



Comprehensive Annual Financial Report

City of Raleigh, North Carolina

Fiscal Year Ended June 30, 2001

City of Raleigh
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2001



Prepared By
The Finance Department
Perry E. James, III, Director of Finance

Table of Contents

Introductory Section

Principal Officials	i
Organization Chart	ii
Letter of Transmittal	iii
Certificate of Achievement for Excellence in Financial Reporting	xii

Financial Section

Independent Auditors' Report on the General Purpose Financial Statements and Supplementary Information

General Purpose Financial Statements (Combined Statements - Overview)

Combined Balance Sheet - All Fund Types and Account Groups	1
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Annual Budget and Actual - General and Special Revenue Fund Types	7
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	9
Combined Statement of Cash Flows - All Proprietary Fund Types	10
Combined Statement of Changes in Plan Net Assets - Pension Trust Funds	12
Notes to the General Purpose Financial Statements	13

Required Supplementary Information -

Law Enforcement Officers' Special Separation Allowance - Schedule of Funding Progress	39
Law Enforcement Officers' Special Separation Allowance - Schedule of Employer Contributions	40

Combining and Individual Fund and Account Group Financial Statements and Schedules

General Fund

Balance Sheet	41
Statement of Revenues, Expenditures and Changes in Fund Balance	42
Schedule of Revenues and Expenditures Compared with Budget	43

Special Revenue Funds

Combining Balance Sheet	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	50
Schedule of Revenues and Expenditures Compared with Budget:	
Grants Fund	52
Sales Tax Fund	53
Housing Development Fund	54
Housing Bond Fund	55
Community Development Fund	56
Powell Bill Fund	57
Disaster Recovery Fund	58

General Capital Projects Funds

Combining Balance Sheet	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	61
Schedule of Revenues and Expenditures Compared with Budget:	
Street Improvement Fund	63
Street Bond Fund	64
Sidewalk Fund	65
Park Improvement Fund	66
Facility Fees Fund	67
Park Bond Fund	68
Miscellaneous Capital Improvements Fund	69
Convention Center and Memorial Auditorium Projects Fund	70
Stormwater Projects Fund	71

Enterprise Funds

Combining Balance Sheet	72
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	74
Combining Statement of Cash Flows	75
Schedule of Revenues and Expenditures - Budget (Modified Accrual Basis) and Actual:	
Mass Transit Fund	79
Water and Sewer Operating Fund	81
Water Capital Projects Fund	83
Sewer Capital Projects Fund	84
Water and Sewer Revenue Bond Fund	85
Water and Sewer General Obligation Bond Fund	86
Parking Facilities Operating Fund	88
Parking Facilities Capital Projects Fund	89
Schedule of Changes in Enterprise Funds Fixed Assets	91

Internal Service Funds

Combining Balance Sheet	92
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	93
Combining Statement of Cash Flows	94

Fiduciary Funds

Combining Balance Sheet	95
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds	97
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	98

Account Groups

Schedule of Changes in General Fixed Assets	99
Schedule of General Fixed Assets by Function and Activity	100
Schedule of Changes in General Fixed Assets by Function and Activity	102
Schedule of General Fixed Assets by Sources	103
Schedule of Changes in General Long-Term Obligations	104

Other Schedules

Schedule of Long-Term Obligation Maturities and Debt Service Requirements	105
Schedule of General Governmental Long-Term Obligations	109

Schedule of Enterprise Long-Term Obligations	111
Schedule of Internal Service Long-Term Obligations	113
Interfund Operating Transfers	115

Statistical Section

Statistical Section

General Governmental Revenues by Source - Last Ten Fiscal Years	117
General Governmental Expenditures by Function - Last Ten Fiscal Years	119
Property Tax Levies and Collections - Last Ten Fiscal Years	121
Assessed Value of All Taxable Property - Last Ten Fiscal Years	122
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	123
Comparison of City of Raleigh and Wake County Assessed Values - Last Ten Fiscal Years	124
Analysis of Current Tax Levy	125
Schedule of Ad Valorem Taxes Receivable	126
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	127
Statement of Legal Debt Margin	129
Schedule of Direct and Overlapping Debt	130
Ratio of Annual General Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	131
Schedule of Revenue Bond Coverage - Water and Sewer Revenue Bonds	132
Schedule of Assessments Receivable - Last Ten Fiscal Years	133
Insurance Coverage	134
Demographic Characteristics - Last Ten Fiscal Years	136
Property Value, Construction and Bank Deposits - Last Ten Fiscal Years	137
Principal Taxpayers	138
Miscellaneous Statistics	139

Single Audit Section

Independent Auditors' Reports	
Schedule of Expenditures of Federal and State Awards	140
Schedule of Findings and Questioned Costs	

Comprehensive Annual Financial Report – June 30, 2001

Paul Y. Coble, Mayor



O. Morton Congleton



Council Member
At Large



Julie Shea Graw
Council Member
At Large



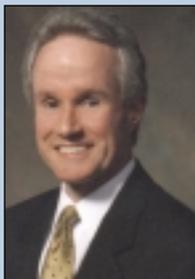
John H. Odom
Council Member
District B
Mayor Pro-Tem



Kieran J. Shanahan
Council Member
District A



James West
Council Member
District C



J. Russell Allen
City Manager



Benson Kirkman
Council Member
District D

City Administrative and Financial Staff

J. Russell Allen
City Manager

Carolyn H. Carter
Assistant City Manager/Operations

Lawrence E. Wray
Assistant City Manager/Administration

Thomas A. McCormick, Jr.
City Attorney

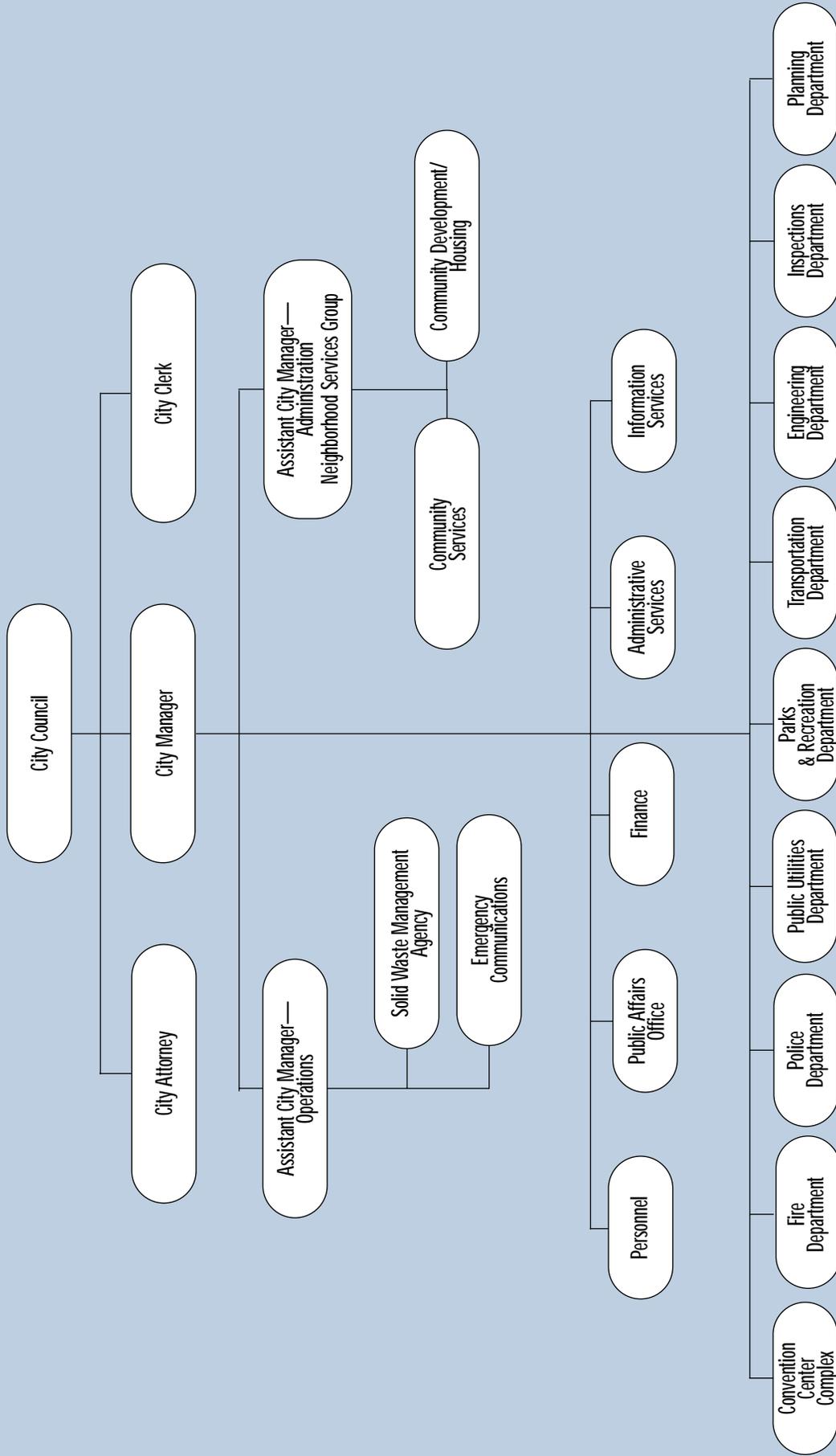
Gail G. Smith
City Clerk

Perry E. James, III
Director of Finance



Marc Scruggs
Council Member
District E

City-Wide Organizational Chart



October 23, 2001

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

It is our pleasure to submit the Comprehensive Annual Financial Report of the City of Raleigh, for the fiscal year ended June 30, 2001. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in four principal sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section provides a brief overview of the objectives of the report and the operations and organization of the City and includes a copy of the Certificate of Achievement for Excellence in Financial Reporting. The Financial Section includes the Independent Auditors' Report, combined statements, notes to the financial statements and more detailed combining and individual fund statements and schedules. The Statistical Section includes selected financial and general information, much of which is presented on a multi-year comparative basis. The Single Audit Section includes the Independent Auditors' Reports on internal control and compliance with laws and regulations, as well as all schedules and exhibits necessary to satisfy the requirements of the single audit grant regulations.

Reporting Entity and Services

This report includes all funds and account groups of the City and includes all activities and entities, which are controlled by or dependent upon the City administration and Council. Financial control by, or dependence on the City, was determined on the basis of budget adoption, taxing power, outstanding debt secured by revenues or general obligations of the City, obligation of the City to finance

any deficits that may occur, or receipt of significant subsidies from the City. Based on these criteria, the Walnut Creek Amphitheater Financing Assistance Corporation, a nonprofit corporation established to issue certificates of participation, is included in the reporting entity as a blended component unit. The Greater Raleigh Convention and Visitors Bureau is reported as a City-County joint venture.

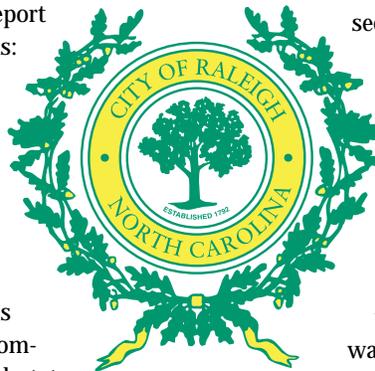
The City

Raleigh is a thriving metropolitan city located in central North Carolina, 150 miles from the sandy Atlantic beaches and 190 miles from the Great Smoky Mountains. It is 370 miles north of Atlanta and 250 miles south of Washington, D. C.

City residents pride themselves in the quality of life of citizens, the open space and natural vegetation that is maintained, efforts at downtown and urban renewal, the commitment to infrastructure investment in growth sections as well as older, established areas, and the City's role as the government center of North Carolina. In all that it has to offer, the City warmly welcomes its visitors and new residents alike.

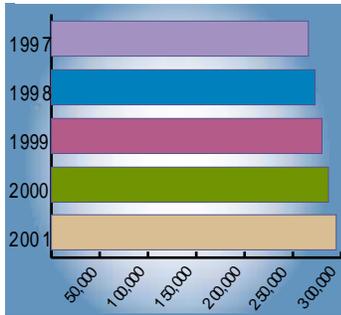
The North Carolina General Assembly purchased land for the original site of the city for the specific purpose of being the Capital of North Carolina. The city was incorporated in 1792 by an act of the General Assembly and now operates under the council-manager form of government. The City Council is comprised of the Mayor and seven Council Members who are responsible for the legislative affairs of the City. It also makes appointments to various statutory and advisory boards and appoints the City Manager, City Attorney and City Clerk. As chief executive officer, the City Manager is responsible for enforcement of all laws and ordinances, the efficient delivery of all City services, and preparation of capital and operating budgets.

The City of Raleigh provides the full range of governmental services, including police and fire protection, street construction and maintenance, a comprehensive solid waste program, water and sanitary sewer services, and parks, recreation and cultural services. Extended planning on the city's infrastructure needs occurs on an ongoing basis resulting in the present infrastructure being in excellent condition.



222 West Hargett Street • P. O. Box 590 • Raleigh, North Carolina 27602

Population



*U.S. Bureau of Census

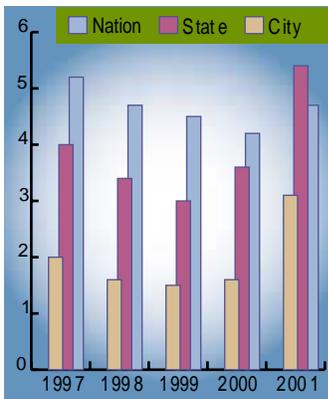
The estimated 2001 population for the City was 294,843 representing a 6.8 percent growth level from the official 2000 census of 276,093. The City presently encompasses an area of 122.7 square miles

and employs the services of 2,884 permanent staff. Planning projections indicate a high level of continuing growth of the city in 2001-02 and beyond.

Economic Conditions and Outlook

The economy of the city is stabilized by the presence of state and local government employment markets, the college and university employment markets, and the Research Triangle Park research facilities, all of which offer substantial employment opportunities to the city's population. No major specialized industry dominates the economy of the city; and, as a result, the June 2001 unemployment rate was 3.1 percent as compared to 5.4 percent statewide and 4.7 percent nationwide (according to the N. C. Employment Security Commission). The unemployment rate continues to reflect stability in the local economy.

Unemployment Rates



Recent statistical analysis by the United States Department of Commerce, Bureau of Economic Analysis shows that the Raleigh metropolitan area continues to lead the entire state in per capita income and substantially exceeds that of the nation as well. The City's taxable property base also remains strong due in part to the quality of life, which has attracted industry and citizens to Raleigh and the region. The level of tax base associated with new construction and the use of City services are projected to continue to increase. We will maintain our focus on having a balanced tax base with an adequate commercial and industrial base complementing our growing residential base.

Recent statistical analysis by the United States Department of Commerce, Bureau of Economic Analysis shows that the Raleigh metropolitan area continues to lead the entire state in per capita income and substantially exceeds that of the nation as well. The City's taxable property base also remains strong due in part to the quality of life, which has attracted industry and citizens to Raleigh and the region. The level of tax base associated with new construction and the use of City services are projected to continue to increase. We will maintain our focus on having a balanced tax base with an adequate commercial and industrial base complementing our growing residential base.

The Research Triangle Park is located between Raleigh, Durham and Chapel Hill and employs over 45,000 persons. With the attractiveness of the Research Triangle Park and its proximity to three major research universities, it is no accident that medical and electronic industries flourish in the region. GlaxoSmithKline and Ajinomoto lead the medical research and production industry, with IBM, Nortel, and the Microelectronics Center of North Carolina leading the electronics research and production industry, giving both industries major presence in the region. While the current economic downturn being experienced nationally has impacted companies in the Triangle, it is expected that the overall local economy will not be affected to a material extent.

An estimated 16 million people visit Raleigh each year for conferences, special events, shopping and other attractions. This is enhanced by a number of facilities added in recent years, including the Raleigh Entertainment and Sports Arena, the North Carolina State Museum of Natural Sciences, the Exploris learning center for children, and the BTI Performing Arts Center. The Arena is the home for the National Hockey League's Carolina Hurricanes and North Carolina State University's basketball team.

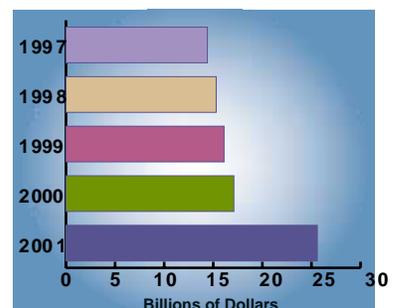
There is every reason to anticipate a continuation of traditional City financing resources in upcoming budget years. The City closely monitors its resources and has emphasized program efficiencies and cost containment efforts, allowing strong financial positions to be maintained. We believe that the positive economic environment in this area and the diligent management of the City's costs and services will provide ongoing financial health and fiscal capacity.

MAJOR INITIATIVES

For the Year 2000-01

To improve the City's ability to meet long-term expectations regarding policy and fiscal initiatives, a two-year budget perspective is used, currently extending through the 2002-03 fiscal year. The budget for fiscal year 2000-01 reflected this biannual budget perspective as previously adopted by the City Council.

5 Year Assesed Valuation



Using the new tax values from the octennial revaluation, an equalized tax rate of \$.3850 was approved for 2000-2001. The water and sewer rates remained the same for 2000-01 after a 5% increase for each of the previous two years.

Budget trends reflected in 2000-01 included annual budget growth for operating and capital programs of approximately 7.5 percent. All major City programs were continued, including further staffing and organizational adjustments to accommodate public safety priorities, needs of the development community and general service delivery. A major adjustment in the City's funding plans has been the shifting of the use of supplemental sales tax from the capital funds to the operating budget. This will be a recurring resource allocation and will necessitate use of other capital resources in future budget periods.

The Capital Budget for 2000-01 included a number of major facility improvements consistent with the City's 10-year Capital Improvement Program. Included were major street improvements, water and sewer projects, park and greenway improvements and acquisitions, stormwater improvements, and other public projects. Revenue sources for such capital improvements include general obligation and revenue bonds, intergovernmental revenues, annual utility revenues and other designated sources. This continued our approach to financing infrastructure and other capital improvements by a combination of annual revenues and long-term financing.

In March 2001, the City and the Town of Garner successfully completed the merger of utility systems. Effective with the merger, the City is responsible for all operating activities and capital requirements of Garner's water and sewer system. The merger added \$30 million in infrastructure and 7,000 customers to the City's utility system.

For the Future

The fiscal year 2001-02 budget was recommended and adopted, in accordance with the biannual budget policy. The tax rate of \$.3850 set in fiscal year 2000-01 remained the same. No changes were made to water and sewer rates.

Other major features of the 2001-02 budget include the following:

- (1) Staffing increases to support continual growth in service population, and to deliver City services due to annexations and growth;
- (2) A significant increase in the City's annual contributions to its self-funded health benefits program and a 5% increase in employee rates for dependent coverage;
- (3) A 10% increase in construction inspection fees which had not been adjusted since 1994;
- (4) An increase in the water and sewer operating budget primarily attributable to the merger of the Raleigh and Garner utility systems;
- (5) An increase in the City's matching contributions to its general supplemental retirement program.

Capital improvements in 2001-02 focus on a wide range of very key projects. These include enhanced funding to the transportation street system, various utility projects, park and greenway improvements and acquisitions, increased stormwater system improvements, housing and other general public projects.



BTI Performing Arts Center

FINANCIAL INFORMATION

Accounting System and Budget Control

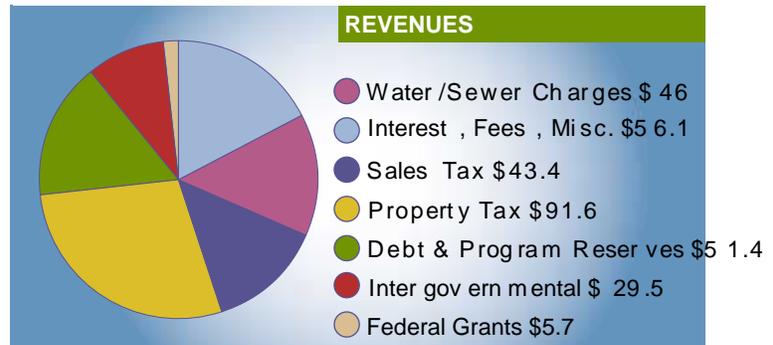
The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other.

Each accounting entity is accounted for in a separate "fund." A fund is defined as a fiscal accounting entity with a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The various funds and account groups of the City have been classified into fund categories and types as follows:

CATEGORY	TYPE
Governmental	General, Special Revenue, General Capital Projects
Proprietary	Enterprise, Internal Service
Fiduciary	Trust and Agency
Account Groups	General Fixed Assets, General Long-Term Obligations

Adopted Budget 2000-2001 Total: \$323,702,555

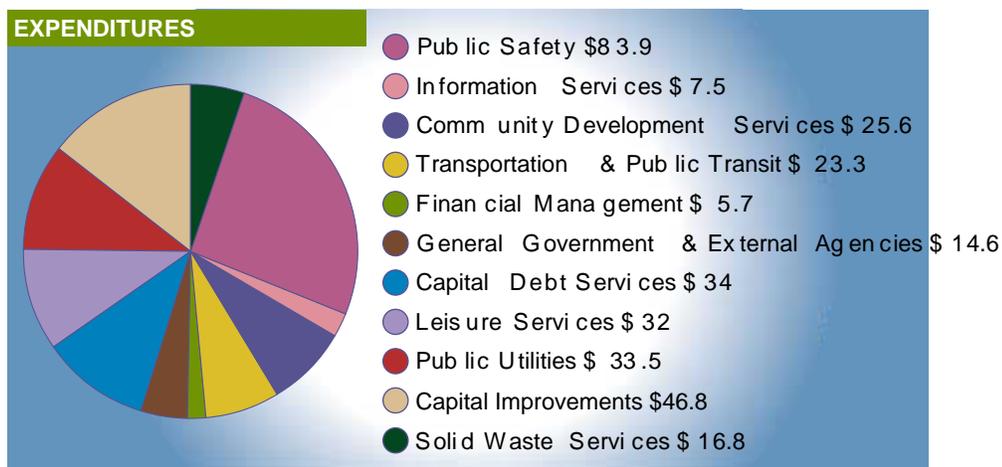


A brief description of each fund type is found in Note 1 to the Financial Statements.

The City's general governmental operations are reported on the modified accrual basis, whereby revenues are recognized when measurable and available and expenditures are recognized when goods and services are received. Accounting records for the City's proprietary and pension trust operations are reported on the full accrual basis.

