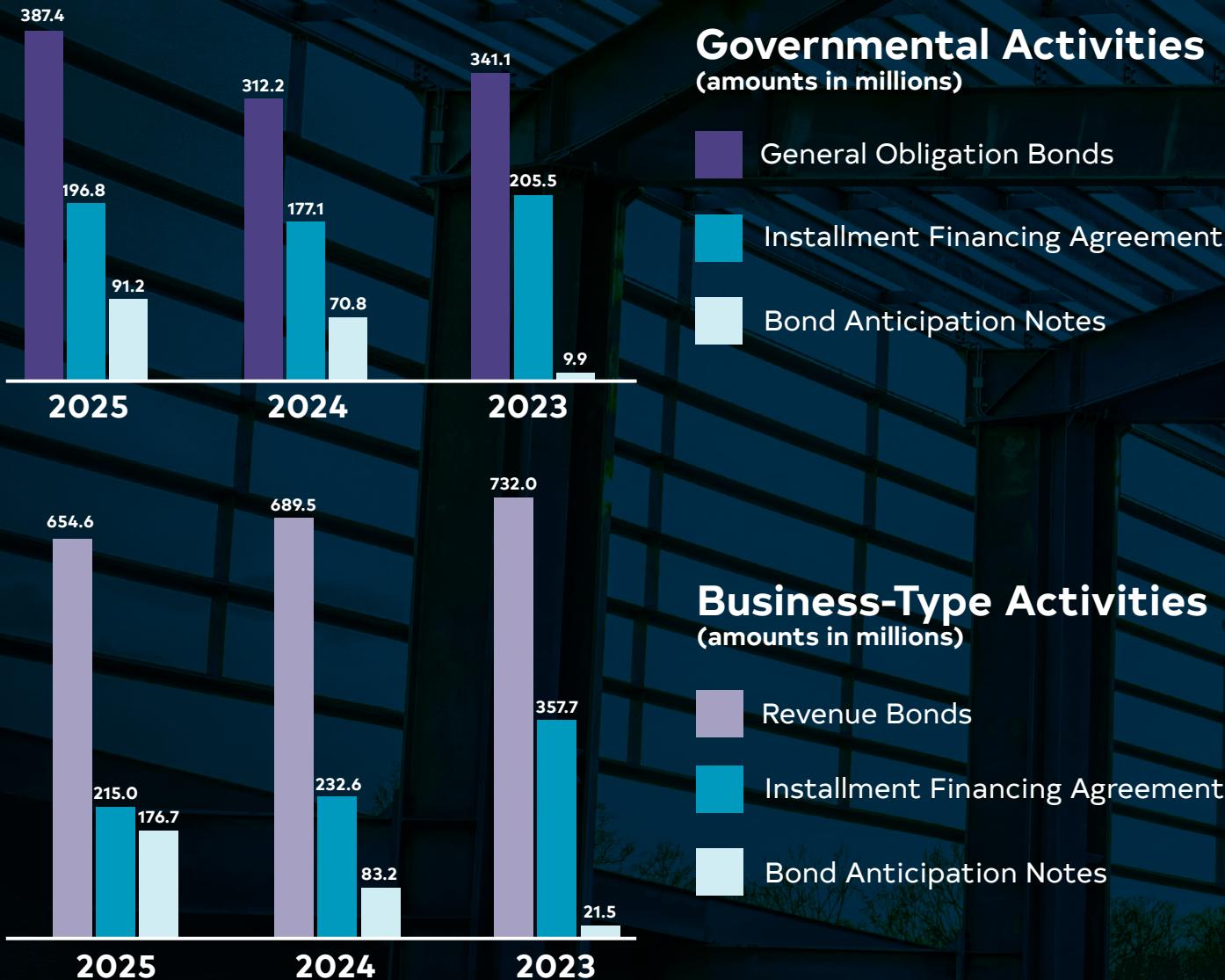
55¢	From Property Taxes
21¢	From Sales Taxes
10¢	From Grants And Other Taxes
5¢	From Charges For Services
9¢	From Other Sources
<hr/>	
35¢	For Public Safety
16¢	For Capital and Enterprise Funds
11¢	For General Administration
10¢	For Leisure Services
10¢	For Repayment of Bonds
9¢	For Public Infrastructure
6¢	For Community Services
3¢	For Other Post-Employment Benefits



Understanding City Debt

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

The City of Raleigh issues bonds to fund capital needs. This requires the City to pay principal and interest on debt, just as households pay for a home or car loan. The City repays the bonds over a period of time, helping to share the cost with current and future taxpayers or rate payers, based on the type of bond.



*Long-term leases and IT subscriptions are not included here. Please refer to the City's ACFR for further details.

Bond Ratings

Much like a credit score, the City is assigned a bond rating that is used to determine the amount of interest it pays on the money it borrows. The higher the bond rating, the less risk investors assume, resulting in lower interest rates and lower costs to finance. The three main bond-rating agencies are Moody's, S&P Global, and Fitch. The City of Raleigh's credit ratings from these agencies are shown below.

Bond Agency	General Government	Raleigh Water
Moody's Ratings (High to Low) Aaa - C	Aaa	Aaa
S&P Global Ratings (High to Low) AAA - D	AAA	AAA
Fitch Ratings (High to Low) AAA - D	AAA	AAA

Did You Know?

Debt Service	The money that is required to cover the payment of principal and interest on a bond over a specific time period.
General Obligation Bonds	Bonds which are used to support capital investments for parks, transportation and housing initiatives. Repayment of debt is generally paid for through taxes.
Revenue Bonds	Bonds which are used to support capital investments for the City's business-type activities, such as Raleigh Water. Repayment of debt occurs by the users or rate payers of the services provided.
Bond Anticipation Notes	Short-term financing which provides interim financing for capital projects before issuing long-term bonds.
Installment Financing	Long-term borrowing tool used by the City for capital projects such as buildings or vehicles.

Raleigh Accolades and Demographics

Raleigh continues to be ranked among the best places in the United States to live, work, and play. Below are a few accolades the City has received:

- Best-performing large metropolitan area
(January 2025, Milken Institute)
- Top 10 most educated cities in the U.S.
(June 2025, WalletHub)
- 2nd of Top 20 Innovation Hubs Across the South
(May 2025, Commercial Café)
- 3rd Best State Capital to Live in
(February 2025, WalletHub)
- 7th for fastest growing cities in the U.S.
(January 2025, U-Haul Annual Growth Report)
- 1st in Most Livable City
(December 2024, Far & Wide)
- Top 5 Fastest-growing Housing Markets
(August 2024 StorageCafe)



Top 10 Employers (By number of employees)

1	STATE OF NC	6	TARGET
2	WAKE COUNTY PUBLIC SCHOOL SYSTEM	7	UNC HEALTH.
3	WakeMed	8	Harris Teeter Neighborhood Food & Pharmacy
4	FOOD LION	9	WAKE COUNTY
5	NC STATE UNIVERSITY	10	Raleigh

2nd ★
LARGEST CITY
IN NC

149.4 SQ.
MILES📍

3.4% 
UNEMPLOYMENT
RATE

39th ★
LARGEST
CITY
IN THE US


RALEIGH
POPULATION
493,589

35.50
CENTS
CITY PROPERTY
TAX RATE 