In developing and evaluating the City's accounting system, strong consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of accounting records for preparing financial statements and maintaining accountability for assets. 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 evaluation of costs and benefits requires estimates and judgment by management.

Adopted Budget 2000-2001 Total: \$323,702,555



All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of properly recording financial transactions.

North Carolina General Statute 159-8 requires the adoption of an annual balanced budget. This annual budget is added to carry forward project budgets to become the City's recorded budget at the beginning of the year. All money received and expended is included in the budget. Any unanticipated resources or expenditures may be added to the original budget by official legal amendment as provided in G. S. 159-15, Amendments to the Budget Ordinance. The City operates in accordance with both of these statutes. Budgetary control is maintained at the line-item level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Open encumbrances at June 30, 2001 for which goods or services are received are reported as accounts payable. All other encumbrances in annual budgeted funds are reversed at year-end and are either canceled or reappropriated for the subsequent year.

General Governmental Functions

Revenues for general governmental functions (General, Special Revenue, and General Capital Projects Funds) amounted to \$247,335,201 for the fiscal year ended June 30, 2001.

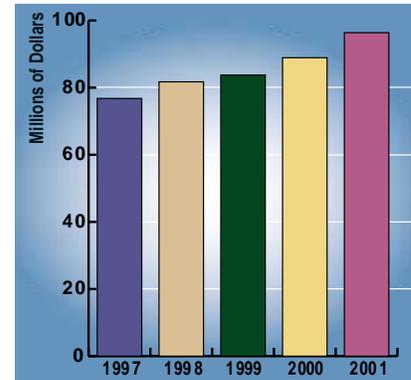
Revenues from various sources and the changes from last year are shown in the following tabulation (stated in thousands):

Revenue Sources	2001 Amount	Percent of Total	Increase (Decrease) Over 2000
Ad Valorem Taxes	\$96,360	39.0%	\$ 8,059
Intergovernmental	42,861	17.3	(4,250)
Sales Taxes	42,522	17.2	1,923
Licenses, Fees and Permits	40,853	16.5	1,455
Interest on Investments	14,599	5.9	1,307
Other	10,141	4.1	(10,042)

City property tax bills, other than for vehicular property, are mailed by Wake County in July and August each year and become due and payable on September 1. These billings become delinquent if not paid by January 5. Vehicular property is assessed as it is re-licensed for road operation and subsequently billed. This procedure

results in monthly billings of associated taxes. Overall tax collections increased by 9.9 percent from last year due to continued economic growth and rigorous efforts at collecting. The property tax remains the largest and most important revenue source for the City, providing a sufficient levy to raise resources for necessary governmental services, pay debt service on outstanding debt, and fund a significant ongoing component of pay-as-you-go capital financing.

Ad Valorem Taxes



The tax collection rates over the past five years have averaged 98 percent of levy.

Assessed valuation of all taxable property (100 percent assessment ratio) of approximately \$25.6 billion represents an increase of 50.7 percent compared to the preceding year. This significant increase resulted from the revaluation of property, required every eight years.

Intergovernmental revenues continue to represent a significant portion of total general governmental revenues at 17.3 percent, compared to 18.9 percent for the preceding year. This important class of revenue has remained relatively steady in the last several years.

Local sales taxes are collected and redistributed by the State of North Carolina. The current year collection was 0.9 percent more than the preceding year representing continuing economic vitality and retail activity in this region.

Resources for general capital projects consist of proceeds from the issuance of general obligation bonds, allocations from the property tax, sales tax proceeds, the state gasoline tax and the investment return associated with each, as applicable. These resources are accounted for in the General Capital Projects Funds and are for streets, sidewalks, parks, convention center complex improvements and other miscellaneous capital projects.

Expenditures for general governmental purposes before administrative cost charge-out total \$267,872,469, an increase of 6.4 percent over the preceding year. This increase largely reflects increases in Public Safety, Leisure Services and capital project activities for the year.

Changes in levels of expenditure for major functions of the City over the preceding year are shown in the following table (stated in thousands):

Functions of Expenditures	2001 Amount	Percent of Total	Increase (Decrease) Over 2000
General Government	\$27,199	10.2%	\$2,634
Public Safety	78,845	29.4	8,492
Solid Waste Services	16,547	6.2	1,723
Leisure Services	29,339	10.9	2,000
Capital Outlay	55,889	20.9	7,590
Debt Service	16,330	6.1	(1,970)
Other	43,723	16.3	(4,336)

Fund equities in the general governmental funds have remained steady and continue to complement financial position, credit worthiness and capacity against substantial unforeseen emergencies. The General Fund Equity totals \$94,949,561, of which \$37,743,063 is undesignated; the Special Revenue Fund Equity totals \$24,666,514, of which \$2,932,701 is undesignated; and the General Capital Projects Fund Equity totals \$86,037,183, all of which is designated or appropriated.

General Fund Balance

The City has established a minimum goal for a General Fund undesignated fund balance of 14 percent of the succeeding year expenditure budgets. Such fund balance is needed to ensure exemplary credit ratings, to ensure against unexpected emergencies, and to provide cash position to avoid short-term borrowings. The undesignated fund balance for FY 2000-01 was 16.2 percent of the succeeding year budgeted expenditures.

Proprietary Activities

There are three separate proprietary activities accounted for in the City's enterprise funds: Water and Sewer Utilities, Transit, and Parking. The Water and Sewer Fund had fund equity of \$416,827,772 as of June 30, 2001, compared to \$367,020,439 in the preceding year. Of the 2001 total, \$165,319,164 represented contributed capital primarily from the federal and state governments. Operating income totaled \$4,728,186 for the year ending June 30, 2001. The Water and Sewer Fund is self-supporting and provides resources to general government operations only sufficient to fund support costs within the General Fund.

The City has met the needs for expanding utility services in its growing metropolitan area by a regular program of capital improvements developed through a 10-year Capital Improvement Plan (CIP). Currently, the water system has a capacity of 78 million gallons per day and has an average daily consumption of 44.5 million gallons per day. This capacity should meet the City's needs until 2010. An expanded waste treatment facility has a capacity of 60 million gallons per day, and currently processes an average of 36.2 million gallons per day. This should meet the City's needs until 2020.

The Mass Transit Fund had a fund equity of \$12,649,511 as of June 30, 2001, compared to \$10,891,871 for the preceding year. Of that total, \$7,950,187, or 62.8 percent, represented contributed capital primarily from the Federal Transit Administration (FTA). Operating subsidies from FTA and the State of North Carolina were \$3,257,856 and \$2,840,836 for FY 2000-01 and FY 1999-00 respectively, with the increase representing the availability of a larger amount of federal and state funds to the City during 2000-01.

The Parking Facilities Fund had fund equity at June 30, 2001, of \$29,050,852. The City owns and operates five parking decks in the downtown area, and a sixth deck is currently under construction.

The City uses four internal service funds to account for the activities of its print services, employees' health benefits programs, risk management activities and equipment replacement fund. Internal service funds are reported within the proprietary fund-type since the full costs of the operations are recouped through user charges to City departments. At June 30, 2001, the Print Services Fund had a fund equity of \$573,912, including \$186,643 of contributed capital from the General Fund. The Employees' Medical Benefits Fund had a fund equity deficit of \$1,480,115. The deficit results from the liability for claims incurred but not reported at June 30, 2001. All actual known claims at June 30, 2001 are fully funded. The liability for incurred but not reported claims will be funded from increases in the City's contributions and employee rate increases for dependent coverage. At June 30, 2001, the Risk Management Fund had a fund equity of \$3,577,131, which provides necessary reserves for the City's self-insurance programs. The Equipment Replacement Fund had a fund equity of \$13,626,891, which provides necessary reserves to acquire equipment as specified in the biannual budget and to finance anticipated rolling stock equipment replacements.

Fiduciary Funds

The City's Fiduciary Funds account for resources received and held by the City as trustee or for which the City acts as the agent for individuals. At June 30, 2001, the following amounts were reported under programs in which the City provided custodial responsibilities.

Supplemental Money Purchase Pension Plan	\$ 9,358,173
Law Enforcement Officers' Special Separation Allowance ..	\$4,537,915
Occupancy Tax.....	\$13,013
CIAA Steering Committee	\$4,810
Total.....	\$13,913,911

Pension Trust Fund Operations

The City fully funds the Law Enforcement Officers' Special Separation Allowance Plan on an actuarial basis. The operations of the Plan through the current year have resulted in a net pension asset of \$1,176,198. The City actuarially funds this program such that future unfunded liabilities will be funded at the time such obligations are required to be liquidated. The annual actuarial valuation reflects funding requirements, which the City fully expects to fund on an ongoing basis.

The City's general supplemental retirement program has two plans within it. The Supplemental Money Purchase Pension Plan for general governmental employees has accumulated employer share contributions of \$9,358,173. It is expected that this plan will continue to accumulate values over time consistent with employer levels of participation. Employees' contributions to the general supplemental retirement program are maintained in a separate Section 457 Deferred Compensation Plan. The City is not required to report this plan as part of its financial statements.

Debt Management

The City has judiciously used bond financing for a variety of its capital programs that have benefits over multi-year periods. Use of bond proceeds has allowed the City to make ongoing improvements to its utility systems, to develop major parks facilities, to provide needed street improvements and construction, to fund housing needs and to provide off-street parking facilities. These programs have been accomplished while imposing reason-

able debt loads within the capacity of taxpayers. In recent years, the City has also issued certificates of participation to finance parking decks and an internal service fund for rolling stock equipment purchases. The City has also issued utility revenue bonds for additional capital improvements to its utility system. Outstanding revenue bonds at June 30, 2001 totaled \$78,605,000.

Outstanding general obligation bonds at June 30, 2001, totaled \$146,415,000, of which \$44,280,000 was issued for enterprise facilities and structures. The remaining \$102,135,000 represents obligations related to general governmental operations.

Per Capita Bonded Debt

By issuing long-term debt at reasonable intervals along with generally short schedules of debt repayment, the City is able to fund debt service needs over the periods of benefit and still have capacity for future debt programs.

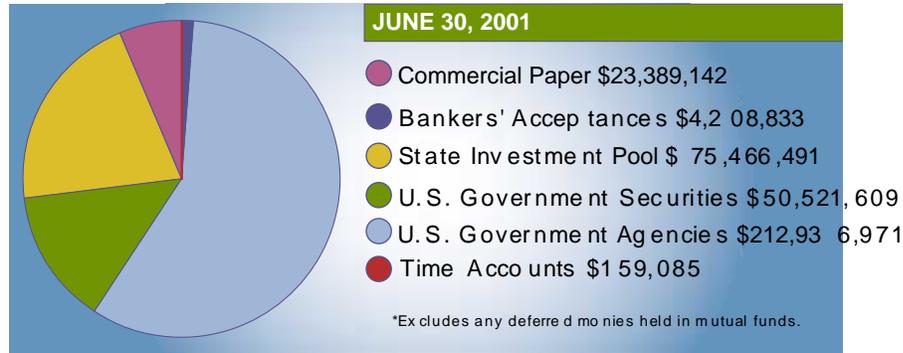


The General Statutes of North Carolina provide that net debt may not exceed eight percent of the present market value of taxable property as certified by the county tax assessor. At June 30, 2001, the City's rate is 1.2 percent. This provides a legal debt margin for the City at June 30, 2001 of \$1,742,303,710. Additionally, approximately 62 percent of all outstanding debt will be retired over the next nine years. Monitoring of refunding opportunities is regularly done on the entire debt portfolio.

The City has been effective in refinancing its debt when lower interest rates are available. Presently, the average interest rate on outstanding bonds is 5.04 percent.

Strong management of the debt program along with the maintenance of a healthy financial position has allowed continuation of a AAA/aaa credit rating by Standard and Poor's, Fitch IBCA, and Moody's Investors Services. These are the highest ratings available from the rating agencies and save the City a significant amount by allowing long-term financing to be done at the lowest yield available in the market.

Investment Portfolio*



Cash Management

Effective forecasting of cash requirements has allowed investment of available cash resources and has resulted in earnings of \$21,798,158 during 2000-01. This represents an increase from the prior year of \$1,268,365. To the extent realized, this utilization of resources has resulted in reduced current property tax requirements and supplemented capital project resources and has aided in reduced debt levels, minimizing short-term and long-term borrowing costs.

The investment policy of the City is guided in large part by State Statute, whereby investments in certificates of deposit, repurchase agreements, secured time deposits, banker's acceptances, commercial paper, United States government and agency securities and the North Carolina Capital Management Trust are made.

The City's policy stipulates that investments be fully secured by pledged collateral, delivered securities or United States government guarantee with all securities, including repurchase agreements and pledged collateral, being delivered to a third party safekeeping accounts in the name of the City.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of Enterprise Funds. As of June 30, 2001 the general fixed assets of the City amounted to \$753,219,132. Depreciation of general fixed assets is not required in the City's accounting system.

Risk Management

The City provides a comprehensive and varied plan of risk management. We continue to evaluate efforts in loss control through safety programs and have a broad plan for insuring against risk exposure. Workers' compensa-

tion is self-insured up to \$500,000 per accident, and public officials' liability is fully self-insured. For liability risks, the City self-insures the first \$1,000,000 per occurrence, with excess coverage of \$10,000,000 per occurrence and an annual aggregate stop-loss of \$3,000,000 purchased through the private sector. For property risks, the City self-insures the first \$100,000 per occurrence, with excess coverage up to the replacement value purchased through the private sector. An annual actuarial review is performed to measure expected risk amounts and to determine required funding levels. Employee health and medical coverage is provided by a medical insurance trust that was established by the City as a self-insurance fund to pay the claims of City employees and their covered dependents. Recent higher levels of claims activity have resulted in the need for a significant City contribution increase for fiscal year 2001-02. The employee health and medical program, as well as risk management activities are accounted for in internal service funds.

OTHER INFORMATION

Independent Audit

This report includes financial statements and supplemental schedules which have been audited by Deloitte & Touche LLP a firm of independent Certified Public Accountants, as required by North Carolina General Statute 159-34. The auditors' report of Deloitte & Touche LLP specifies the scope of their audit, the use of generally accepted auditing standards and the conformity of generally accepted accounting principles, and concludes that these financial statements present fairly the financial position of the City.

In addition, Deloitte & Touche LLP has provided auditors' reports related specifically to the Single Audit in compliance with the federal Single Audit Act, and related OMB Circular A-133, and the State Single Audit Implementation Act. Those reports are found in the Single Audit Section.

Reporting Standards

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments and as set forth by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City has participated in the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program since 1980. GFOA recognizes governmental units that issue their comprehensive annual financial reports substantially in conformity with the standards developed by GASB. The City has received favorable recognition for its comprehensive annual financial reports for all years beginning in 1980, including the 2000 report.

To be awarded a certificate, a governmental unit must publish an easily readable and effectively organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for one year only. We believe that the current report continues to conform to certificate requirements, and it is being submitted to GFOA to determine its eligibility for another award.

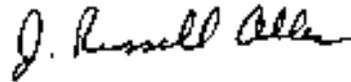
The City is required to implement GASB Statement No. 34 *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* effective the fiscal year ending June 30, 2002. The City anticipates complete implementation of the statement requirements.

Acknowledgments

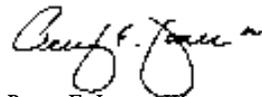
The preparation of this report has been accomplished by the efficient and dedicated services of the staff of the Finance Department who have been assisted by the independent auditors, Deloitte & Touche LLP. The contributions of all are invaluable and sincerely appreciated and clearly reflect the high standards we have set for ourselves.

It is also appropriate to thank the Mayor and members of the City Council for making possible the excellent financial position of the City through their interest and support in planning and conducting the financial affairs of the City.

Respectfully submitted,



J. Russell Allen
City Manager



Perry E. James III
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Raleigh,
North Carolina

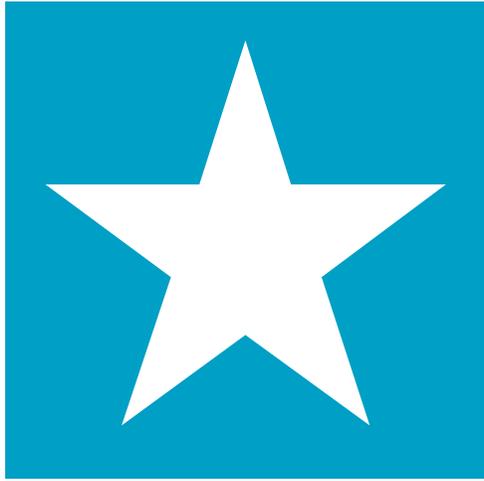
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

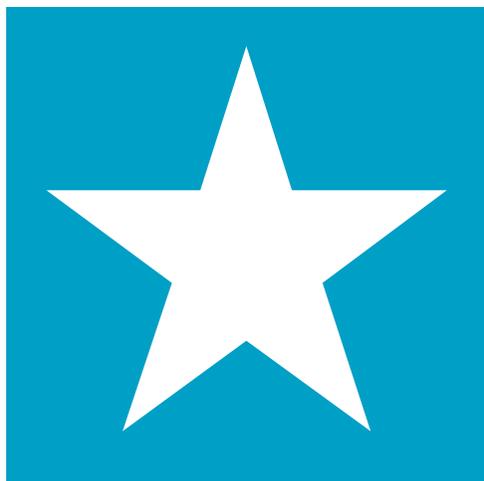
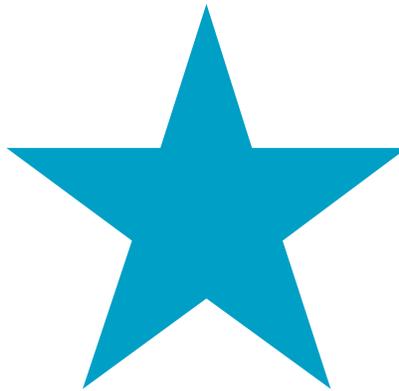


Anne Spray Kinsey
President

Jeffrey L. Esser
Executive Director



The General Purpose Financial Statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as a condensed introduction to the more detailed statements that follow.



Deloitte & Touche LLP
Suite 1800
First Union Capitol Center
150 Fayetteville Street Mall
P.O. Box 2778
Raleigh, North Carolina 27602-2778

Tel: (919) 546-8000
Telex: 4995716
Fax: (919) 833-3276
www.us.deloitte.com

**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of City of Raleigh, North Carolina (the "City") as of June 30, 2001 and for the year then ended, listed in the foregoing Table of Contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City as of June 30, 2001, the results of its operations and cash flows of its proprietary fund types and the changes in plan net assets of its pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing Table of Contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City. The accompanying schedule of expenditures of federal and state awards as listed in the Table of Contents is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, and is not a required part of the general purpose financial statements. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 117 - 139 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte + Touche LLP

October 23, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)



City of Raleigh

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2001

	Governmental Fund Types		
	General	Special Revenue	General Capital Projects
ASSETS			
Cash and Cash Equivalents/Investments	\$ 92,850,722	\$ 19,804,741	\$ 79,245,993
Taxes Receivable, Net of Allowance for Uncollectibles of \$5,534,798	1,561,554	-	-
Assessments Receivable, Net of Allowance for Uncollectibles of \$118,780	257,575	-	521,368
Customer Receivables, Net of Allowance for Uncollectibles of \$3,167,721	-	-	-
Due from Other Governmental Agencies	1,828,111	2,245,010	1,012,770
Accrued Interest Receivable	552,278	81,977	360,214
Other Receivables and Assets	1,675,883	-	-
Sales Tax Receivable	7,496,612	4,193,722	517,295
Due from Other Funds	882,914	64,674	-
Inventories	1,886,523	-	-
Resources to be Provided in Future Years for Retirement of General Long-Term Obligations	-	-	-
Deferred Charges	-	-	-
Loans Receivable	519,314	26,897,806	-
Cash and Cash Equivalents/Investments- Restricted Deposits and Bond Proceeds	-	1,166,368	18,246,822
	<u>109,511,486</u>	<u>54,454,298</u>	<u>99,904,462</u>
Fixed Assets:			
Land	-	-	-
Water and Sewer Systems	-	-	-
Buildings and Machinery	-	-	-
Streets and Sidewalks	-	-	-
Parking Decks	-	-	-
Buses	-	-	-
Equipment	-	-	-
Furniture and Fixtures	-	-	-
Improvements	-	-	-
Construction in Progress	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Fixed Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 109,511,486</u>	<u>\$ 54,454,298</u>	<u>\$ 99,904,462</u>

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only) June 30, 2001
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 65,244,682	\$ 23,528,148	\$ 13,880,364	\$ -	\$ -	\$ 294,554,650
-	-	-	-	-	1,561,554
1,477,876	-	-	-	-	2,256,819
9,740,456	4,087	-	-	-	9,744,543
1,608,380	-	13,013	-	-	6,707,284
366,591	104,361	20,534	-	-	1,485,955
290,203	85,200	-	-	-	2,051,286
624,564	73,606	-	-	-	12,905,799
2,000,000	14,325	-	-	-	2,961,913
3,045,291	21,843	-	-	-	4,953,657
-	-	-	-	126,870,357	126,870,357
693,820	76,170	-	-	-	769,990
-	-	-	-	-	27,417,120
54,117,789	8,547,170	-	-	-	82,078,149
<u>139,209,652</u>	<u>32,454,910</u>	<u>13,913,911</u>	<u>-</u>	<u>126,870,357</u>	<u>576,319,076</u>
22,748,356	-	-	89,055,022	-	111,803,378
486,254,525	-	-	-	-	486,254,525
60,226,299	-	-	113,521,424	-	173,747,723
-	-	-	365,197,491	-	365,197,491
33,865,689	-	-	-	-	33,865,689
13,487,979	-	-	-	-	13,487,979
13,144,843	23,666,321	-	41,251,762	-	78,062,926
40,312	-	-	1,921,494	-	1,961,806
3,600,746	-	-	127,364,435	-	130,965,181
12,001,301	-	-	14,907,504	-	26,908,805
<u>645,370,050</u>	<u>23,666,321</u>	<u>-</u>	<u>753,219,132</u>	<u>-</u>	<u>1,422,255,503</u>
<u>141,499,175</u>	<u>6,500,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,999,806</u>
<u>503,870,875</u>	<u>17,165,690</u>	<u>-</u>	<u>753,219,132</u>	<u>-</u>	<u>1,274,255,697</u>
<u>\$ 643,080,527</u>	<u>\$ 49,620,600</u>	<u>\$ 13,913,911</u>	<u>\$ 753,219,132</u>	<u>\$ 126,870,357</u>	<u>\$ 1,850,574,773</u>

Continued on Next Page

City of Raleigh

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2001

	Governmental Fund Types		
	General	Special Revenue	General Capital Projects
<i>(Continued from Previous Page)</i>			
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts Payable	\$ 4,165,854	\$ 684,234	\$ 5,370,022
Arbitrage Rebate Payable	-	-	1,077,190
Accrued Salaries and Employer Payroll			
Taxes	3,397,050	-	-
Employee Taxes and Related Withholdings	2,580,851	-	-
Accrued Interest Payable	-	-	-
Claims Payable	-	-	-
Rehabilitation Loans Escrow	-	767,047	-
Due to Other Funds	14,325	541,502	2,000,000
Reimbursable Facility Fees	-	-	4,530,487
Other Liabilities	1,662,929	68,914	368,212
Deferred Contributions from Other Funds	-	-	-
Deferred Revenue for Taxes,			
Assessments and Other Receivables	2,740,916	27,726,087	521,368
Escrow and Other Deposits Payable from			
Restricted Assets	-	-	-
Current Portion of Long -Term Obligations:			
Bonds Payable	-	-	-
Contracts and Other Notes Payable	-	-	-
General Long-Term Obligations:			
Bonds Payable	-	-	-
Deferred Refunding - Bonds Payable	-	-	-
Contracts and Other Notes Payable	-	-	-
Deferred Refunding - Contracts and Other Notes Payable	-	-	-
Installment Financing Agreements Payable	-	-	-
Earned Vacation Pay	-	-	-
Landfill Closure and Postclosure Costs	-	-	-
Total Liabilities	14,561,925	29,787,784	13,867,279
Equity and Other Credits:			
Contributed Capital	-	-	-
Retained Earnings	-	-	-
Investment in General Fixed Assets	-	-	-
Fund Balances:			
Reserved for Inventories	1,886,523	-	-
Reserved by State Statute	14,476,441	-	-
Reserved for Encumbrances	3,656,360	-	-
Reserved for Employees' Retirement Benefits	-	-	-
Unreserved:			
Designated for Subsequent Year's			
Appropriation	16,327,239	16,910,138	78,597,727
Designated for Specific Purposes	20,859,935	4,823,675	7,439,456
Undesignated	37,743,063	2,932,701	-
Total Equity and Other Credits	94,949,561	24,666,514	86,037,183
Total Liabilities, Equity and Other Credits	\$ 109,511,486	\$ 54,454,298	\$ 99,904,462

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only) June 30, 2001
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 4,928,478	\$ 175,190	\$ -	\$ -	\$ -	\$ 15,323,778
899,624	271,925	-	-	-	2,248,739
-	-	-	-	-	3,397,050
-	-	-	-	-	2,580,851
1,985,510	154,014	-	-	-	2,139,524
-	7,943,183	-	-	-	7,943,183
-	-	-	-	-	767,047
393,073	-	13,013	-	-	2,961,913
-	-	-	-	-	4,530,487
-	-	4,810	-	-	2,104,865
967,284	-	-	-	-	967,284
-	-	-	-	-	30,988,371
18,387,733	-	-	-	-	18,387,733
6,895,000	-	-	-	-	6,895,000
1,907,711	5,849,943	-	-	-	7,757,654
115,990,000	-	-	-	102,135,000	218,125,000
(1,086,971)	-	-	-	-	(1,086,971)
32,156,342	18,919,829	-	-	2,090,429	53,166,600
(421,193)	-	-	-	-	(421,193)
-	-	-	-	9,015,417	9,015,417
937,102	8,697	-	-	10,332,311	11,278,110
-	-	-	-	3,297,200	3,297,200
<u>183,939,693</u>	<u>33,322,781</u>	<u>17,823</u>	<u>-</u>	<u>126,870,357</u>	<u>402,367,642</u>
184,314,990	5,459,102	-	-	-	189,774,092
274,825,844	10,838,717	-	-	-	285,664,561
-	-	-	753,219,132	-	753,219,132
-	-	-	-	-	1,886,523
-	-	-	-	-	14,476,441
-	-	-	-	-	3,656,360
-	-	13,896,088	-	-	13,896,088
-	-	-	-	-	111,835,104
-	-	-	-	-	33,123,066
-	-	-	-	-	40,675,764
<u>459,140,834</u>	<u>16,297,819</u>	<u>13,896,088</u>	<u>753,219,132</u>	<u>-</u>	<u>1,448,207,131</u>
<u>\$ 643,080,527</u>	<u>\$ 49,620,600</u>	<u>\$ 13,913,911</u>	<u>\$ 753,219,132</u>	<u>\$ 126,870,357</u>	<u>\$ 1,850,574,773</u>

City of Raleigh

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2001**

	Governmental Fund Types			Total (Memorandum Only) June 30, 2001
	General	Special Revenue	General Capital Projects	
Revenues:				
Ad Valorem Taxes	\$ 96,360,232	\$ -	\$ -	\$ 96,360,232
Intergovernmental	22,001,482	19,134,054	1,725,226	42,860,762
Developer Participation	-	-	279,491	279,491
Assessments	-	-	402,610	402,610
Local Sales Tax	26,332,832	16,188,823	-	42,521,655
Licenses	7,923,849	-	-	7,923,849
Interest on Investments	6,943,004	1,855,806	5,799,736	14,598,546
Inspection Fees	7,750,093	-	-	7,750,093
Highway Maintenance Refunds	748,584	-	-	748,584
Facility Fees	-	-	5,717,329	5,717,329
Other Fees and Charges	18,030,797	-	-	18,030,797
Rents	-	335,671	-	335,671
Other Revenue	1,244,295	2,944,838	5,616,449	9,805,582
Total Revenues	187,335,168	40,459,192	19,540,841	247,335,201
Other Financing Sources:				
Operating Transfers In	16,236,572	2,234,496	11,062,474	29,533,542
Additions from Installment Note Obligations	7,885	-	-	7,885
Total Other Financing Sources	16,244,457	2,234,496	11,062,474	29,541,427
Total Revenues and Other Financing Sources	203,579,625	42,693,688	30,603,315	276,876,628
Expenditures:				
Current:				
General Government	27,050,488	148,478	-	27,198,966
Community Development Services	28,491,794	11,501,662	-	39,993,456
Public Safety	77,045,994	1,799,340	-	78,845,334
Solid Waste Services	16,546,626	-	-	16,546,626
Leisure Services	28,989,614	349,392	-	29,339,006
Economic Development Programs	-	3,129,912	-	3,129,912
Capital Outlay	-	4,163,264	51,726,001	55,889,265
Other Expenditures	13,539	91,615	495,038	600,192
	178,138,055	21,183,663	52,221,039	251,542,757
Debt Service:				
Principal and Interest	15,961,679	-	308,887	16,270,566
Other Debt Service Expenditures	59,146	-	-	59,146
	16,020,825	-	308,887	16,329,712
Total Expenditures Before Charge-Out	194,158,880	21,183,663	52,529,926	267,872,469
Less: Administrative Costs Charged to Water and Sewer Fund	6,414,289	-	-	6,414,289
Total Expenditures	187,744,591	21,183,663	52,529,926	261,458,180
Other Financing Uses:				
Operating Transfers Out	9,820,836	27,853,494	402,556	38,076,886
Total Expenditures and Other Financing Uses	197,565,427	49,037,157	52,932,482	299,535,066

Continued

The accompanying notes are an integral part of the financial statements.

City of Raleigh

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended June 30, 2001

	Governmental Fund Types			Total (Memorandum Only) June 30, 2001
	General	Special Revenue	General Capital Projects	
(Continued):				
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ 6,014,198	\$ (6,343,469)	\$ (22,329,167)	\$ (22,658,438)
Fund Balances - Beginning of Year	88,935,363	31,009,983	108,475,808	228,421,154
Residual Transfer of Equity	-	-	(109,458)	(109,458)
Fund Balances - End of Year	<u>\$ 94,949,561</u>	<u>\$ 24,666,514</u>	<u>\$ 86,037,183</u>	<u>\$ 205,653,258</u>

City of Raleigh

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ANNUAL BUDGET AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
For the Fiscal Year Ended June 30, 2001

	<u>Actual</u>
Revenues:	
Ad Valorem Taxes	\$ 96,360,232
Intergovernmental	22,001,482
Local Sales Tax	26,332,832
Licenses	7,923,849
Interest on Investments	6,943,004
Inspection Fees	7,750,093
Highway Maintenance Refunds	748,584
Fees and Charges:	
Solid Waste	2,539,294
Parks and Recreation	5,040,723
Convention Center	4,697,384
Miscellaneous	5,753,396
Other Revenue	1,244,295
Total Revenues	<u>187,335,168</u>
Other Financing Sources:	
Operating Transfers In	16,236,572
Additions from Installment Note Obligations	7,885
Total Other Financing Sources	<u>16,244,457</u>
Total Revenues and Other Financing Sources	<u>203,579,625</u>
Fund Balance Appropriated	
Expenditures:	
General Government	27,050,488
Community Development Services	28,491,794
Public Safety	77,045,994
Solid Waste Services	16,546,626
Leisure Services	28,989,614
Other	13,539
Capital Outlay	-
Debt Service:	
Principal and Interest	15,961,679
Other Debt Service Expenditures	59,146
Total Expenditures Before Charge-Out	<u>194,158,880</u>
Less: Administrative Costs Charged to Water and Sewer	6,414,289
Total Expenditures	<u>187,744,591</u>
Other Financing Uses:	
Budget Reserve	-
Operating Transfers Out	9,820,836
Total Other Financing Uses	<u>9,820,836</u>
Total Expenditures and Other Financing Uses	<u>197,565,427</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	6,014,198
Fund Balances - Beginning of Year	88,935,363
Budgeted on a Project Ordinance Basis	-
Fund Balances - End of Year	<u>\$ 94,949,561</u>

The accompanying notes are an integral part of the financial statements.

General		Special Revenue		
Budget	Over (Under) Budget	Actual	Budget	Over (Under) Budget
\$ 91,571,338	\$ 4,788,894	\$ -	\$ -	\$ -
21,362,836	638,646	8,416,376	8,160,000	256,376
26,800,000	(467,168)	-	-	-
7,357,000	566,849	-	-	-
5,230,000	1,713,004	328,029	195,000	133,029
6,510,036	1,240,057	-	-	-
705,000	43,584	-	-	-
2,226,275	313,019	-	-	-
5,521,976	(481,253)	-	-	-
4,912,500	(215,116)	-	-	-
4,521,130	1,232,266	-	-	-
1,080,500	163,795	-	-	-
<u>177,798,591</u>	<u>9,536,577</u>	<u>8,744,405</u>	<u>8,355,000</u>	<u>389,405</u>
16,236,572	-	-	600,000	(600,000)
7,885	-	-	-	-
<u>16,244,457</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>(600,000)</u>
194,043,048	\$ 9,536,577	8,744,405	8,955,000	\$ (210,595)
25,461,246	-	-	-	-
<u>\$ 219,504,294</u>			<u>\$ 8,955,000</u>	
\$ 31,371,092	\$ (4,320,604)	-	\$ -	\$ -
31,972,268	(3,480,474)	-	-	-
84,514,464	(7,468,470)	-	-	-
17,126,215	(579,589)	-	-	-
33,631,159	(4,641,545)	-	-	-
8,861	4,678	-	-	-
-	-	6,737	15,000	(8,263)
16,973,451	(1,011,772)	-	-	-
175,600	(116,454)	-	-	-
<u>215,773,110</u>	<u>(21,614,230)</u>	<u>6,737</u>	<u>15,000</u>	<u>(8,263)</u>
6,331,595	82,694	-	-	-
<u>209,441,515</u>	<u>(21,696,924)</u>	<u>6,737</u>	<u>15,000</u>	<u>(8,263)</u>
-	-	-	421,000	(421,000)
10,062,779	(241,943)	8,519,000	8,519,000	-
10,062,779	(241,943)	8,519,000	8,940,000	(421,000)
<u>\$ 219,504,294</u>	<u>\$ (21,938,867)</u>	<u>8,525,737</u>	<u>\$ 8,955,000</u>	<u>\$ (429,263)</u>
		218,668		
		874,140		
		<u>23,573,706</u>		
		<u>\$ 24,666,514</u>		

City of Raleigh

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Total (Memorandum Only) June 30, 2001
	Enterprise	Internal Service	
Operating Revenues:			
User Charges	\$ 56,491,564	\$ 17,820,745	\$ 74,312,309
Other	1,852,588	98,808	1,951,396
Total Operating Revenues	<u>58,344,152</u>	<u>17,919,553</u>	<u>76,263,705</u>
Operating Expenses:			
Administration	3,006,660	1,719,408	4,726,068
Water Supply and Treatment	8,684,034	-	8,684,034
Sewer System and Treatment	7,915,190	-	7,915,190
Warehousing, Maintenance and Construction	10,976,840	-	10,976,840
Other Administrative Services	6,634,674	-	6,634,674
Non-Departmental Charges	3,036,274	-	3,036,274
Management Contract Charges	7,487,876	-	7,487,876
Claims	-	13,974,243	13,974,243
Premiums	-	447,781	447,781
Depreciation and Amortization	13,845,964	3,997,722	17,843,686
Other	-	643,746	643,746
Total Operating Expenses	<u>61,587,512</u>	<u>20,782,900</u>	<u>82,370,412</u>
Operating Loss	(3,243,360)	(2,863,347)	(6,106,707)
Nonoperating Revenues:			
Interest on Investments	5,998,052	1,152,988	7,151,040
Subsidy Income - Federal and State	3,257,856	-	3,257,856
Other	236,716	-	236,716
Total Nonoperating Revenues	<u>9,492,624</u>	<u>1,152,988</u>	<u>10,645,612</u>
Nonoperating Expenses:			
Interest Expense on Long-Term Obligations	6,750,413	475,529	7,225,942
Loss on Sale of Property	824,160	-	824,160
Other	123,381	-	123,381
Total Nonoperating Expenses	<u>7,697,954</u>	<u>475,529</u>	<u>8,173,483</u>
Loss Before Operating Transfers	(1,448,690)	(2,185,888)	(3,634,578)
Operating Transfers In	8,640,566	1,724,909	10,365,475
Operating Transfers Out	(1,022,131)	(800,000)	(1,822,131)
Total Operating Transfers	<u>7,618,435</u>	<u>924,909</u>	<u>8,543,344</u>
Capital Contributions	49,108,019	-	49,108,019
Net Income (Loss)	55,277,764	(1,260,979)	54,016,785
Add: Amortization of Contributed Capital	5,467,536	-	5,467,536
Retained Earnings - Beginning of Year	<u>214,080,544</u>	<u>12,099,696</u>	<u>226,180,240</u>
Retained Earnings - End of Year	<u>\$ 274,825,844</u>	<u>\$ 10,838,717</u>	<u>\$ 285,664,561</u>

The accompanying notes are an integral part of the financial statements.

City of Raleigh

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Total (Memorandum Only) June 30, 2001
	Enterprise	Internal Service	
Operating Loss	\$ (3,243,360)	\$ (2,863,347)	\$ (6,106,707)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	13,845,964	3,997,722	17,843,686
Bad Debt Expense	544,086	-	544,086
Cash Payments of Deposits and Other Nonrevenue Sources	8,002,963	-	8,002,963
Changes in Assets and Liabilities:			
Operating Receivables	(1,949,655)	52,848	(1,896,807)
Inventories	(69,965)	1,618	(68,347)
Other Receivables and Assets	113,700	-	113,700
Accounts Payable - Operating Accounts	(284,124)	20,916	(263,208)
Claims Payable - Operating Accounts	-	431,549	431,549
Due to Other Funds	328,401	-	328,401
Earned Vacation Pay	151,618	1,666	153,284
Net Cash Provided by Operating Activities	<u>17,439,628</u>	<u>1,642,972</u>	<u>19,082,600</u>
Cash Flows from Noncapital and Related Financing Activities:			
Operating Grants Received	1,505,203	-	1,505,203
Operating Transfers In	8,640,566	1,724,909	10,365,475
Operating Transfers Out	(1,022,131)	(800,000)	(1,822,131)
Other Noncapital Financing Activities	(1,821,050)	-	(1,821,050)
Net Cash Provided by Noncapital Financing Activities	<u>7,302,588</u>	<u>924,909</u>	<u>8,227,497</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Sale of Bonds and Other Obligations	34,620,592	15,109,715	49,730,307
Acquisition and Construction of Capital Assets	(24,774,114)	(9,341,036)	(34,115,150)
Principal Paid on Bonds and Other Long-Term Obligations	(9,947,356)	(3,015,000)	(12,962,356)
Interest Paid on Bonds and Other Long-Term Obligations	(6,448,491)	(526,815)	(6,975,306)
Bond Issuance Costs	(323,949)	-	(323,949)
Contributed Capital Provided by Governmental Funds	109,458	-	109,458
Capital Grants & Other Capital Contributions	9,298,103	-	9,298,103
Proceeds from Sale of Equipment	685,708	-	685,708
Proceeds from Sale of Land Assemblage	276,985	-	276,985
Escrow Deposits	(60,000)	-	(60,000)
Net Cash Provided by Capital and Related Financing Activities	<u>3,436,936</u>	<u>2,226,864</u>	<u>5,663,800</u>

continued

The accompanying notes are an integral part of the financial statements.

City of Raleigh

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2001

	<u>Proprietary Fund Types</u>		Total (Memorandum Only) June 30, <u>2001</u>
	<u>Enterprise</u>	Internal <u>Service</u>	
(Continued):			
Cash Flows from Investing Activities:			
Interest on Investments	\$ 6,054,965	\$ 1,384,716	\$ 7,439,681
Net Cash Provided by Investing Activities	<u>6,054,965</u>	<u>1,384,716</u>	<u>7,439,681</u>
Net Increase in Cash and Cash Equivalents	34,234,117	6,179,461	40,413,578
Cash and Cash Equivalents, Beginning of Year	<u>85,128,354</u>	<u>25,895,857</u>	<u>111,024,211</u>
Cash and Cash Equivalents, End of Year	<u>\$ 119,362,471</u>	<u>\$ 32,075,318</u>	<u>\$ 151,437,789</u>

Noncash Capital and Related Financing Activities:

During the fiscal year ended June 30, 2001, the City had the following noncash capital and related financing activities in enterprise operations:

Water and Sewer Fund

Capital Contributions: Town of Garner utilities merger \$29,238,649; annexations \$12,214,517

Acquisition and construction of capital assets on account: \$2,451,919

Capitalized interest: \$230,942

Parking Facilities Fund

Acquisition and construction of capital assets on account: \$1,433,197

Note principal payoff from sale of land assemblage: \$1,250,043

Note interest payoff from sale of land assemblage: \$34,961

Equipment Replacement Fund

Acquisition and construction of capital assets on account: \$149,108

First year amortization of premium on long-term obligations, \$74,943

The accompanying notes are an integral part of the financial statements.

City of Raleigh

COMBINED STATEMENT OF CHANGES
IN PLAN NET ASSETS
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 2001

	<u>June 30, 2001</u>
Additions:	
Employer Contributions	\$ 2,418,508
Plan Transfers	42,920
Investment Earnings	48,572
Investment Expense	<u>(31,908)</u>
Total Additions	<u>2,478,092</u>
Deductions:	
Benefits	1,605,789
Withdrawals and Forfeitures	<u>2,328</u>
Total Deductions	<u>1,608,117</u>
Net Increase	869,975
Fund Balance Reserved for Employees'	
Pension Benefits:	
Beginning of Year	<u>13,026,113</u>
End of Year	<u>\$ 13,896,088</u>

The accompanying notes are an integral part of the financial statements.

CITY OF RALEIGH

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

Note 1. Summary of Significant Accounting Policies

The City of Raleigh 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. All applicable GASB statements have been implemented, including GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*, which is effective for reporting periods beginning after June 15, 2000. GASB Statement No. 34 *Basic Financial Statements-And Management's Discussion And Analysis-for State And Local Governments*, was issued in June, 1999. The City is required to implement this standard effective fiscal year ending June 30, 2002. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The financial statements of the City of Raleigh include all funds and account groups of the City (the primary government) and its component units, legally separate entities for which the City is financially accountable. The criteria used to establish financial accountability includes the ability of the City to impose its will on an organization, appointment of a voting majority of an organization's governing board, financial benefits or burdens on the City and other unique relationships between the City and an organization.

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

Walnut Creek Financing Assistance Corporation (WCFAC). The WCFAC is governed by a five-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. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which constitute a separate accounting entity. The operations of each fund are recorded in a self-balancing set of accounts for comprising its assets, liabilities, revenues, expenditures and fund balance. Governmental resources are assigned to individual funds based upon public purpose, restrictions or limitations, and budgetary control. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The following fund types and account groups are used by the City:

GOVERNMENTAL FUNDS

General Fund – The General Fund is the primary operating fund of the City. It is used to account for all activities except those required to be accounted for in other funds.

Special Revenue Funds – Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or to account for administrative action to expend funds for specified purposes.

General Capital Projects Funds – General Capital Projects Funds account for financial resources segregated for the acquisition of major capital facilities other than those accounted for in proprietary funds.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the determination of net income is necessary or useful to sound financial administration and where the costs of providing such services are typically recovered to varying extents through user charges.

Internal Service Fund – Internal Service Funds account for the financing of goods or services which are provided by one department or area to other City departments on a cost-reimbursement basis.

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for resources received and held by the City as trustee or for which the City acts as an agent for individuals. These funds are expended or invested in accordance with agreements or applicable prescribed procedures. Pension Trust Funds are accounted for as Proprietary Funds and Agency Funds are custodial in nature and do not involve operations.

ACCOUNT GROUPS

General Fixed Assets Account Group – The General Fixed Assets Account Group accounts for all fixed assets of the City used in governmental fund type operations.

General Long-Term Obligations Account Group – The General Long-Term Obligations Account Group accounts for all long-term obligations of the City other than those accounted for in the proprietary funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The proprietary and pension trust funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included on the balance sheet. Operating statements of these funds present the determination of net income.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded when due. Encumbrances are recognized during the year, but outstanding encumbrances at the end of the year which do not represent incurred expenditures are either charged to an appropriation in the following year or are canceled.

The City recognizes assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of nonexchange transactions.

Those revenues susceptible to accrual are sales taxes collected and held by the state at year-end on behalf of the City, investment earnings, cable franchise fees, Convention Center charges to customers, property taxes collected and held by the County at year-end on behalf of the City, and earned grant proceeds. Assessments, property taxes (other than amounts on hand at the County), hotel occupancy tax and certain other intergovernmental revenues are not susceptible to accrual because generally they are either not available or not measurable until received in cash.

Proprietary funds and pension trust funds are presented in the financial statements on the full accrual basis in accordance with generally accepted accounting principles. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. The City has elected to apply all GASB Statements, and all Financial Accounting Standards Board ("FASB") statements issued on or before November 30, 1989, except those that conflict with the GASB.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

As required by the North Carolina Budget and Fiscal Control Act, the City adopts balanced budget ordinances for all funds except the trust and agency funds which are not budgeted and three internal service funds which have financial plans approved. The budgets shown in the financial statements reflect amounts adopted by the budget ordinances as amended and approved at the close of the day of June 30, 2001. The City adopts annual budgets prepared on the modified accrual basis for all funds except capital project and grant funds which have project budgets adopted. 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. The City Council may amend the budget throughout the year for new projects or other changes to existing appropriations as are needed. At June 30, 2001, the effect of such amendments, less eliminating transfers, was as follows:

	Original <u>Budget</u>	Total <u>Amendments</u>	Budget <u>June 30, 2001</u>
General Fund	\$ 222,803,303	\$ (3,299,009)	\$ 219,504,294
Special Revenue Funds	105,620,819	4,767,970	110,388,789
General Capital Projects Funds	277,374,138	6,013,303	283,387,441
Enterprise Funds	214,335,750	18,540,063	232,875,813
Internal Service Funds	728,759	91,518	820,277

Budget control on expenditures is limited to departmental totals and project totals as specified in the budget ordinances. Administrative control is maintained through the establishment of more detailed line-item budgets, which correspond to the specific object of the expenditure. All budget transfers, both at the ordinance and the line-item levels, are approved by the City Council, except that the City Manager is authorized to transfer line-item budgeted amounts up to \$10,000 within a fund prior to their formal approval by the City Council.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Annual Budget and Actual - General and Special Revenue Fund Types includes all governmental fund types for which annual

budgets have been legally adopted. This presentation, accordingly, does not include any of the general capital projects funds and certain of the special revenue funds that report capital project or grant activities for which budgets are adopted on a project basis. The Powell Bill Fund is the only special revenue fund which had an annual budget and is, therefore, presented in the above referenced financial statement.

E. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in all funds. Outstanding encumbrances at year-end for which goods or services are received are reclassified to expenditures and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year-end and are either canceled or are included as reappropriations of fund balance for the subsequent year. Outstanding encumbrances at year-end in funds which are budgeted on a project basis automatically carry forward along with their related appropriations and are not subject to an annual cancellation and reappropriation.

F. Cash 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. State statutes authorize the City to invest in securities of the U. S. Government, U. S. Government Agencies, high quality commercial paper, banker's acceptances, repurchase agreements, obligations of the State of North Carolina and the North Carolina Capital Management Trust. As required for periods beginning after June 15, 1997 by Statement 31 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, certain investments are carried at fair value as determined by quoted market prices. Investments carried at fair value include debt securities with a maturity date of more than one year at acquisition and mutual funds. Other investments, which include money market investments and nonparticipating interest-earning investment contracts are reported at cost or amortized cost.

G. Ad Valorem Taxes Receivable

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. Property taxes on certain registered motor vehicles are assessed and collected throughout the year based upon changes in the state law effective January 1, 1994. As of that date, Wake County became responsible for the monthly billing and collections, on behalf of the City, of property taxes due on registered motor vehicles. Under a staggered system of registration, 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.

Uncollected taxes billed by February of the fiscal year are shown as a receivable in the financial statements and are offset by deferred revenue. Taxes for vehicles registered after February 28, apply to the 2001-02 fiscal year and are not shown as receivables at June 30, 2001.

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 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 deferred revenue in an equal amount.

H. Other Receivables

Other accounts receivable which are reported in governmental funds and which represent amounts considered measurable and available are recorded as revenue but, based on state law restrictions, 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 deferred 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 reserved 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.

I. 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.

J. Fixed Assets

Enterprise and internal service funds fixed assets are accounted for within the respective funds and are recorded as expenditures at the time of purchase to satisfy statutory budgetary requirements. At year-end these assets are capitalized at historical cost for financial statement presentation. Such cost includes capitalized interest on long-term obligations during the construction period of fixed assets, when material. Depreciation on these assets is calculated under the straight-line method and is charged to operations. The estimated useful lives of the assets for determining depreciation charges are as follows: Water and Sewer Systems and Improvements - 50 years, Buildings and Machinery - 45 years, Buses - 15 years, Equipment, Furniture and Fixtures - 3 to 10 years. Effective July 1, 2000 all items under the City's capitalization threshold (\$5,000) were eliminated as general fixed assets and fixed assets of applicable proprietary funds. The results of this transaction are reported as current year deletions and are not material.

Prior to July 1, 2000, the values of fixed assets contributed to the Water and Sewer, Mass Transit, and Parking Facilities Funds were recorded as contributed capital at their estimated fair value at the time of contribution. Effective July 1, 2000, in accordance with GASB Statement No. 33, contributions of fixed assets to proprietary funds are recognized as revenues.

All other fixed assets of the City are recognized as expenditures at the time of purchase and capitalized at year-end at historical cost in the General Fixed Assets Account Group. These assets are not depreciated. They are funded primarily by local ad valorem taxes, state shared revenues, bonded debt proceeds, local sales taxes and state or federal funding. Assets acquired through donations and gifts are recorded at their estimated fair market value at the date of receipt. Public domain ("infrastructure") general fixed assets consisting of such improvements as roads, bridges, sidewalks and curbs and gutter are recorded as general fixed assets.

K. Long-Term Obligations

Long-term obligations of the proprietary fund types are accounted for within those funds. All other general long-term obligations of the City are accounted for in the General Long-Term Obligations Account Group.

L. Compensated Absences

Accumulated vacation leave at year-end in governmental funds is not expected to be materially liquidated with expendable available financial resources and as such is reported in the General Long-Term Obligations Account Group. Accumulated vacation leave of the proprietary fund types is recorded as a liability of those funds as the benefits accrue to employees.

No liability is recognized for accumulated sick leave as the leave is forfeited upon termination. A certain portion of the accumulated sick leave may be used in the determination of length of service for retirement benefit purposes. This involves no obligation of the City and, therefore, no accrual has been made.

M. Fund Equity

The amounts shown in the fund balance section of the Combined Balance Sheet reflect fund balance as defined by generally accepted accounting principles in NCGA Statement 1. Also presented are the amounts in annually budgeted funds which are reserved and, therefore, not available for appropriation in subsequent years as provided by the North Carolina General Statutes. The statutes dictate what portion of fund balance is available for appropriation with the remainder being unavailable for appropriation or "Reserved by State Statute." Generally, all amounts represented by accounts receivable or interfund receivables are not available for appropriation. Portions of fund balance have also been reserved for encumbrances and inventories. The unreserved portion of fund balance is further detailed as either "Designated for Specific Purposes" or "Undesignated." A breakdown of the "Designated for Specific Purposes," at June 30, 2001 is as follows:

<u>General Fund</u>		<u>General Capital Projects Funds</u>	
<u>Designations</u>	<u>Amount</u>	<u>Designations</u>	<u>Amount</u>
Debt Service	\$ 14,127,187	Various Capital Projects	
Carry-Over Operations	1,820,510	Consistent with Individual	
Law Enforcement Projects	1,084,866	Fund Purpose	<u>\$ 7,439,456</u>
Public Improvements	485,978		
Payroll and Benefits Reserve	2,010,000		
Other	<u>1,331,394</u>	<u>Special Revenue Funds</u>	
	<u>\$ 20,859,935</u>	Capital Improvement Program Funding and Disaster Projects	<u>\$ 4,823,675</u>

Contributed capital is recorded in proprietary funds that have received contributions from other funds for capital purposes.

At June 30, 2001, deficit fund equity is reported in the following funds: Convention Center and Memorial Auditorium Projects Fund (\$2,541,209), and Employees' Health Benefits Fund (\$1,480,115). The deficit fund equity in the Convention Center and Memorial Auditorium Projects Fund is caused by long-term pledges not recognized as revenue until received. Cash is provided through an inter-fund loan from the Parking Facilities Fund. The deficit fund equity in the Employee's Health Benefits Fund results from the liability for claims incurred but not reported at June 30, 2001.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from that fund that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. In-Kind Contributions

In-kind contributions are recognized for grant activities when appropriate. These contributions are primarily costs provided externally for qualifying grant activities.

P. Statement of Cash Flows

The City presents statements of cash flows for the proprietary fund types. All cash and investments are maintained by pooled equity. Funds are available on demand from the pools. Accordingly, all cash and investments are considered cash and cash equivalents in the statements of cash flows.

Q. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation.

Note. 2. Deposits and Investments

Deposits. The deposits of the City are governed by North Carolina General Statute 159-31. The City may establish official depositories with any bank or savings and loan whose principal office is located in North Carolina. The City may also establish time deposits in the form of NOW, Super NOW, and money market accounts, and certificates of deposit. At June 30, 2001, the City's bank balance was \$2,837,246 and the carrying amount of the City's deposits was \$159,085, net of a cash overdraft of \$1,096,218 which is included in accounts payable.

All of the City's deposits are either insured or collateralized by using one of two options. Under the Dedicated Method, all deposits over the federal depository insurance coverage are collateralized with securities held by the City's agent in the City's name. Under the Pooling Method, a collateral pool, all insured 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 uses one principal central depository for regular banking services. This depository utilizes the Pooling Method to collateralize the City's excess deposits. Of the deposits maintained under the Pooling Method at June 30, 2001, \$224,811 was covered by federal depository insurance and \$2,612,435 was covered by pooled collateral held by an agent of the State Treasurer.

Investments. State statutes authorize the City to invest in obligations of the U. S. Treasury, obligations of any agency of the United States of America (provided the payment of interest and principal of such obligations is fully guaranteed by the United States), certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust, a Securities and Exchange Commission registered mutual fund. As required for periods beginning after June 15, 1997 by Statement No. 31 of the Governmental Accounting Standards Board, *Accounting and*

Financial Reporting for Certain Investments and External Investment Pools certain investments are carried at fair value as determined by quoted market prices. Investments carried at fair value include debt securities with a maturity date of more than one year at acquisition and mutual funds. Other investments, which include money market investments, are reported at cost or amortized cost. The change in the fair value of investments during 2001 was \$279,217 and is reported as investment income. The City's investments are categorized at year-end to give an indication of the level of custodial risk assumed. Column 1 represents investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Column 2 represents uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Column 3 represents uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent but not in the City's name. Investments in mutual funds are exempt from risk categorization. At June 30, 2001, the City's investments are categorized as follows:

	Category			Reported Value	Fair Value
	1	2	3		
U. S. Government Securities	\$ 50,521,609	\$ -	\$ -	\$ 50,521,609	\$ 50,512,162
U. S. Government Agencies	212,936,971	-	-	212,936,971	210,354,390
Bankers' Acceptances	4,208,833	-	-	4,208,833	4,208,833
Commercial Paper	23,389,142	-	-	23,389,142	23,389,142
	<u>\$ 291,056,555</u>	<u>\$ -</u>	<u>\$ -</u>	291,056,555	288,464,527
Investments in Mutual Funds				85,404,414	85,404,414
				<u>\$ 376,460,969</u>	<u>\$ 373,868,941</u>

Investment income is allocated to the various funds based on their equity in a pooled account. Each fund's equity of pooled cash and investments is presented in the accompanying financial statements.

A summary of investments in mutual funds at June 30, 2001 is as follows:

FUNB – Medical and Dental Trust Funds	\$ 579,749
Chicago Trust – Supplemental Pension	9,358,174
NCCMT – Restricted Debt Proceeds	63,735,177
NCCMT – Unrestricted, All Funds	11,731,314
	<u>\$ 85,404,414</u>

A summary of cash and investments at June 30, 2001 is as follows:

Petty Cash and Change Funds	\$ 12,745
Deposits	159,085
Investments	376,460,969
	<u>\$ 376,632,799</u>

Note 3. Fixed Assets

Changes in General Fixed Assets

The changes in general fixed assets for the fiscal year ended June 30, 2001 are as follows (stated in thousands):

	Balance June 30, <u>2000</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	Balance June 30, <u>2001</u>
Land	\$ 81,949	\$ 6,737	\$ 576	\$ 207	\$ 89,055
Buildings and Machinery	96,450	17,710	173	812	113,521
Streets and Sidewalks	338,865	21,686	4,843	196	365,198
Equipment	49,810	1,639	-	10,197	41,252
Furniture and Fixtures	2,342	45	-	466	1,921
Improvements - General and Parks	101,174	7,653	19,230	693	127,364
Construction in Progress	<u>26,641</u>	<u>13,089</u>	<u>(24,822)</u>	<u>-</u>	<u>14,908</u>
	<u>\$ 697,231</u>	<u>\$ 68,559</u>	<u>\$ -</u>	<u>\$ 12,571</u>	<u>\$ 753,219</u>

As of June 30, 2001 the City has outstanding authorizations for general governmental capital projects in progress in the amount of \$43,816,697 with \$28,909,194 in unexpended commitments. Financing for these commitments is within existing capital project ordinances and should not require future financing.

Fixed Assets - Proprietary Funds

Fixed assets of the enterprise funds at June 30, 2001 consist of the following (stated in thousands):

	Mass Transit <u>Fund</u>	Water and Sewer <u>Fund</u>	Parking Facilities <u>Fund</u>	<u>Total</u>
Land	\$ 989	\$ 13,708	\$ 8,051	\$ 22,748
Water and Sewer Systems	-	486,255	-	486,255
Buildings and Machinery	3,799	56,428	-	60,227
Parking Decks	-	-	33,866	33,866
Buses	13,488	-	-	13,488
Equipment	506	12,482	156	13,144
Furniture and Fixtures	26	14	-	40
Improvements	769	2,720	112	3,601
Construction in Progress	<u>-</u>	<u>6,487</u>	<u>5,514</u>	<u>12,001</u>
Total Fixed Assets	19,577	578,094	47,699	645,370
Less Accumulated Depreciation	<u>9,283</u>	<u>125,536</u>	<u>6,680</u>	<u>141,499</u>
Fixed Assets, Net	<u>\$ 10,294</u>	<u>\$ 452,558</u>	<u>\$ 41,019</u>	<u>\$ 503,871</u>

Fixed assets of the internal service funds at June 30, 2001 consist of the following (stated in thousands):

	Print Services Fund	Equipment Replacement Fund	Total
Equipment	\$ 63	\$ 23,604	\$ 23,667
Less Accumulated Depreciation	<u>58</u>	<u>6,443</u>	<u>6,501</u>
Fixed Assets, Net	<u>\$ 5</u>	<u>\$ 17,161</u>	<u>\$ 17,166</u>

As of June 30, 2001 the City has outstanding authorizations for enterprise capital projects in progress amounting to \$15,269,625 with \$8,782,738 in unexpended commitments. Funding for these commitments is within project ordinances and should not require future financing.

Note 4. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2001:

	Balance June 30, 2000	Additions	Retirements	Balance June 30, 2001
General Long-Term Debt:				
General Obligation Bonds	\$ 110,695,000	\$ -	\$ 8,560,000	\$ 102,135,000
Installment Financing Agreement	9,404,237	-	388,820	9,015,417
Other Installment Obligations	3,076,322	7,885	997,621	2,086,586
Reimbursement Contracts	10,455	-	6,612	3,843
Earned Vacation Pay	9,817,245	515,066	-	10,332,311
Accrued Landfill Closure and Postclosure Costs	<u>2,991,294</u>	<u>734,509</u>	<u>428,603</u>	<u>3,297,200</u>
Total General Long-Term Debt	<u>135,994,553</u>	<u>1,257,460</u>	<u>10,381,656</u>	<u>126,870,357</u>
Enterprise Debt:				
General Obligation Bonds:				
Water and Sewer	38,505,000	-	4,805,000	33,700,000
Parking Facilities	11,815,000	-	1,235,000	10,580,000
Revenue Bonds	57,410,000	22,670,000	1,475,000	78,605,000
Installment Financing Agreement	16,575,180	2,194,447	813,051	17,956,576
Other Installment Obligations:				
Parking Facilities	8,390,213	10,445,000	2,784,232	16,050,981
Reimbursement Contracts	141,612	-	85,116	56,496
Earned Vacation Pay	<u>785,484</u>	<u>151,618</u>	<u>-</u>	<u>937,102</u>
Total Enterprise Debt	<u>133,622,489</u>	<u>35,461,065</u>	<u>11,197,399</u>	<u>157,886,155</u>
Internal Service Fund Debt:				
Installment Financing Agreement	12,750,000	14,735,000	3,015,000	24,470,000
Earned Vacation Pay	<u>7,031</u>	<u>1,666</u>	<u>-</u>	<u>8,697</u>
Total Internal Service Debt	<u>12,757,031</u>	<u>14,736,666</u>	<u>3,015,000</u>	<u>24,478,697</u>
Total Debt	<u>\$ 282,374,073</u>	<u>\$ 51,455,191</u>	<u>\$ 24,594,055</u>	<u>\$ 309,235,209</u>

The current year additions to the general long-term installment notes include noncash related financing activities in the amount of \$7,885.

A. General Obligation Bonds

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities related to both general government and proprietary activities. The bonds are direct obligations and pledge the full faith and credit of the City. The utility related issues are expected to be repaid with user charges and the remaining bonds are expected to be repaid with General Fund revenues. Interest on the bonds is payable semi-annually.

General obligation bonds outstanding at June 30, 2001 are as follows:

Description	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2001
General Government					
Housing-Series 1991	6.0% to 6.5%	12/1/91	6/1/09	\$ 3,000,000	\$ 1,650,000
Street/Sidewalk-Series 1992	6.1%	4/1/92	4/1/02	10,700,000	550,000
Housing-Series 1992B-Taxable	8.2% to 8.25%	4/1/92	4/1/12	2,250,000	1,350,000
G.O. Refunding-Series 1993	4.7% to 5.0%	5/1/93	2/1/09	30,335,000	17,390,000
Parks/Recreation-Series 1993	5.1% to 5.25%	5/1/93	5/1/13	3,800,000	2,280,000
Housing-Series 1993	5.1% to 5.25%	5/1/93	5/1/13	1,200,000	720,000
Street/Sidewalk-Series 1994	5.40%	9/1/94	3/1/04	4,645,000	800,000
Housing-Series 1994B-Taxable	7.75% to 8.0%	9/1/94	3/1/11	2,900,000	2,250,000
Parks-Series 1996	5.2% to 5.3%	6/1/96	6/1/16	27,900,000	22,685,000
Housing-Series 1996	5.4% to 5.75%	6/1/96	6/1/16	2,280,000	1,725,000
Fire Station-Series 1996	5.2% to 5.3%	6/1/96	6/1/16	2,145,000	1,620,000
Public Improvement Refunding - Series 1997	4.25% to 5.0%	10/1/97	4/1/12	22,255,000	19,595,000
Housing-Series 1997-Taxable	6.7%	10/1/97	4/1/16	3,920,000	3,470,000
GO Refunding, Series 1998	3.5% to 4.2%	12/1/98	6/1/12	6,740,000	5,950,000
Street Improvement, Series 1998	4.3% to 4.4%	12/1/98	6/1/17	22,000,000	20,100,000
Total General Government					102,135,000
Enterprise					
<i>Water and Sewer:</i>					
Sanitary Sewer-Series 1992	6.10%	4/1/92	4/1/02	15,000,000	750,000
Water Refunding-1993	4.7% and 4.8%	5/1/93	2/1/03	12,160,000	685,000
Sewer Refunding-1993	4.7% to 5.0%	5/1/93	2/1/06	4,260,000	1,540,000
Sanitary Sewer Series-1993	5.1% to 5.25%	5/1/93	5/1/13	4,100,000	2,500,000
Water - Series 1996	5.2% to 5.3%	6/1/96	6/1/16	11,120,000	8,665,000
Sanitary Sewer, Series 1996	5.2% to 5.3%	6/1/96	6/1/16	6,880,000	5,175,000
Sanitary Sewer Refunding - Series 1997	4.25% to 5.0%	10/1/97	4/1/12	16,325,000	14,385,000
<i>Water and Sewer Total</i>					<i>33,700,000</i>

continued

<u>Description</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, 2001</u>
<u>Enterprise, continued</u>					
<i>Parking Facilities:</i>					
Parking Refunding-1993	4.70%	5/1/93	2/1/02	2,580,000	\$ 260,000
Parking Facilities Refunding Series 1997	4.25% to 5.0%	10/1/97	4/1/12	3,230,000	2,850,000
Parking Facilities, Series 1997	4.70% to 5.0%	10/1/97	4/1/16	8,670,000	7,470,000
<i>Parking Facilities Total</i>					<u>10,580,000</u>
Total Enterprise					<u>44,280,000</u>
Total Bonded Indebtedness					<u>\$ 146,415,000</u>

Annual requirements to retire principal (\$146,415,000) and interest (\$48,692,949) on general obligation bonded indebtedness as of June 30, 2001 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>General Governmental</u>	<u>Enterprise Funds</u>	<u>Interest Payments</u>	<u>Total</u>
2002	\$ 9,145,000	\$ 4,930,000	\$ 7,299,240	\$ 21,374,240
2003	9,405,000	4,330,000	6,613,182	20,348,182
2004	8,885,000	4,145,000	5,962,821	18,992,821
2005	8,910,000	4,095,000	5,341,800	18,346,800
2006	8,845,000	4,070,000	4,685,575	17,600,575
2007-2017	<u>56,945,000</u>	<u>22,710,000</u>	<u>18,790,331</u>	<u>98,445,331</u>
	<u>\$ 102,135,000</u>	<u>\$ 44,280,000</u>	<u>\$ 48,692,949</u>	<u>\$ 195,107,949</u>

Status of Bond Authorizations

The following represent continuing authorization of general obligation bonds, which were unsold at June 30, 2001:

May 5, 1998 Authorization

Street Improvement \$ 28,000,000

September 5, 2000

Street Improvement \$ 45,000,000
Housing 14,000,000
Parks and Recreation 16,000,000
\$ 75,000,000

Defeased Debt

The City has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. During 2000-01 there were no such advance refunding transactions. At June 30, 2001, a total of \$18,295,000 of bonds outstanding are considered defeased.

B. Revenue Bonds

The City has issued revenue bonds to fund various water and sewer utility capital projects, including the most recent issue of \$22,670,000 in 2001. The bonds are repaid from utility user charges. Annual requirements to retire principal (\$78,605,000) and interest (\$53,195,417) on all revenue bond indebtedness as of June 30, 2001 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 1,965,000	\$ 3,932,499	\$ 5,897,499
2003	2,145,000	3,681,116	5,826,116
2004	2,235,000	3,592,931	5,827,931
2005	2,325,000	3,499,706	5,824,706
2006	2,420,000	3,401,043	5,821,043
2007-2026	<u>67,515,000</u>	<u>35,088,122</u>	<u>102,603,122</u>
	<u>\$ 78,605,000</u>	<u>\$ 53,195,417</u>	<u>\$ 131,800,417</u>

A trust agreement, dated December 1, 1996, between the City and First Union National Bank of North Carolina, as trustee, 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 not less than 1.00. The City was in compliance with all such covenants during the fiscal year ended June 30, 2001.

C. Other Long-Term Obligations

Other long-term obligations include reimbursement contracts, capital lease obligations, certificates of participation, installment financing agreements, earned vacation pay and landfill closure and postclosure costs. The total amount to be paid in the future periods including interest on certificates, installment financing agreements and other installment obligations is \$104,712,689. Interest is also paid on reimbursement contracts at a rate of 4 percent per year; however, the future amount to be paid on existing contracts has not been determined.

Reimbursement Contracts:

Outstanding principal balances for reimbursement contracts at June 30, 2001 are \$56,496 for enterprise funds and \$3,843 for general government funds.

Installment Financing Agreements:

The City has entered into an installment financing agreement, bearing interest at a rate of 6.40 percent to finance an amphitheater which is reported in the general fixed assets account group. Principal and interest requirements will be provided by appropriation in the year in which they become due. Annual maturities are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 414,103	\$ 570,465	\$ 984,568
2003	441,029	543,539	984,568
2004	469,706	514,862	984,568
2005	500,249	484,319	984,568
2006	532,777	451,791	984,568
2007-2015	<u>6,657,553</u>	<u>2,203,558</u>	<u>8,861,111</u>
	<u>\$ 9,015,417</u>	<u>\$ 4,768,534</u>	<u>\$ 13,783,951</u>

Annual maturities on other long-term installment financing agreements in the Parking Facilities Fund, including the Cabarrus Street and the South Street Parking Decks are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 488,899	\$ 836,341	\$ 1,325,240
2003	1,028,249	794,501	1,822,750
2004	1,014,004	739,563	1,753,567
2005	1,038,624	684,303	1,722,927
2006	1,058,498	627,880	1,686,378
2007-2021	<u>11,422,707</u>	<u>3,634,738</u>	<u>15,057,445</u>
	<u>\$ 16,050,981</u>	<u>\$ 7,317,326</u>	<u>\$ 23,368,307</u>

The City has issued certificates of participation to fund an internal service fund for the purchase of rolling stock equipment for a two-year period. Principal and interest requirements will be provided by appropriation in the year in which they become due. Annual maturities are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 5,775,000	\$ 1,063,561	\$ 6,838,561
2003	6,035,000	735,885	6,770,885
2004	6,320,000	453,030	6,773,030
2005	3,090,000	239,750	3,329,750
2006	<u>3,250,000</u>	<u>81,250</u>	<u>3,331,250</u>
	<u>\$ 24,470,000</u>	<u>\$ 2,573,476</u>	<u>\$ 27,043,476</u>

Other City obligations include installment purchase agreements for various capital equipment and various installment notes. These agreements and notes bear interest at rates from 2.6 percent to 9.0 percent. Principal and interest requirements will be provided by appropriation in the year in which they become due. Annual maturities on installment purchase agreements and notes are as follows:

Fiscal Year Ending June 30	General Government		Enterprise Water and Sewer		Total
	Principal	Interest	Principal	Interest	
2002	\$ 734,568	\$ 131,220	\$ 1,413,051	\$ 735,349	\$ 3,014,188
2003	388,372	108,282	1,413,051	598,822	2,508,527
2004	290,785	87,084	1,413,051	552,944	2,343,864
2005	297,756	69,843	1,413,051	507,014	2,287,664
2006	20,607	55,935	1,413,051	460,157	1,949,750
2007-2021	354,498	296,114	10,891,321	2,235,381	13,777,314
	<u>\$ 2,086,586</u>	<u>\$ 748,478</u>	<u>\$ 17,956,576</u>	<u>\$ 5,089,667</u>	<u>\$ 25,881,307</u>

Earned Vacation Pay:

Earned vacation pay consists of \$10,332,311 for general government and \$945,799 for proprietary funds.

Landfill Closure and Postclosure Costs:

The amount recorded as general governmental debt for landfill closure and postclosure costs is \$3,297,200.

D. Other Disclosures

Fixed Assets:

Fixed assets have been recorded in the General Fixed Assets Account Group and in the Proprietary Funds related to the installment financing agreements and other installment notes.

Legal Debt Margin:

The City's legal debt margin per State Statutes at June 30, 2001 is \$1,742,303,710.

Operating Leases:

During 2000-01 total rental payments on noncancelable operating leases was \$2,404,771. The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2001:

Fiscal Year Ending June 30	
2002	\$ 2,153,043
2003	1,515,649
2004	692,751
2005	84,764
2006	42,382
	<u>\$ 4,488,589</u>

During the year ended June 30, 2001 the City paid rent on a 99-acre tract of land for the calendar year 2001. During the term of this lease, the City and the landlord have option rights to invoke the sale/purchase of the property. During fiscal year 2001, the landlord exercised the sale option, and the City accepted, on one-fifth of the property. In the event that the landlord further exercises sale options and the City accepts, or the City exercises the purchase option, the City is committed to purchase the remaining property for \$2,200,000.

Note 5. Employee Retirement Plans

I. North Carolina Local Government Employees' Retirement System

Plan Description. The City contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Services Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80 percent and 4.47 percent, respectively, of annually covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2001, 2000, and 1999 were \$5,347,379, \$4,998,591, and \$4,479,152, respectively. The contributions made by the City equaled the required contributions for each year.

II. 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, 2001 were \$2,087,757, which consisted of \$1,404,809 from the City and \$682,948 from the law enforcement officers.

Law Enforcement Officers' Special Separation Allowance

Plan Description:

The City administers a public employee retirement system (the "Separation Allowance"); a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the City's report as a pension trust fund. A separate stand-alone report is not issued.

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2000, the Separation Allowance's membership consisted of:

Retirees and beneficiaries currently receiving benefits	96
Current active employees	<u>573</u>
Total	<u>669</u>

Summary of Significant Accounting Policies:

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan 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 plan.

Method Used to Value Investments. The City pools money from several funds, including the Law Enforcement Officers' Separation Allowance Fund. All such pooled cash and investments are considered cash and cash equivalents, which approximates fair value.

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 \$1,452,446, or 5.51 percent of annual covered payroll. 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. Administrative costs of the Separation Allowance plan are financed through investment earnings.

Annual Pension Cost and Net Pension Obligation:

The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Employer annual required contribution	\$ 1,323,397
Interest paid on pension obligation	(81,335)
Adjustment to annual required contribution	<u>156,044</u>
Annual pension cost	1,398,106
Employer contributions made for current fiscal year	<u>1,452,446</u>
Increase in net pension obligation	(54,340)
Net pension obligation beginning of fiscal year	<u>(1,121,858)</u>
Net pension obligation end of fiscal year	<u>\$ (1,176,198)</u>

The annual required contribution for the current year was determined as part of the December 31, 1999 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25 percent investment rate of return and (b) projected salary increases ranging from 4.4 percent to 8.5 percent per year. Item (b) included an inflation component of 3.75 percent. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 1999 was 10 years.

Trend Information:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
June 30, 1999	\$ 1,050,012	83.52%	\$ (1,060,980)
June 30, 2000	\$ 1,151,244	105.29%	\$ (1,121,858)
June 30, 2001	\$ 1,398,106	103.89%	\$ (1,176,198)

The negative amounts shown above as the net pension obligations represent asset amounts or prepaid expenses. At these year-ends, there was no net pension obligation. Other required supplementary information is included in the Required Supplemental Financial Data.

III. Supplemental Retirement Plan

Supplemental Retirement Plan – Section 401a

Plan Description. The City contributes matching amounts 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 managed by Chicago Trust Company with investment options being exercised by employees.

Funding Policy. For each eligible employee who contributes a minimum of .3 percent of salary to a Section 457 Supplemental Retirement Plan, the City contributes double this percentage of salary (to a maximum of 1.75 percent) into the 401a plan. During 2000-01, the City contributed \$913,823 to the plan.

Note 6. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the City to place a final cover on its Wilders Grove Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. By regulation, the landfill was closed for waste disposal on December 31, 1997. Although closure and postclosure care costs will be paid only near or after this date, the City reports a portion of these closure and postclosure care costs as general long-term obligations incurred in each period based on landfill capacity used as of each balance sheet date. The \$3,297,200 reported as landfill closure and postclosure liability as of June 30, 2001 represents the cumulative amount reported to date based on 100% of the estimated capacity of the landfill. This amount is based on what it would cost to perform remaining closure and postclosure care in 2001. 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 closure and postclosure care. The City is in compliance with these requirements, and, demonstrated such by completion of the local government financial test as submitted to the North Carolina Department of Environment and Natural Resources on October 27, 2000.

Note 7. Interfund Transactions

Individual fund interfund receivable and payable balances at June 30, 2001 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 882,914	\$ 14,325
Special Revenue Funds:		
Grants Fund	-	280,693
Sales Tax Fund	64,674	-
Community Development Fund	-	260,809
General Capital Projects Funds:		
Convention Center and Memorial Auditorium Fund	-	2,000,000
Enterprise Funds:		
Mass Transit Fund	-	305,116
Water and Sewer Fund	-	87,957
Parking Facilities Fund	2,000,000	-
Internal Service Funds:		
Equipment Replacement Fund	14,325	-
Fiduciary Funds:		
Occupancy Tax Fund	-	13,013
	<u>\$ 2,961,913</u>	<u>\$ 2,961,913</u>

A summary of interfund operating transfers by fund type for the fiscal year ended June 30, 2001 is as follows:

<u>Fund Type</u>	<u>Amount</u>
<u>Transfers from Other Funds</u>	
General Fund	\$ 16,236,572
Special Revenue Funds	2,234,496
General Capital Projects Funds	11,062,474
Enterprise Funds	8,640,566
Internal Service Funds	1,724,909
	<u>\$ 39,899,017</u>
<u>Transfers to Other Funds</u>	
General Fund	\$ 9,820,836
Special Revenue Funds	27,853,494
General Capital Projects Funds	402,556
Enterprise Funds	1,022,131
Internal Service Funds	800,000
	<u>\$ 39,899,017</u>

The following residual equity transfers were made for the fiscal year ended June 30, 2001:

<u>From</u>	<u>To</u>	<u>Amount</u>
General Capital Projects Funds: Street Improvement Fund	Enterprise Funds: Mass Transit Fund	\$ 109,458

Residual equity transfers to the Mass Transit Fund are reported as additions to contributed capital during the period in which these funds are utilized for the acquisition and construction of capital assets.

Note 8. Contributed Capital and Capital Contributions

Contributed Capital. Prior to July 1, 2000 grant proceeds and other contributions received for the purchase or construction of fixed assets and the fair market value of property donated or annexed by the City were accounted for as contributed capital within the applicable proprietary fund. In accordance with requirements of GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*, effective July 1, 2000 only contributions from other funds for such capital purposes are recognized as contributed capital. All other contributions to proprietary funds are recognized as capital contribution revenues within the applicable fund. Contributed capital which is externally restricted for capital acquisition or construction is amortized over the useful life of the related asset and transferred to retained earnings. The changes in contributed capital during the fiscal year 2000-01 are as follows:

Enterprise Funds:

	<u>Mass Transit Fund</u>	<u>Water and Sewer Fund</u>	<u>Parking Facilities Fund</u>	<u>Total</u>
Balance, Beginning of Year	\$ 8,611,717	\$ 169,836,181	\$ 11,045,639	\$ 189,493,537
Additions	288,989	-	-	288,989
Amortization	(950,519)	(4,517,017)	-	(5,467,536)
Balance, End of Year	<u>\$ 7,950,187</u>	<u>\$ 165,319,164</u>	<u>\$ 11,045,639</u>	<u>\$ 184,314,990</u>

The contributed capital balances for the Internal Service Funds at June 30, 2001 were as follows:

Print Services Fund	\$ 186,643
Equipment Replacement Fund	\$ 5,272,459

There was no contributed capital activity in the Internal Service Funds during 2000-01.

Capital Contributions. As noted above, external contributions to proprietary funds, previously accounted for as contributed capital are now recognized as revenues in accordance with GASB Statement No. 33. During fiscal year 2000-01, capital contributions were recognized in the applicable proprietary funds as follows:

Enterprise Funds:

	Mass Transit Fund	Water and Sewer Fund	Total
Federal and State Capital Grants	\$ 2,600,896	\$ -	\$ 2,600,896
Utilities Construction Assessments	-	1,223,661	1,223,661
Annexations and Developers Contributions	-	12,317,004	12,317,004
Town of Garner Utilities System Merger	-	32,966,458	32,966,458
Total Capital Contributions Revenue	<u>\$ 2,600,896</u>	<u>\$ 46,507,123</u>	<u>\$ 49,108,019</u>

There was no capital contribution activity in the Parking Facilities Fund or in the Internal Services Funds during 2000-01.

Note 9. Segment Information - Enterprise Funds

The City maintains three enterprise funds, which provide transit, water and sewer, and parking services. Segment information for the fiscal year ended June 30, 2001 is as follows (stated in thousands):

	Mass Transit Fund	Water and Sewer Fund	Parking Facilities Fund	Total Enterprise Funds
Operating Revenues	\$ 2,426	\$ 53,650	\$ 2,268	\$ 58,344
Depreciation Expense	1,061	11,954	831	13,846
Operating Income (Loss)	(9,593)	5,341	1,009	(3,243)
Operating Grants and Shared Revenues	3,258	-	-	3,258
Operating Transfers In (Out)	5,314	(822)	3,126	7,618
Capital Contributions	2,601	46,507	-	49,108
Net Income	1,469	50,420	3,389	55,278
Contributed Capital:				
Contributions	289	-	-	289
Fixed Assets:				
Additions	2,890	59,239	5,794	67,923
Deletions	1,234	3,812	2,973	8,019
Total Assets	14,137	571,849	57,095	643,081

continued

	<u>Mass Transit Fund</u>	<u>Water and Sewer Fund</u>	<u>Parking Facilities Fund</u>	<u>Total Enterprise Funds</u>
<u>Segment Information, continued</u>				
Bonds and Other Long- Term Obligations Payable from Operating Revenues	\$ 34	\$ 131,213	\$ 26,640	\$ 157,887
Total Equity	12,650	417,440	29,051	459,141

Note 10. Mass Transit Fund

The City established the Mass Transit Fund to account for the operations and capital acquisitions of the City-wide transit system, which is operated and managed by ATC Management Corporation under an agreement with the City. In 2000-01, the City paid ATC Management Corporation a fee of \$271,401 and reimbursed all losses incurred.

The City subsidizes all operating losses with assistance from the Federal Transit Administration and the State of North Carolina.

Note 11. Commitments and Contingencies

Claims and Legal Actions

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they are probable and reasonably estimable. At June 30, 2001, the City was party to various claims and legal actions; provision has been made in these financial statements for the estimated and contingent liabilities incident thereto. In the opinion of the City's legal counsel and management, the outcome of legal matters referred to above will not significantly impact the overall financial position of the City of Raleigh.

Commitment - Enterprise Funds

The City has entered into a raw water storage contract with the U. S. Corps of Engineers for raw water usage of up to 100 million gallons per day from Falls Lake. The contract requires that the City pay certain capital and operating costs of the lake which are dependent upon future costs of operation. It is estimated, at this time, that the future annual cost to the City will not exceed \$655,000.

Commitments - Construction Projects

At June 30, 2001, the City has \$8,782,738 in water and sewer project obligations. These obligations are fully budgeted and are being financed primarily by Federal and State loans, general obligation bond proceeds, and revenue bond proceeds.

In addition, the City has \$28,909,194 in general government project obligations at June 30, 2001. These obligations relate to such projects as street construction, redevelopment projects and community center and park construction. These projects are fully budgeted and the funding for these governmental projects is indicated through designations of fund balance at June 30, 2001.

Commitment - Loan Guarantees

The City is loan guarantor in two development programs, as follows. The City has provided a loan guaranty to Bank of America, in the amount of \$275,000. The guaranty provides the borrower, CMA

Associates Limited Partnership, financial assistance in connection with the construction and operation of an apartment project at City Market, in accordance with the City's Downtown Housing Redevelopment Program.

Also, the City has provided a loan guaranty to a program established by the City and twelve area financial institutions known as The Small Business Success Fund. The maximum amount of the guaranty is \$300,000. The guaranty provides funding to cover any loan losses incurred by the program, limited to thirty percent of the outstanding loans or \$300,000, whichever is less. At June 30, 2001, thirty percent of the outstanding loans totaled \$65,253.

Contingency – Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. The City has received such notice from the U.S. Department of Justice that grant funds in the amount of \$187,650 and interest of \$25,771 related to grant 98LBVX3277 must be returned. As a result of a financial monitoring review, the Department found that the grant funds were not expended during the grant expenditure period. The City is appealing the finding as the funds were fully obligated by contracts and purchase orders within the grant expenditure period. Payment was withheld pending satisfactory and complete performance by the vendors involved in the project. Management believes that this refund, if required, and any other refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Note 12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical and dental claims for employees, retirees, and dependents.

The City protects itself from potential loss through a combination of self-insurance retention plus the purchase of commercial insurance for various primary and excess coverages. There were no significant changes in insurance coverage from the prior year. No settlements, individually or in the aggregate, have exceeded the City's coverage limits or its own retention during the past three fiscal years.

City insurance coverages include General Liability, Automobile Liability, Police Liability, Automobile Comprehensive, Real and Personal Property, Municipal Equipment, Electronic Equipment, and Boiler and Machinery. For liability, the City self-insures the first \$1,000,000 per occurrence, with excess coverage of \$10,000,000 per occurrence and an annual aggregate stop-loss of \$3,000,000 purchased through the private sector. For property, the City self-insures the first \$100,000 per occurrence, with excess coverage up to the replacement value purchased through the private sector. The City continues to self insure for Public Officials Liability.

Workers' Compensation coverage is provided by a \$500,000 per occurrence self-insured retention with commercial excess coverage of \$1,000,000 on claims exceeding \$500,000.

The City provides medical and dental coverage for employees and retirees. Employees can provide dependent coverage, if desired.

The City, as allowed by GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, 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 \$7,943,183 reported for these two internal service funds at June 30, 2001, 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 2000-01 and 1999-00 are as follows:

	<u>2001</u>	<u>2000</u>
Insurance claims payable, beginning of year	\$ 7,511,634	\$ 7,246,222
Current year claims and changes in estimates	14,405,792	11,631,807
Claim payments	<u>(13,974,243)</u>	<u>(11,366,395)</u>
Insurance claims payable, end of year	<u>\$ 7,943,183</u>	<u>\$ 7,511,634</u>

The City reports the amount of its medical and dental trust that is not reported as claims liability at year-end as retained earnings of the Employees' Health Benefits Fund. As previously noted, this fund has a fund equity deficit at June 30, 2001 of \$1,480,115. The deficit results from the liability for claims incurred but not reported at June 30, 2001. All actual known claims at June 30, 2001 are fully funded. The liability for incurred but not reported claims will be funded from increases in the City's contributions and employee rate increases for dependent coverage.

At June 30, 2001, the City has cash reserves in the Risk Management Fund of \$3.4 million to cover future risk in excess of recognized liabilities. As noted, the recognized liabilities of the Employees' Health Benefits Fund in excess of available cash will be funded from contribution increases in 2001-02.

Note 13. Post-Employment Benefits

In addition to the pension benefits described in Note 5, City policy provides for post-employment health care and life insurance benefits for retired or disabled employees who have met eligibility requirements through age and/or service. The health care benefits terminate when individuals become eligible for Medicare coverage at age 65. For retirees over age 65, the City subsidizes the cost of a Blue Cross Blue Shield Medicare supplement plan by up to \$40 per month for each eligible retiree. Life insurance benefits range from \$1,000 to \$1,750, except for disability retirees whose benefit equals their insured annual salary amount at time of disability until age 65 when the coverage becomes \$1,750 depending on length of service.

At June 30, 2001, there were 570 City retirees receiving health care benefits, 180 of which also have dependent coverage. The City pays all of the cost of coverage for the retirees and those who select to have dependent health care pay for this at the City's group rate. In addition, 130 City retirees are currently enrolled in the City Medicare supplement plan. There are 819 City retirees who have life insurance benefits.

For the fiscal year ended June 30, 2001, the City paid \$959,835 for retiree health care coverage, \$65,480 for Medicare supplement coverage, and \$176,763 for retiree life insurance coverage. Medical and life insurance claims paid on retirees for the fiscal year ended June 30, 2001 were \$2,513,381 and \$89,912, respectively.

Note 14. Interest Expense

The City capitalizes material interest costs related to enterprise fund construction projects. The objective of interest capitalization is to reflect the total asset cost and to provide the related depreciation charges against revenues of future periods that benefit from the asset use. However, general government asset construction interest is not capitalized because general government resources are not measured in terms of related asset utilization.

Enterprise fund construction projects are normally financed with tax-exempt borrowings and grants. Interest earnings on the investment of borrowings and grant proceeds during the construction period were netted against interest costs incurred for purposes of determining the amount of interest subject to capitalization. The net interest capitalized for fiscal year 2001 was \$230,942.

The total interest paid during fiscal year 2001 in the enterprise, governmental and internal service funds was \$6,552,265, \$6,324,449, and \$431,603, respectively.

Note 15. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2001 excesses of expenditures over appropriations at the level of budget ordinance control consist of the following:

	<u>Actual</u>	<u>Budget</u>	<u>Over Budget</u>
General Fund:			
Refunds and Other	\$ 5,654	\$ 976	\$ 4,678
Water and Sewer Operating Fund:			
Refunds and Other	78,453	-	78,453
Bad Debt Expense	544,086	-	544,086

Note 16. Deferred Revenue

The City records General Fund receivable amounts as deferred revenue when the amounts are not considered to be both measurable and available. Deferred revenue is also reported in the Special Revenue and General Capital Project Funds for certain other amounts, which have been received by the City but are not considered earned at year-end.

At June 30, 2001, the following amounts were recorded as deferred revenue:

	<u>General</u>	<u>Special Revenue</u>	<u>General Capital Projects</u>
Amounts Arising from Cash:			
Police Informant Fund	\$ 41,662	\$ -	\$ -
Cemetery Cash Fund	7,836	-	-
Cafeteria Plan Cash	13,928	-	-
Deferred Vehicle Taxes	339,048	-	-
Grants, Program Income	-	828,281	-
	<u>\$ 402,474</u>	<u>\$ 828,281</u>	<u>\$ -</u>
Amounts not Arising from Cash:			
Assessments Receivable	257,575	-	521,368
Taxes Receivable	1,561,553	-	-
Loans Receivables	519,314	26,897,806	-
	<u>2,338,442</u>	<u>26,897,806</u>	<u>521,368</u>
Total	<u>\$ 2,740,916</u>	<u>\$ 27,726,087</u>	<u>\$ 521,368</u>

Note 17. Related Organizations

The Raleigh Housing Authority. The Raleigh Housing Authority (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 City has loaned the Raleigh Housing Authority funds to provide specific maintenance services. The loans are presently being repaid and are accounted for in the City's financial statements. The Authority does not meet the criteria to be included in the City's financial reporting entity.

The Raleigh Historic Districts Commission, Inc. The Raleigh Historic Districts Commission, Inc. (Commission) 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. Revenues to support the Commission come from private contributions and grants from local and state governments. The City provides ongoing financial support for the Commission, which is included in the City's financial statements. 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 capital lease with the City. The corporation does not meet the criteria to be included in the City's financial reporting entity.

Note 18. 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 county-wide room occupancy tax and a prepared food and beverage tax. The proceeds and distributions of the taxes are accounted for in an expendable trust 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.

During 2000-01, the City received distributions of \$3,000,000 from the trust for the construction and support of the Performing Arts and Convention Center Complex. At June 30, 2001 the balance in the trust maintained by the County was \$4,418,658, which is not available to the City except for current and future projects jointly determined by the City and the County. The City will receive \$1,000,000 in 2001-02 for the continuing support of the Performing Arts and Convention Center Complex.

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.

Note 19. Joint Venture

The Greater Raleigh Convention and Visitors Bureau. The Greater Raleigh Convention and Visitors Bureau (Bureau) promotes and solicits business, conventions, meeting and tourism in Wake County. The Bureau receives its primary revenue from a county-wide 6 percent 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, 2001. All unexpended funds of the Bureau revert to the County and City at the end of the fiscal year. Except for an investment in fixed 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, 2001. Full financial statements for the Bureau can be obtained at the Greater Raleigh Convention and Visitors Bureau, Post Office Box 1879, Raleigh, North Carolina 27602. The Bureau does not meet the criteria to be included in the City's financial reporting entity.

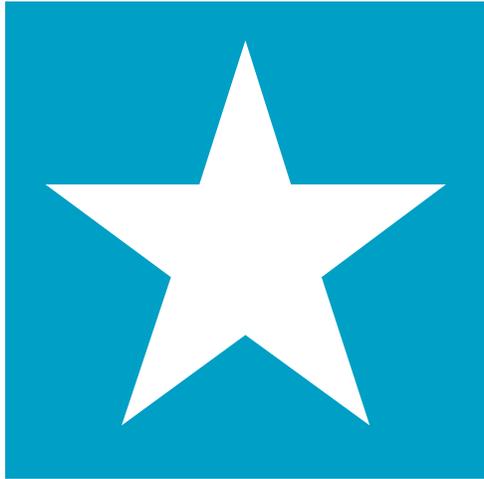
Note 20. Jointly Governed Organizations

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.

Triangle J Council of Governments. The City, in conjunction with three counties and 22 other municipalities, are members of the Triangle J Council of Governments (the "Council"). The participating 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 \$72,842 to the Council during the fiscal year ended June 30, 2001. The Council does not meet the criteria to be included in the City's financial reporting entity.

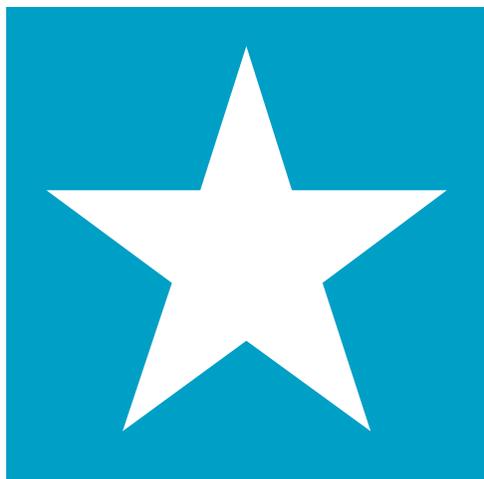
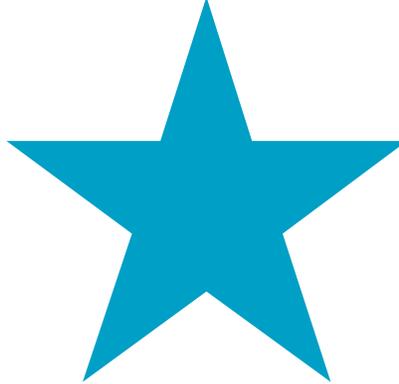
Note 21. Town of Garner Utilities System Merger

Effective March 1, 2001 the City and the Town of Garner, North Carolina, completed the merger of water and sewer utility systems. Under the terms of the merger agreement, all assets, liabilities, equity and operations of the Town of Garner's water and sewer utilities, except for the general long-term debt, were transferred to the City. Net assets transferred to the City totaled \$37,462,440. The City is responsible for all operating activities and capital requirements of the merged system. The merger agreement requires the City to pay all amounts necessary to the Town of Garner to make all debt service payments when due and payable on the general long-term debt. The City has escrowed \$4,495,982, which represents the discounted present value of the general long-term debt for this purpose. Other significant terms of the merger agreement require the City to undertake and complete planned system upgrades and improvements totaling \$16,738,000, or alternative upgrade and improvement projects that accomplish the same purposes. The City's 2002-2006 Capital Improvement Program includes projects totaling \$16,967,000 for upgrades and improvements to the Town of Garner service area.



The Required Supplemental Financial Data contains additional information required by generally accepted accounting principles. Included are the following:

1. Law Enforcement Officers' Special Separation Allowance - Schedule of Funding Progress
2. Law Enforcement Officers' Special Separation Allowance - Schedule of Employer Contributions



REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information on the Law Enforcement Officers' Special Separation Allowance required by generally accepted accounting principles, as follows:

Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.

Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.



City of Raleigh

LAW ENFORCEMENT OFFICERS'
SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1995*	\$ 3,596,157	\$ 7,849,877	\$ 4,253,720	45.8%	\$ 18,897,341	22.5%
1996*	3,761,185	8,446,583	4,685,398	44.5	19,863,415	23.6
1997*	3,186,605	9,013,206	5,826,601	35.4	21,206,732	27.5
1998*	3,354,728	9,466,479	6,111,751	35.4	22,011,883	27.8
1999*	3,409,122	10,620,023	7,210,901	32.1	24,933,594	28.9
2000*	3,654,553	14,516,388	10,861,835	25.2	26,391,242	41.2

Notes:

*Information presented as of December 31 actuarial valuation date.

City of Raleigh

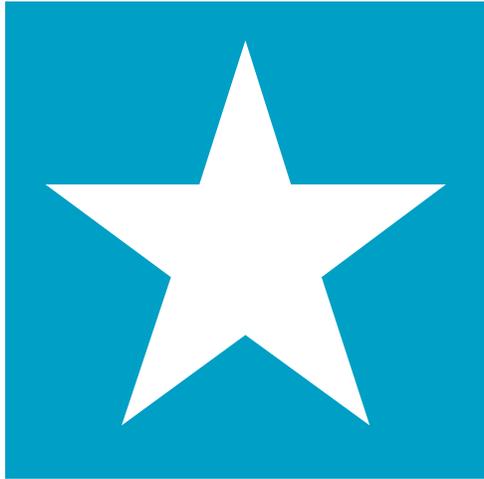
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
1996	\$ 542,479	105.9%
1997	740,776	98.6
1998	678,733	128.9
1999	987,319	88.8
2000	1,089,836	111.2
2001	1,323,397	110.0

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

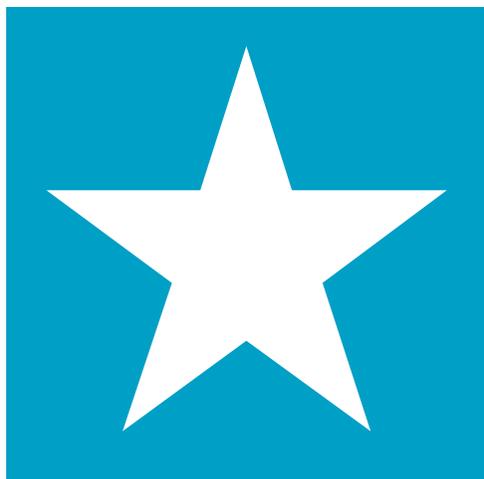
Valuation date	December 31, 2000
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	20 Years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increase*	5.9% to 9.8%
*Includes inflation at	3.75%
Cost of living adjustments	N/A



The Detailed Financial Statements and Schedules reflect the detail level of presentation behind the General Purpose Financial Statements.

Included are the following:

1. Combining Statements - By Fund Type
2. Individual Fund Schedules with Comparisons to Budget
3. Account Groups Schedules
4. Other Schedules



GENERAL FUND



City of Raleigh

BALANCE SHEET GENERAL FUND June 30, 2001

<u>ASSETS</u>	<u>June 30, 2001</u>
Cash and Cash Equivalents	\$ 92,850,722
Taxes Receivable, Net of Allowance for Uncollectibles of \$5,534,798 in 2001	1,561,554
Assessments Receivable, Net of Allowance for Uncollectibles of \$13,557 in 2001	257,575
Due from Other Governmental Agencies	1,828,111
Accrued Interest Receivable	552,278
Other Receivables	1,449,875
Sales Tax Receivable	7,496,612
Due from Other Funds	882,914
Inventories	1,886,523
Other Assets	226,008
Loans Receivable	519,314
Total Assets	<u>\$ 109,511,486</u>

LIABILITIES AND FUND EQUITY

Liabilities:	
Accounts Payable	\$ 4,165,854
Accrued Salaries and Employer Payroll Taxes	3,397,050
Employee Taxes and Related Withholdings	2,580,851
Due to Other Funds	14,325
Other Liabilities	1,662,929
Deferred Revenues for Taxes, Assessments and Other Receivables	2,740,916
Total Liabilities	<u>14,561,925</u>

Fund Equity:	
Fund Balance:	
Reserved for Inventories	1,886,523
Reserved by State Statute	14,476,441
Reserved for Encumbrances	3,656,360
Unreserved:	
Designated for Subsequent Year's Appropriation	16,327,239
Designated for Specific Purposes	20,859,935
Undesignated	37,743,063
Total Fund Equity	<u>94,949,561</u>
Total Liabilities and Fund Equity	<u>\$ 109,511,486</u>

City of Raleigh

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND

For the Fiscal Year Ended June 30, 2001

	<u>June 30, 2001</u>
Revenues:	
Ad Valorem Taxes	\$ 96,360,232
Intergovernmental	22,001,482
Local Sales Tax	26,332,832
Licenses	7,923,849
Interest on Investments	6,943,004
Inspection Fees	7,750,093
Highway Maintenance Refunds	748,584
Other Fees and Charges	18,030,797
Other Revenue	1,244,295
Total Revenues	<u>187,335,168</u>
Other Financing Sources:	
Operating Transfers In	16,236,572
Additions from Installment Note Obligations	7,885
Total Other Financing Sources	<u>16,244,457</u>
Total Revenues and Other Financing Sources	<u>203,579,625</u>
Expenditures:	
General Government	27,050,488
Community Development Services	28,491,794
Public Safety	77,045,994
Solid Waste Services	16,546,626
Leisure Services	28,989,614
Other Expenditures	13,539
Debt Service	16,020,825
Total Expenditures Before Charge-Out	<u>194,158,880</u>
Less: Administrative Costs Charged to Water and Sewer Fund	<u>6,414,289</u>
Total Expenditures	<u>187,744,591</u>
Other Financing Uses:	
Operating Transfers Out	<u>9,820,836</u>
Total Expenditures and Other Financing Uses	<u>197,565,427</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	6,014,198
Fund Balance - Beginning of Year	88,935,363
Fund Balance - End of Year	<u>\$ 94,949,561</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2001

	Actual	Budget	Over (Under) Budget
Revenues:			
Ad Valorem Taxes:			
Current Year Tax Levy	\$ 94,144,891	\$ 89,500,000	\$ 4,644,891
Last Year Tax Levy	1,645,797	1,671,338	(25,541)
Prior Years Tax Levies	228,691	200,000	28,691
Tax Penalties and Costs	340,853	200,000	140,853
	<u>96,360,232</u>	<u>91,571,338</u>	<u>4,788,894</u>
Intergovernmental:			
N.C. Intangibles Tax	2,197,389	2,250,000	(52,611)
N.C. Franchise Tax	12,542,405	11,800,000	742,405
N.C. Beer and Wine Tax	1,192,423	1,170,000	22,423
ABC Revenues	613,862	600,000	13,862
Payment in Lieu of Taxes	817,064	795,250	21,814
Fire Protection Reimbursement	917,480	917,480	-
N.C. Property Tax Reimbursement	3,410,739	3,450,000	(39,261)
Tax Exemption Reimbursement	-	75,000	(75,000)
Food Stamp Reimbursement	64,375	68,000	(3,625)
County Hazmat Support	132,393	132,393	-
County EMD Support	113,352	104,713	8,639
	<u>22,001,482</u>	<u>21,362,836</u>	<u>638,646</u>
Local Sales Tax	<u>26,332,832</u>	<u>26,800,000</u>	<u>(467,168)</u>
Licenses:			
Schedule B - Privilege	2,129,900	1,900,000	229,900
Beer and Wine	20,821	17,000	3,821
Automobile	3,086,110	3,000,000	86,110
Taxi	7,954	6,000	1,954
Dog/Cat	37,335	35,000	2,335
Regulatory License	35,886	27,000	8,886
Cablevision	2,436,478	2,200,000	236,478
CTV Equipment Revenue	169,365	172,000	(2,635)
	<u>7,923,849</u>	<u>7,357,000</u>	<u>566,849</u>
Interest on Investments	<u>6,943,004</u>	<u>5,230,000</u>	<u>1,713,004</u>
Inspections Fees:			
Inspection Fees - Heating, Ventilating and Air Conditioning	918,042	725,000	193,042
Inspection Fees - Building	1,686,868	1,425,000	261,868
Inspection Fees - Plumbing	1,007,441	775,000	232,441
Inspection Fees - Electrical	1,199,872	865,000	334,872
Inspection Fees - Sprinkler	125,513	76,000	49,513
Inspection Fees - Fire	134,592	145,000	(10,408)
Zoning and Subdivision Fees	232,713	120,000	112,713
Erosion Control Fees	409,422	520,000	(110,578)

Continued

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2001

	Actual	Budget	Over (Under) Budget
Inspections Fees (Continued):			
Inspection Violation Penalties	\$ 68,014	\$ 35,000	\$ 33,014
Express Service Fees	964,950	810,000	154,950
Permit Fees and Other Fees	1,002,666	1,014,036	(11,370)
	<u>7,750,093</u>	<u>6,510,036</u>	<u>1,240,057</u>
Highway Maintenance Refunds:			
Highway Code Maintenance Refunds	68,445	25,000	43,445
Highway Park Maintenance Refunds	362,805	320,000	42,805
Highway Traffic Maintenance Refunds	317,334	360,000	(42,666)
	<u>748,584</u>	<u>705,000</u>	<u>43,584</u>
Other Fees and Charges:			
Solid Waste:			
Residential Solid Waste Fees	1,289,097	1,250,000	39,097
Roll Off Disposal Fees	-	3,444	(3,444)
Drop Off/Curbside Recycling Fees	644,133	497,831	146,302
Tax Exempt Collection Fees	50,044	35,000	15,044
Landfill Gas Recovery	72,309	75,000	(2,691)
Yardwaste Sales and Tipping Fees	483,711	365,000	118,711
	<u>2,539,294</u>	<u>2,226,275</u>	<u>313,019</u>
Parks and Recreation:			
Athletic Fees	309,735	323,000	(13,265)
Community Centers	241,329	215,000	26,329
Walnut Creek Softball	130,736	155,000	(24,264)
Playground Program	252,452	292,000	(39,548)
Cemetery Lots and Services	78,168	65,000	13,168
Registration and Other Fees	4,028,303	4,471,976	(443,673)
	<u>5,040,723</u>	<u>5,521,976</u>	<u>(481,253)</u>
Convention Center:			
Event Personnel	1,112,904	1,005,000	107,904
Memorial Auditorium Rent	497,165	420,000	77,165
Convention Center Rent	688,179	575,000	113,179
Equipment Rent	265,688	200,000	65,688
Parking Fees	203,177	330,000	(126,823)
Other Fees and Charges	1,930,271	2,382,500	(452,229)
	<u>4,697,384</u>	<u>4,912,500</u>	<u>(215,116)</u>
Other Fees and Charges:			
Miscellaneous:			
Dog/Cat Violation Penalties	1,440	3,000	(1,560)
Emergency Communications - Municipal Shares	868,377	915,359	(46,982)
Nuisance Abatements	57,367	50,000	7,367

Continued

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2001

	Actual	Budget	Over (Under) Budget
Other Fees and Charges (Continued):			
Miscellaneous			
Amphitheatre Rent	\$ 1,326,055	\$ 1,100,000	\$ 226,055
Special Loads and Chippers	45,030	30,000	15,030
Parking Violation Penalties	462,694	660,596	(197,902)
Homeless Shelter	1,687	-	1,687
Arrest Fees	210,749	125,000	85,749
Taxi Drivers Fees	2,857	3,500	(643)
Parking Meter Receipts	61,583	38,795	22,788
Parking Violation Court Costs	1,014	-	1,014
Cafeteria Receipts	15,300	15,000	300
Encroachment Right of Way	75,785	61,000	14,785
Mental Commitment Billing Fees	8,868	12,500	(3,632)
Miscellaneous Income	2,093,809	1,238,880	854,929
Gas Tax Refund	211,279	260,000	(48,721)
Tax on Rental Vehicles	302,215	-	302,215
Rental Income	7,287	7,500	(213)
	<u>5,753,396</u>	<u>4,521,130</u>	<u>1,232,266</u>
Total Other Fees and Charges	<u>18,030,797</u>	<u>17,181,881</u>	<u>848,916</u>
Other Revenue:			
Interlocal Agreement - Net City Revenues	1,020,615	950,000	70,615
False Alarm Billing Fees	79,699	50,000	29,699
Contributions	143,981	80,500	63,481
	<u>1,244,295</u>	<u>1,080,500</u>	<u>163,795</u>
Total Revenues	<u>187,335,168</u>	<u>177,798,591</u>	<u>9,536,577</u>
Other Financing Sources:			
Operating Transfers From:			
Housing Development Fund	386,293	386,293	-
Sales Tax Fund	11,583,067	11,583,067	-
Powell Bill Fund	2,800,000	2,800,000	-
Water and Sewer Operating Fund	667,212	667,212	-
Equipment Replacement Fund	800,000	800,000	-
Total Operating Transfers In	<u>16,236,572</u>	<u>16,236,572</u>	<u>-</u>
Additions from Installment Note Obligations	<u>7,885</u>	<u>7,885</u>	<u>-</u>
Total Other Financing Sources	<u>16,244,457</u>	<u>16,244,457</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 203,579,625</u>	<u>194,043,048</u>	<u>\$ 9,536,577</u>
Fund Balance Appropriated		<u>25,461,246</u>	
		<u>\$ 219,504,294</u>	

Continued

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2001

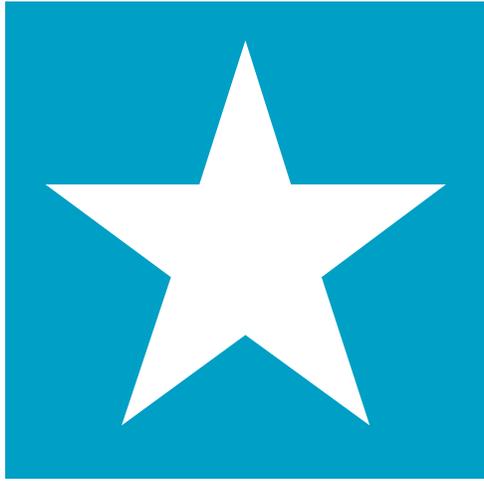
	Actual	Budget	Over (Under) Budget
Expenditures:			
General Government:			
Office of City Council	\$ 241,424	\$ 257,424	\$ (16,000)
Office of City Clerk	340,883	416,638	(75,755)
Office of City Attorney	823,304	845,575	(22,271)
Special Appropriations	6,338,643	7,610,306	(1,271,663)
Agency Appropriations	1,973,390	2,287,609	(314,219)
Office of City Manager	1,119,564	1,164,654	(45,090)
Public Affairs Office	431,128	433,237	(2,109)
Arts Office	112,084	134,491	(22,407)
Personnel Department	1,736,945	1,929,437	(192,492)
Administrative Services Department:			
Administrative Services	1,084,901	1,158,323	(73,422)
Vehicle Fleet Services	7,421,779	8,253,352	(831,573)
Vehicle Shop Credits	(6,070,849)	(7,330,037)	1,259,188
Finance Department	5,786,957	6,844,655	(1,057,698)
Information Services Department	5,710,335	7,365,428	(1,655,093)
Total General Government	<u>27,050,488</u>	<u>31,371,092</u>	<u>(4,320,604)</u>
Community Development Services:			
Central Engineering Department	4,553,494	5,098,815	(545,321)
Planning Department	2,379,647	2,496,323	(116,676)
Transportation Department	11,759,841	13,576,864	(1,817,023)
Inspections Department	8,210,051	8,686,305	(476,254)
Community Services Department	1,261,789	1,492,745	(230,956)
Economic Development	326,972	621,216	(294,244)
Total Community Development Services	<u>28,491,794</u>	<u>31,972,268</u>	<u>(3,480,474)</u>
Public Safety:			
Emergency Communications Center	3,382,044	3,696,289	(314,245)
Police Department	47,785,060	53,626,245	(5,841,185)
Fire Department	25,878,890	27,191,930	(1,313,040)
Total Public Safety	<u>77,045,994</u>	<u>84,514,464</u>	<u>(7,468,470)</u>
Solid Waste Services	<u>16,546,626</u>	<u>17,126,215</u>	<u>(579,589)</u>
Leisure Services:			
Convention Center	6,216,767	6,604,236	(387,469)
Parks and Recreation Department	17,336,075	19,103,802	(1,767,727)
Revenue and Special Facilities	3,033,263	3,538,972	(505,709)
Continuing Recreation Activities	2,403,509	4,384,149	(1,980,640)
Total Leisure Services	<u>28,989,614</u>	<u>33,631,159</u>	<u>(4,641,545)</u>

Continued

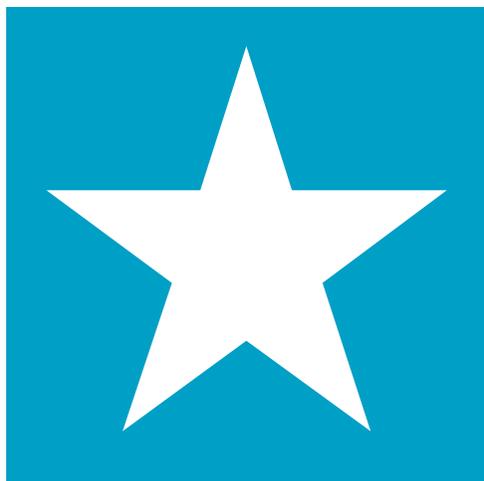
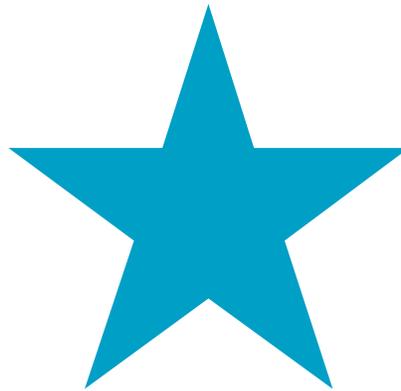
City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2001

	Actual	Budget	Over (Under) Budget
Other Expenditures:			
Refunds and Other	\$ 5,654	\$ 976	\$ 4,678
Capital Outlay - Installment Note Obligations	7,885	7,885	-
Total Other Expenditures	<u>13,539</u>	<u>8,861</u>	<u>4,678</u>
General Debt Service:			
Principal and Interest	15,961,679	16,973,451	(1,011,772)
Other Debt Service Expenditures	59,146	175,600	(116,454)
Total Debt Service	<u>16,020,825</u>	<u>17,149,051</u>	<u>(1,128,226)</u>
Total Expenditures Before Charge-Out	194,158,880	215,773,110	(21,614,230)
Less: Administrative Costs Charged to Water and Sewer Fund	6,414,289	6,331,595	82,694
Total Expenditures	<u>187,744,591</u>	<u>209,441,515</u>	<u>(21,696,924)</u>
Other Financing Uses:			
Operating Transfers To:			
Grants Fund	783,276	784,077	(801)
Sales Tax Fund	1,101,133	1,101,133	-
Housing Development Fund	320,587	320,587	-
Street Improvement Fund	50,700	50,700	-
Park Improvement Fund	156,193	156,193	-
Miscellaneous Capital Improvements Fund	5,300	5,300	-
Mass Transit Fund	4,941,015	5,182,157	(241,142)
Parking Facilities Operating Fund	2,376,493	2,376,493	-
Print Services Fund	1,228	1,228	-
Equipment Replacement Fund	84,911	84,911	-
Total Other Financing Uses	<u>9,820,836</u>	<u>10,062,779</u>	<u>(241,943)</u>
Total Expenditures and Other Financing Uses	<u>\$ 197,565,427</u>	<u>\$ 219,504,294</u>	<u>\$ (21,938,867)</u>



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 Powell Bill funds, the two half-cent supplemental sales tax proceeds, housing development and bond funds, and various grant revenues.



SPECIAL REVENUE FUNDS

Grants 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 transportation assistance. This fund centralizes all funding sources for these activities and provides for full budgetary accountability.

Sales Tax Fund - The Sales Tax Fund accounts for revenue from the two half-cent local option sales tax proceeds. This revenue, which is in addition to the regular one cent sales tax collected in the General Fund, may be used for basic governmental purposes.

Housing Development Fund - The Housing Development Fund accounts for City housing development programs, which are funded from City general revenues.

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

Community Development 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.

Powell Bill Fund - The Powell Bill Fund accounts for the receipts and expenditures of the one cent sales tax on motor fuel, which is distributed to municipalities for local street improvement and maintenance. Allocation of this state tax is on the basis of local street mileage and population data.

Disaster Recovery Fund - The Disaster Recovery Fund accounts for federal and state reimbursement for disaster recovery activities resulting from various natural disasters and the City's Flood Mitigation Program.



City of Raleigh

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
June 30, 2001

<u>ASSETS</u>	<u>Grants Fund</u>	<u>Sales Tax Fund</u>	<u>Housing Development Fund</u>
Cash and Cash Equivalents	\$ 498,611	\$ 8,474,937	\$ 2,524,675
Due from Other Governmental Agencies - Grant Agreements	734,835	146,349	-
Accrued Interest Receivable	-	38,494	10,863
Sales Tax Receivable	38,967	4,129,067	5,061
Due from Other Funds	-	64,674	-
Loans Receivable	-	-	2,790,781
Cash and Cash Equivalents/Investment - Restricted Deposits and Bond Proceeds	-	-	-
Total Assets	<u>\$ 1,272,413</u>	<u>\$ 12,853,521</u>	<u>\$ 5,331,380</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	\$ 229,198	\$ 390,332	\$ 3,227
Rehabilitation Loans Escrow	-	80,850	155,273
Due to Other Funds	280,693	-	-
Other Liabilities	-	19,535	-
Deferred Revenue - Loans	-	-	2,790,781
Deferred Revenue - Grants	733,078	-	-
Total Liabilities	<u>1,242,969</u>	<u>490,717</u>	<u>2,949,281</u>
Fund Equity:			
Fund Balances:			
Unreserved:			
Designated for Subsequent Year's Appropriation	-	7,734,459	2,255,120
Designated for Specific Purposes	-	3,246,478	-
Undesignated	29,444	1,381,867	126,979
Total Fund Equity	<u>29,444</u>	<u>12,362,804</u>	<u>2,382,099</u>
Total Liabilities and Fund Equity	<u>\$ 1,272,413</u>	<u>\$ 12,853,521</u>	<u>\$ 5,331,380</u>

Housing Bond Fund	Community Development Fund	Powell Bill Fund	Disaster Recovery Fund	June 30, 2001
\$ 6,090,759	\$ 94,232	\$ 1,087,876	\$ 1,033,651	\$ 19,804,741
-	783,731	-	580,095	2,245,010
27,688	-	4,932	-	81,977
1,906	18,404	-	317	4,193,722
-	-	-	-	64,674
12,846,896	11,260,129	-	-	26,897,806
1,166,368	-	-	-	1,166,368
<u>\$ 20,133,617</u>	<u>\$ 12,156,496</u>	<u>\$ 1,092,808</u>	<u>\$ 1,614,063</u>	<u>\$ 54,454,298</u>

\$ 15,180	\$ 9,431	\$ -	\$ 36,866	\$ 684,234
-	530,924	-	-	767,047
-	260,809	-	-	541,502
49,379	-	-	-	68,914
12,846,896	11,260,129	-	-	26,897,806
-	95,203	-	-	828,281
<u>12,911,455</u>	<u>12,156,496</u>	<u>-</u>	<u>36,866</u>	<u>29,787,784</u>

6,920,559	-	-	-	16,910,138
-	-	-	1,577,197	4,823,675
301,603	-	1,092,808	-	2,932,701
<u>7,222,162</u>	<u>-</u>	<u>1,092,808</u>	<u>1,577,197</u>	<u>24,666,514</u>
<u>\$ 20,133,617</u>	<u>\$ 12,156,496</u>	<u>\$ 1,092,808</u>	<u>\$ 1,614,063</u>	<u>\$ 54,454,298</u>

City of Raleigh

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2001

	Grants Fund	Sales Tax Fund	Housing Development Fund	Housing Bond Fund
Revenues:				
Intergovernmental	\$ 2,550,630	\$ 346,349	\$ -	\$ -
Local Sales Tax	-	16,188,823	-	-
Interest on Investments	-	963,044	122,592	442,141
Rents	-	-	335,671	-
Miscellaneous Other	189,536	66,855	155,031	663,871
Total Revenues	<u>2,740,166</u>	<u>17,565,071</u>	<u>613,294</u>	<u>1,106,012</u>
Other Financing Sources:				
Operating Transfers In	783,276	1,930,633	824,906	1,479,000
Total Revenues and Other Financing Sources	<u>3,523,442</u>	<u>19,495,704</u>	<u>1,438,200</u>	<u>2,585,012</u>
Expenditures:				
Current:				
General Government	148,478	-	-	-
Community Development Services	1,134,617	-	687,856	-
Public Safety	1,799,340	-	-	-
Leisure Services	349,392	-	-	-
Economic Development Programs	-	-	-	3,129,912
Capital Outlay	-	4,156,527	-	-
Other Expenditures	91,615	-	-	-
Total Expenditures	<u>3,523,442</u>	<u>4,156,527</u>	<u>687,856</u>	<u>3,129,912</u>
Other Financing Uses:				
Operating Transfers Out	-	19,542,200	871,294	504,319
Total Expenditures and Other Financing Uses	<u>3,523,442</u>	<u>23,698,727</u>	<u>1,559,150</u>	<u>3,634,231</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(4,203,023)	(120,950)	(1,049,219)
Fund Balances - Beginning of Year	<u>29,444</u>	<u>16,565,827</u>	<u>2,503,049</u>	<u>8,271,381</u>
Fund Balances - End of Year	<u>\$ 29,444</u>	<u>\$ 12,362,804</u>	<u>\$ 2,382,099</u>	<u>\$ 7,222,162</u>

Community Development Fund	Powell Bill Fund	Disaster Recovery Fund	Combining Eliminations	June 30, 2001
\$ 5,030,775	\$ 8,416,376	\$ 2,789,924	\$ -	\$ 19,134,054
-	-	-	-	16,188,823
-	328,029	-	-	1,855,806
-	-	-	-	335,671
<u>1,838,896</u>	<u>-</u>	<u>30,649</u>	<u>-</u>	<u>2,944,838</u>
<u>6,869,671</u>	<u>8,744,405</u>	<u>2,820,573</u>	<u>-</u>	<u>40,459,192</u>
-	-	-	(2,783,319)	2,234,496
<u>6,869,671</u>	<u>8,744,405</u>	<u>2,820,573</u>	<u>(2,783,319)</u>	<u>42,693,688</u>
-	-	-	-	148,478
6,869,671	-	2,809,518	-	11,501,662
-	-	-	-	1,799,340
-	-	-	-	349,392
-	-	-	-	3,129,912
-	6,737	-	-	4,163,264
-	-	-	-	91,615
<u>6,869,671</u>	<u>6,737</u>	<u>2,809,518</u>	<u>-</u>	<u>21,183,663</u>
-	8,519,000	1,200,000	(2,783,319)	27,853,494
<u>6,869,671</u>	<u>8,525,737</u>	<u>4,009,518</u>	<u>(2,783,319)</u>	<u>49,037,157</u>
-	218,668	(1,188,945)	-	(6,343,469)
-	874,140	2,766,142	-	31,009,983
<u>\$ -</u>	<u>\$ 1,092,808</u>	<u>\$ 1,577,197</u>	<u>\$ -</u>	<u>\$ 24,666,514</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 GRANTS FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental:					
U.S. Department of Transportation	\$ 399,460	\$ 536,188	\$ 935,648	\$ 1,890,151	\$ (954,503)
Corporation for National and Community Service	100,653	301,986	402,639	579,405	(176,766)
U.S. Forest Service	-	8,804	8,804	20,000	(11,196)
U.S. Department of Justice	1,232,205	1,417,275	2,649,480	4,547,892	(1,898,412)
U.S. Environmental Protection Agency	40,157	107,338	147,495	200,000	(52,505)
State of North Carolina	15,037	58,899	73,936	314,162	(240,226)
Wake County	120,695	120,140	240,835	445,440	(204,605)
	1,908,207	2,550,630	4,458,837	7,997,050	(3,538,213)
Miscellaneous Other	65,772	189,536	255,308	252,247	3,061
Total Revenues	1,973,979	2,740,166	4,714,145	8,249,297	(3,535,152)
Other Financing Sources:					
Operating Transfer From General Fund	575,764	783,276	1,359,040	2,013,216	(654,176)
Total Revenues and Other Financing Sources	\$ 2,549,743	\$ 3,523,442	\$ 6,073,185	\$ 10,262,513	\$ (4,189,328)
Expenditures:					
General Government	\$ 40,157	\$ 148,478	\$ 188,635	\$ 430,678	\$ (242,043)
Community Development Services	663,500	1,134,617	1,798,117	3,159,966	(1,361,849)
Public Safety	1,495,749	1,799,340	3,295,089	5,574,851	(2,279,762)
Leisure Services	296,055	349,392	645,447	948,743	(303,296)
Other	54,282	91,615	145,897	148,275	(2,378)
Total Expenditures	\$ 2,549,743	\$ 3,523,442	\$ 6,073,185	\$ 10,262,513	\$ (4,189,328)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 SALES TAX FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental:					
U.S. Department of Commerce	\$ 444,051	\$ 55,949	\$ 500,000	\$ 500,000	\$ -
State of North Carolina	105,000	45,200	150,200	250,000	(99,800)
Wake County	300,000	200,000	500,000	500,000	-
Triangle Transit Authority	-	45,200	45,200	50,000	(4,800)
Local Sales Tax	-	16,188,823	16,188,823	16,575,000	(386,177)
Interest on Investments	-	963,044	963,044	800,000	163,044
Miscellaneous Other	207,500	66,855	274,355	207,500	66,855
Total Revenues	1,056,551	17,565,071	18,621,622	18,882,500	(260,878)
Other Financing Sources:					
Operating Transfers From:					
General Fund	-	1,101,133	1,101,133	1,101,133	-
Disaster Recovery Fund	-	800,000	800,000	800,000	-
Miscellaneous Capital Improvements Fund	-	29,500	29,500	29,500	-
Total Other Financing Sources	-	1,930,633	1,930,633	1,930,633	-
Total Revenues and Other Financing Sources	\$ 1,056,551	\$ 19,495,704	\$ 20,552,255	20,813,133	\$ (260,878)
Fund Balance Appropriated				21,363,449	
				\$ 42,176,582	
Expenditures:					
Capital Outlay	\$ 9,224,925	\$ 4,156,527	\$ 13,381,452	\$ 21,746,494	\$ (8,365,042)
Other Financing Uses:					
Operating Transfers To:					
General Fund	-	11,583,067	11,583,067	11,583,067	-
Housing Bond Fund	-	594,000	594,000	594,000	-
Street Improvement Fund	-	45,000	45,000	45,000	-
Sidewalk Fund	-	58,133	58,133	58,133	-
Park Improvement Fund	-	1,501,000	1,501,000	1,501,000	-
Miscellaneous Capital Improvements Fund	-	1,761,000	1,761,000	1,761,000	-
Convention Center and Memorial Auditorium Projects Fund	-	800,000	800,000	800,000	-
Stormwater Projects Fund	-	750,000	750,000	750,000	-
Mass Transit Fund	828,158	-	828,158	887,888	(59,730)
Parking Facilities Capital Projects Fund	-	950,000	950,000	950,000	-
Equipment Replacement Fund	-	1,500,000	1,500,000	1,500,000	-
Total Other Financing Uses	828,158	19,542,200	20,370,358	20,430,088	(59,730)
Total Expenditures and Other Financing Uses	\$ 10,053,083	\$ 23,698,727	\$ 33,751,810	\$ 42,176,582	\$ (8,424,772)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 HOUSING DEVELOPMENT FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental	\$ 11,509	\$ -	\$ 11,509	\$ 11,509	\$ -
Interest on Investments	-	122,592	122,592	88,613	33,979
Rents	-	335,671	335,671	345,400	(9,729)
Miscellaneous Other	-	155,031	155,031	178,769	(23,738)
Total Revenues	11,509	613,294	624,803	624,291	512
Other Financing Sources:					
Operating Transfer From:					
General Fund	-	320,587	320,587	320,587	-
Housing Bond Fund	-	504,319	504,319	504,319	-
Total Other Financing Sources	-	824,906	824,906	824,906	-
Total Revenues and Other Financing Sources	\$ 11,509	\$ 1,438,200	\$ 1,449,709	1,449,197	\$ 512
Fund Balance Appropriated				2,952,133	
				\$ 4,401,330	
Expenditures:					
Community Development Services	\$ 638,442	\$ 687,856	\$ 1,326,298	\$ 3,524,271	\$ (2,197,973)
Other Financing Uses:					
Operating Transfers To:					
General Fund	5,765	386,294	392,059	392,059	-
Housing Bond Fund	-	485,000	485,000	485,000	-
Total Other Financing Uses	5,765	871,294	877,059	877,059	-
Total Expenditures and Other Financing Uses	\$ 644,207	\$ 1,559,150	\$ 2,203,357	\$ 4,401,330	\$ (2,197,973)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 HOUSING BOND FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 442,141	\$ 442,141	\$ -	\$ 442,141
Miscellaneous Other	-	663,871	663,871	-	663,871
Total Revenues	-	1,106,012	1,106,012	-	1,106,012
Other Financing Sources:					
Operating Transfer From					
Sales Tax Fund	-	594,000	594,000	594,000	-
Housing Development Fund	-	485,000	485,000	485,000	-
Disaster Recovery Fund	-	400,000	400,000	400,000	-
Total Other Financing Sources	-	1,479,000	1,479,000	1,479,000	-
Total Revenues and Other Financing Sources	\$ -	\$ 2,585,012	\$ 2,585,012	1,479,000	\$ 1,106,012
Fund Balance Appropriated				10,080,164	
				\$ 11,559,164	
Expenditures:					
Economic Development Programs	\$ 2,475,445	\$ 3,129,912	\$ 5,605,357	\$ 11,054,845	\$ (5,449,488)
Other Financing Uses:					
Operating Transfers To Housing Development Fund	-	504,319	504,319	504,319	-
Total Expenditures and Other Financing Uses	\$ 2,475,445	\$ 3,634,231	\$ 6,109,676	\$ 11,559,164	\$ (5,449,488)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 COMMUNITY DEVELOPMENT FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental	\$ 8,843,452	\$ 5,030,775	\$ 13,874,227	\$ 16,745,102	\$ (2,870,875)
Miscellaneous Other	2,041,691	1,838,896	3,880,587	3,791,212	89,375
Total Revenues	<u>10,885,143</u>	<u>6,869,671</u>	<u>17,754,814</u>	<u>20,536,314</u>	<u>(2,781,500)</u>
Other Financing Sources:					
Operating Transfer From Park Improvement Fund	2,500	-	2,500	2,500	-
Total Revenues and Other Financing Sources	<u>\$ 10,887,643</u>	<u>\$ 6,869,671</u>	<u>\$ 17,757,314</u>	<u>\$ 20,538,814</u>	<u>\$ (2,781,500)</u>
Expenditures:					
Community Development Services	<u>\$ 10,887,643</u>	<u>\$ 6,869,671</u>	<u>\$ 17,757,314</u>	<u>\$ 20,538,814</u>	<u>\$ (2,781,500)</u>

City of Raleigh

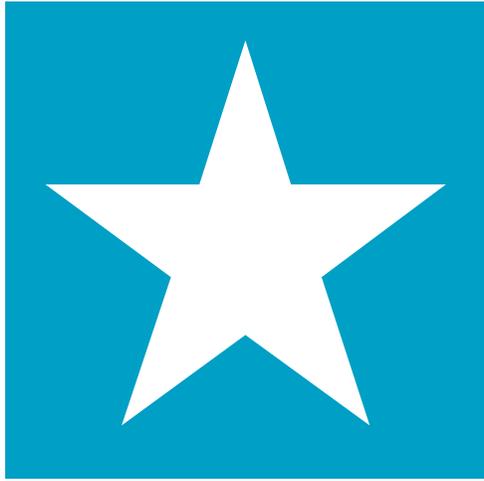
SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 POWELL BILL FUND
 For the Fiscal Year Ended June 30, 2001

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Revenues:			
Intergovernmental:			
State of North Carolina	\$ 8,416,376	\$ 8,160,000	\$ 256,376
Interest on Investments	<u>328,029</u>	<u>195,000</u>	<u>133,029</u>
Total Revenues	<u>8,744,405</u>	<u>8,355,000</u>	<u>389,405</u>
 Fund Balance Appropriated		<u>600,000</u>	
		<u>\$ 8,955,000</u>	
 Expenditures:			
Capital Outlay	\$ <u>6,737</u>	\$ <u>15,000</u>	\$ <u>(8,263)</u>
 Other Financing Uses:			
Budget Reserve	<u>-</u>	<u>421,000</u>	<u>(421,000)</u>
Operating Transfers To:			
General Fund	2,800,000	2,800,000	-
Street Improvement Fund	<u>5,719,000</u>	<u>5,719,000</u>	<u>-</u>
Total Operating Transfers Out	<u>8,519,000</u>	<u>8,519,000</u>	<u>-</u>
Total Other Financing Uses	<u>8,519,000</u>	<u>8,940,000</u>	<u>(421,000)</u>
 Total Expenditures and Other Financing Uses	<u>\$ 8,525,737</u>	<u>\$ 8,955,000</u>	<u>\$ (429,263)</u>

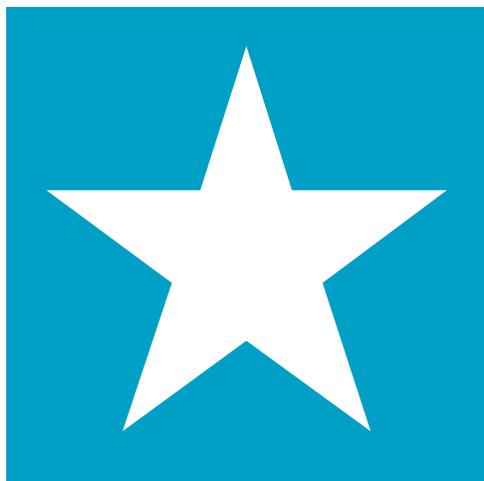
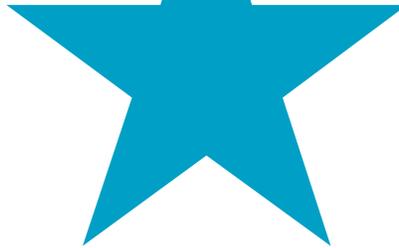
City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 DISASTER RECOVERY FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental:					
Federal Emergency Management Agency	\$ 4,395,177	\$ 2,085,016	\$ 6,480,193	\$ 8,980,815	\$ (2,500,622)
State of North Carolina	2,614,467	704,908	3,319,375	4,514,890	(1,195,515)
Miscellaneous Other	-	30,649	30,649	-	30,649
Total Revenues	\$ 7,009,644	\$ 2,820,573	\$ 9,830,217	13,495,705	\$ (3,665,488)
Fund Balance Appropriated				1,783,000	
				\$ 15,278,705	
Expenditures:					
Community Development Services	\$ 6,568,782	\$ 2,809,518	\$ 9,378,300	\$ 12,878,705	\$ (3,500,405)
Other Financing Uses:					
Budget Reserves	-	-	-	1,200,000	(1,200,000)
Operating Transfers To:					
Sales Tax Fund	-	800,000	800,000	800,000	-
Housing Bond Fund	-	400,000	400,000	400,000	-
Total Other Financing Uses	-	1,200,000	1,200,000	2,400,000	(1,200,000)
Total Expenditures and Other Financing Uses	\$ 6,568,782	\$ 4,009,518	\$ 10,578,300	\$ 15,278,705	\$ (4,700,405)



The purpose of the General Capital Projects Funds is 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 project. 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 and other miscellaneous capital projects.



GENERAL CAPITAL PROJECTS FUNDS

Street Improvement Fund - The Street Improvement Fund accounts for all street improvement programs to be financed from applicable street assessment proceeds and other non-bond street improvement resources.

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

Sidewalk Fund - The Sidewalk Fund accounts for capital project costs for the construction of sidewalks within the City.

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

Miscellaneous Capital Improvements Fund - The Miscellaneous Capital Improvements Fund accounts for all capital improvement costs not applicable to other capital improvement programs. These improvements are financed from non-bond resources.

Convention Center and Memorial Auditorium Projects Fund - The Convention Center and Memorial Auditorium Projects Fund accounts for all capital project costs related to the Convention Center and Memorial Auditorium Complex.

Stormwater Projects Fund - The Stormwater Projects Fund accounts for stormwater management and drainage projects. These projects are financed from non-bond resources.



City of Raleigh

COMBINING BALANCE SHEET
ALL GENERAL CAPITAL PROJECTS FUNDS
June 30, 2001

	Street Improvement Fund	Street Bond Fund	Sidewalk Fund	Park Improvement Fund
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 30,572,490	\$ 5,571,426	\$ 1,962,689	\$ 12,614,830
Assessments Receivable, Net of Allowance for Uncollectibles of \$27,440	521,368	-	-	-
Due from Other Governmental Agencies	150,000	125,000	-	-
Accrued Interest Receivable	138,954	25,336	8,920	57,330
Sales Tax Receivable	92,586	21,404	3,411	71,998
Cash and Cash Equivalents/ Investments - Restricted Deposits and Bond Proceeds	-	12,161,689	-	-
Total Assets	<u>\$ 31,475,398</u>	<u>\$ 17,904,855</u>	<u>\$ 1,975,020</u>	<u>\$ 12,744,158</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable	\$ 1,739,554	\$ 1,427,153	\$ 15,000	\$ 67,573
Arbitrage Rebate Payable	15,561	489,425	-	-
Reimbursable Facility Fees	-	-	-	-
Other Liabilities	330,223	-	-	25,050
Due to Other Funds	-	-	-	-
Deferred Revenue for Assessments Receivable	521,368	-	-	-
Total Liabilities	<u>2,606,706</u>	<u>1,916,578</u>	<u>15,000</u>	<u>92,623</u>
Fund Equity:				
Fund Balance:				
Unreserved:				
Designated for Subsequent Year's Appropriation	27,540,659	15,579,992	1,810,001	12,168,135
Designated for Specific Purposes	1,328,033	408,285	150,019	483,400
Total Fund Equity	<u>28,868,692</u>	<u>15,988,277</u>	<u>1,960,020</u>	<u>12,651,535</u>
Total Liabilities and Fund Equity	<u>\$ 31,475,398</u>	<u>\$ 17,904,855</u>	<u>\$ 1,975,020</u>	<u>\$ 12,744,158</u>

<u>Facility Fees Fund</u>	<u>Park Bond Fund</u>	<u>Miscellaneous Capital Improvements Fund</u>	<u>Convention Center and Memorial Auditorium Projects Fund</u>	<u>Stormwater Projects Fund</u>	<u>Total June 30, 2001</u>
\$ 8,596,030	\$ 6,097,559	\$ 2,590,268	\$ 1,087,424	\$ 10,153,277	\$ 79,245,993
-	-	-	-	-	521,368
-	40,000	-	-	697,770	1,012,770
39,068	27,725	11,782	4,947	46,152	360,214
-	34,010	2,732	285,665	5,489	517,295
-	6,085,133	-	-	-	18,246,822
<u>\$ 8,635,098</u>	<u>\$ 12,284,427</u>	<u>\$ 2,604,782</u>	<u>\$ 1,378,036</u>	<u>\$ 10,902,688</u>	<u>\$ 99,904,462</u>
\$ -	\$ 178,977	\$ 16,970	\$ 1,918,872	\$ 5,923	\$ 5,370,022
-	572,204	-	-	-	1,077,190
4,530,487	-	-	-	-	4,530,487
12,566	-	-	373	-	368,212
-	-	-	2,000,000	-	2,000,000
-	-	-	-	-	521,368
<u>4,543,053</u>	<u>751,181</u>	<u>16,970</u>	<u>3,919,245</u>	<u>5,923</u>	<u>13,867,279</u>
2,000,000	11,315,625	2,459,656	(3,931,728)	9,655,387	78,597,727
<u>2,092,045</u>	<u>217,621</u>	<u>128,156</u>	<u>1,390,519</u>	<u>1,241,378</u>	<u>7,439,456</u>
<u>4,092,045</u>	<u>11,533,246</u>	<u>2,587,812</u>	<u>(2,541,209)</u>	<u>10,896,765</u>	<u>86,037,183</u>
<u>\$ 8,635,098</u>	<u>\$ 12,284,427</u>	<u>\$ 2,604,782</u>	<u>\$ 1,378,036</u>	<u>\$ 10,902,688</u>	<u>\$ 99,904,462</u>

City of Raleigh

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GENERAL CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2001

	Street Improvement Fund	Street Bond Fund	Sidewalk Fund	Park Improvement Fund	Facility Fees Fund
Revenues:					
Intergovernmental	\$ 43,300	\$ 125,000	\$ -	\$ -	\$ -
Developer Participation	279,491	-	-	-	-
Assessments	313,049	-	89,561	-	-
Interest on Investments	1,770,091	965,686	124,548	716,452	497,101
Facility Fees	-	-	-	-	5,717,329
Miscellaneous Other	1,056,316	-	171,785	1,710	-
Total Revenues	3,462,247	1,090,686	385,894	718,162	6,214,430
Other Financing Sources:					
Operating Transfers In	10,696,553	2,265,400	208,133	4,268,618	-
Total Revenues and Other Financing Sources	14,158,800	3,356,086	594,027	4,986,780	6,214,430
Expenditures:					
Public Improvements:					
Street Paving/Sidewalk Projects	13,026,787	9,261,192	408,811	-	-
Parks and Recreation Projects	-	-	-	4,338,612	-
Convention Center and Memorial Auditorium Projects	-	-	-	-	-
Stormwater and Drainage Projects	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	13,026,787	9,261,192	408,811	4,338,612	-
Other Financing Uses:					
Operating Transfers Out	2,721,007	82,646	122,044	111,422	7,063,000
Total Expenditures and Other Financing Uses	15,747,794	9,343,838	530,855	4,450,034	7,063,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(1,588,994)	(5,987,752)	63,172	536,746	(848,570)
Fund Balances - Beginning of Year	30,567,144	21,976,029	1,896,848	12,114,789	4,940,615
Residual Transfer of Equity	(109,458)	-	-	-	-
Fund Balances - End of Year	\$ 28,868,692	\$ 15,988,277	\$ 1,960,020	\$ 12,651,535	\$ 4,092,045

<u>Park Bond Fund</u>	<u>Miscellaneous Capital Improvements Fund</u>	<u>Convention Center and Memorial Auditorium Projects Fund</u>	<u>Stormwater Projects Fund</u>	<u>Combining Eliminations</u>	<u>Total June 30, 2001</u>
\$ 40,000	\$ -	\$ -	\$ 1,516,926	\$ -	\$ 1,725,226
-	-	-	-	-	279,491
-	-	-	-	-	402,610
798,238	101,265	225,290	601,065	-	5,799,736
-	-	-	-	-	5,717,329
<u>11,825</u>	<u>513,448</u>	<u>3,817,902</u>	<u>43,463</u>	<u>-</u>	<u>5,616,449</u>
<u>850,063</u>	<u>614,713</u>	<u>4,043,192</u>	<u>2,161,454</u>	<u>-</u>	<u>19,540,841</u>
<u>111,422</u>	<u>1,766,300</u>	<u>1,000,000</u>	<u>908,771</u>	<u>(10,162,723)</u>	<u>11,062,474</u>
<u>961,485</u>	<u>2,381,013</u>	<u>5,043,192</u>	<u>3,070,225</u>	<u>(10,162,723)</u>	<u>30,603,315</u>
-	-	-	-	-	22,696,790
5,545,720	-	-	-	-	9,884,332
-	-	16,159,737	-	-	16,159,737
-	-	-	2,985,142	-	2,985,142
-	495,038	-	-	-	495,038
146,000	-	-	96,923	-	242,923
47,450	-	-	18,514	-	65,964
<u>5,739,170</u>	<u>495,038</u>	<u>16,159,737</u>	<u>3,100,579</u>	<u>-</u>	<u>52,529,926</u>
-	329,500	-	135,660	(10,162,723)	402,556
<u>5,739,170</u>	<u>824,538</u>	<u>16,159,737</u>	<u>3,236,239</u>	<u>(10,162,723)</u>	<u>52,932,482</u>
(4,777,685)	1,556,475	(11,116,545)	(166,014)	-	(22,329,167)
16,310,931	1,031,337	8,575,336	11,062,779	-	108,475,808
-	-	-	-	-	(109,458)
<u>\$ 11,533,246</u>	<u>\$ 2,587,812</u>	<u>\$ (2,541,209)</u>	<u>\$ 10,896,765</u>	<u>\$ -</u>	<u>\$ 86,037,183</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 STREET IMPROVEMENT FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental:					
State of North Carolina	\$ 625,000	\$ 43,300	\$ 668,300	\$ 875,000	\$ (206,700)
Developer Participation	953,914	279,491	1,233,405	4,245,961	(3,012,556)
Assessments	-	313,049	313,049	120,000	193,049
Interest on Investments	-	1,770,091	1,770,091	1,580,000	190,091
Miscellaneous Other	-	1,056,316	1,056,316	345,000	711,316
Total Revenues	1,578,914	3,462,247	5,041,161	7,165,961	(2,124,800)
Other Financing Sources:					
Operating Transfers From:					
General Fund	-	50,700	50,700	50,700	-
Sales Tax Fund	-	45,000	45,000	45,000	-
Powell Bill Fund	-	5,719,000	5,719,000	5,719,000	-
Sidewalk Fund	-	122,044	122,044	122,044	-
Facility Fees Fund	-	4,713,000	4,713,000	4,713,000	-
Stormwater Projects Fund	-	30,660	30,660	30,660	-
Water and Sewer General Obligation Bond Fund	-	16,149	16,149	16,149	-
Total Other Financing Sources	-	10,696,553	10,696,553	10,696,553	-
Total Revenues and Other Financing Sources	\$ 1,578,914	\$ 14,158,800	\$ 15,737,714	17,862,514	\$ (2,124,800)
Fund Balance Appropriated				53,990,608	
				\$ 71,853,122	
Expenditures:					
Street Projects	\$ 25,143,617	\$ 13,026,787	\$ 38,170,404	\$ 68,213,968	\$ (30,043,564)
Other Financing Uses:					
Operating Transfers To:					
Street Bond Fund	-	2,260,400	2,260,400	2,260,400	-
Park Improvement Fund	-	11,425	11,425	11,425	-
Stormwater Projects Fund	-	76,125	76,125	76,125	-
Mass Transit Fund	-	373,057	373,057	373,057	-
Total Other Financing Uses	-	2,721,007	2,721,007	2,721,007	-
Residual Equity Transfer to Mass Transit Fund	808,689	109,458	918,147	918,147	-
Total Expenditures, Other Financing Uses and Residual Equity Transfers	\$ 25,952,306	\$ 15,857,252	\$ 41,809,558	\$ 71,853,122	\$ (30,043,564)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 STREET BOND FUND
 For the Fiscal Year Ended June 30, 2001

	Actual			Over (Under) Budget	
	Prior Years	Current Year	Total	Budget	
Revenues:					
State of North Carolina	\$ -	\$ 125,000	\$ 125,000	\$ 275,000	\$ (150,000)
Developer Participation	-	-	-	166,787	(166,787)
Interest on Investments	-	965,686	965,686	752,552	213,134
Total Revenues	-	1,090,686	1,090,686	1,194,339	(103,653)
Other Financing Sources:					
Operating Transfers From:					
Street Improvement Fund	-	2,260,400	2,260,400	2,260,400	-
Stormwater Projects Fund	-	5,000	5,000	5,000	-
	-	2,265,400	2,265,400	2,265,400	-
Bond Proceeds	-	-	-	35,398,000	(35,398,000)
Total Other Financing Sources	-	2,265,400	2,265,400	37,663,400	(35,398,000)
Total Revenues and Other Financing Sources	\$ -	\$ 3,356,086	\$ 3,356,086	38,857,739	\$ (35,501,653)
Fund Balance Appropriated				<u>26,335,168</u>	
				<u>\$ 65,192,907</u>	
Expenditures:					
Street Projects	\$ 4,424,842	\$ 9,261,192	\$ 13,686,034	\$ 65,110,261	\$ (51,424,227)
Other Financing Uses:					
Operating Transfer To					
Stormwater Projects Fund	-	82,646	82,646	82,646	-
Total Expenditures and Other Financing Uses	\$ 4,424,842	\$ 9,343,838	\$ 13,768,680	\$ 65,192,907	\$ (51,424,227)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 SIDEWALK FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 124,548	\$ 124,548	\$ 80,000	\$ 44,548
Sidewalk Paving Assessment	-	89,561	89,561	45,000	44,561
Fees In Lieu Various	-	171,785	171,785	125,000	46,785
Total Revenues	-	385,894	385,894	250,000	135,894
Other Financing Sources:					
Operating Transfer From:					
Sales Tax Fund	-	58,133	58,133	58,133	-
Facility Fees Fund	-	150,000	150,000	150,000	-
Total Other Financing Sources	-	208,133	208,133	208,133	-
Total Revenues and Other Financing Sources	\$ -	\$ 594,027	\$ 594,027	458,133	\$ 135,894
Fund Balance Appropriated				2,625,566	
				\$ 3,083,699	
Expenditures:					
Sidewalk Projects	\$ 832,599	\$ 408,811	\$ 1,241,410	\$ 2,961,655	\$ (1,720,245)
Other Financing Uses:					
Operating Transfer To Street Improvement Fund	-	122,044	122,044	122,044	-
Total Expenditures and Other Financing Uses	\$ 832,599	\$ 530,855	\$ 1,363,454	\$ 3,083,699	\$ (1,720,245)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 PARK IMPROVEMENT FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
State of North Carolina	\$ 300,000	\$ -	\$ 300,000	\$ 300,000	\$ -
Interest on Investments	-	716,452	716,452	300,000	416,452
Miscellaneous Other	-	1,710	1,710	2,010	(300)
Total Revenues	300,000	718,162	1,018,162	602,010	416,152
Other Financing Sources:					
Operating Transfers From:					
General Fund	-	156,193	156,193	156,193	-
Sales Tax Fund	-	1,501,000	1,501,000	1,501,000	-
Street Improvement Fund	-	11,425	11,425	11,425	-
Facility Fees Fund	-	2,200,000	2,200,000	2,200,000	-
Miscellaneous Capital Projects Fund	-	300,000	300,000	300,000	-
Stormwater Projects Fund	-	100,000	100,000	100,000	-
Total Other Financing Sources	-	4,268,618	4,268,618	4,268,618	-
Total Revenues and Other Financing Sources	\$ 300,000	\$ 4,986,780	\$ 5,286,780	4,870,628	\$ 416,152
Fund Balance Appropriated				30,063,872	
				\$ 34,934,500	
Expenditures:					
Park Improvement Projects	\$ 17,842,343	\$ 4,338,612	\$ 22,180,955	\$ 34,099,927	\$ (11,918,972)
Debt Service:					
Principal	655,718	-	655,718	655,718	-
Interest	67,433	-	67,433	67,433	-
	<u>723,151</u>	<u>-</u>	<u>723,151</u>	<u>723,151</u>	<u>-</u>
Total Expenditures	18,565,494	4,338,612	22,904,106	34,823,078	(11,918,972)
Other Financing Uses:					
Operating Transfer To Park Bond Fund	-	111,422	111,422	111,422	-
Total Expenditures and Other Financing Uses	\$ 18,565,494	\$ 4,450,034	\$ 23,015,528	\$ 34,934,500	\$ (11,918,972)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 FACILITY FEES FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 497,101	\$ 497,101	\$ -	\$ 497,101
Facility Fees	-	5,717,329	5,717,329	3,900,000	1,817,329
Total Revenues	<u>\$ -</u>	<u>\$ 6,214,430</u>	<u>\$ 6,214,430</u>	3,900,000	<u>\$ 2,314,430</u>
Fund Balance Appropriated				3,163,000	
				<u>\$ 7,063,000</u>	
Other Financing Uses:					
Operating Transfers To:					
Street Improvement Fund	\$ -	\$ 4,713,000	\$ 4,713,000	\$ 4,713,000	\$ -
Sidewalk Improvement Fund	-	150,000	150,000	150,000	-
Park Improvement Fund	-	2,200,000	2,200,000	2,200,000	-
Total Other Financing Uses	<u>\$ -</u>	<u>\$ 7,063,000</u>	<u>\$ 7,063,000</u>	<u>\$ 7,063,000</u>	<u>\$ -</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 PARK BOND FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Intergovernmental:					
State of North Carolina	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Interest on Investments	-	798,238	798,238	-	798,238
Miscellaneous Income	-	11,825	11,825	11,025	800
Total Revenues	-	850,063	850,063	51,025	799,038
Other Financing Sources:					
Operating Transfer From Park Improvement Fund	-	111,422	111,422	111,422	-
Total Revenues and Other Financing Sources	\$ -	\$ 961,485	\$ 961,485	162,447	\$ 799,038
Fund Balance Appropriated				28,531,809	
				<u>\$ 28,694,256</u>	
Expenditures:					
Park Projects	\$ 13,348,702	\$ 5,545,720	\$ 18,894,422	\$ 28,500,806	\$ (9,606,384)
Debt Service:					
Principal	-	146,000	146,000	146,000	-
Interest	-	47,450	47,450	47,450	-
Total Expenditures	\$ 13,348,702	\$ 5,739,170	\$ 19,087,872	\$ 28,694,256	\$ (9,606,384)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 MISCELLANEOUS CAPITAL IMPROVEMENTS FUND
 For the Fiscal Year Ended June 30, 2001

	Actual		Budget	Over (Under) Budget	
	Prior Years	Current Year			Total
Revenues:					
Interest on Investments	\$ -	\$ 101,265	\$ 101,265	\$ -	\$ 101,265
Miscellaneous Income	468,896	513,448	982,344	900,792	81,552
Total Revenues	<u>468,896</u>	<u>614,713</u>	<u>1,083,609</u>	<u>900,792</u>	<u>182,817</u>
Other Financing Sources:					
Operating Transfers From:					
General Fund	-	5,300	5,300	5,300	-
Sales Tax Fund	-	1,761,000	1,761,000	1,761,000	-
	-	1,766,300	1,766,300	1,766,300	-
 Bond Proceeds	-	-	-	5,909,000	(5,909,000)
Total Other Financing Sources	<u>-</u>	<u>1,766,300</u>	<u>1,766,300</u>	<u>7,675,300</u>	<u>(5,909,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 468,896</u>	<u>\$ 2,381,013</u>	<u>\$ 2,849,909</u>	8,576,092	<u>\$ (5,726,183)</u>
 Fund Balance Appropriated				2,476,117	
				<u>\$ 11,052,209</u>	
 Expenditures:					
Miscellaneous Capital Projects	\$ 2,341,177	\$ 495,038	\$ 2,836,215	\$ 10,722,709	\$ (7,886,494)
Other Financing Uses:					
Operating Transfers To:					
Sales Tax Fund	-	29,500	29,500	29,500	-
Park Improvement Fund	-	300,000	300,000	300,000	-
Total Other Financing Uses	<u>-</u>	<u>329,500</u>	<u>329,500</u>	<u>329,500</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	<u>\$ 2,341,177</u>	<u>\$ 824,538</u>	<u>\$ 3,165,715</u>	<u>\$ 11,052,209</u>	<u>\$ (7,886,494)</u>

City of Raleigh

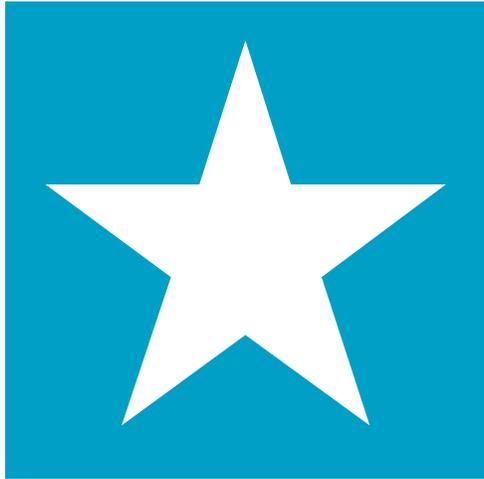
SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 CONVENTION CENTER AND MEMORIAL AUDITORIUM
 PROJECTS FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 225,290	\$ 225,290	\$ -	\$ 225,290
Food Tax Distribution	12,100,000	3,000,000	15,100,000	15,100,000	-
Sales Tax Refund	-	-	-	400,000	(400,000)
Performing Arts Center Donations	8,886,286	817,902	9,704,188	16,407,194	(6,703,006)
Total Revenues	<u>20,986,286</u>	<u>4,043,192</u>	<u>25,029,478</u>	<u>31,907,194</u>	<u>(6,877,716)</u>
Other Financing Sources:					
Operating Transfers From:					
Sales Tax Fund	-	800,000	800,000	800,000	-
Parking Facilities Capital Projects Fund	-	200,000	200,000	200,000	-
Total Other Financing Sources	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 20,986,286</u>	<u>\$ 5,043,192</u>	<u>\$ 26,029,478</u>	32,907,194	<u>\$ (6,877,716)</u>
Fund Balance Appropriated				<u>21,191,991</u>	
				<u>\$ 54,099,185</u>	
Expenditures:					
Convention Center and Memorial Auditorium Projects	<u>\$ 35,147,139</u>	<u>\$ 16,159,737</u>	<u>\$ 51,306,876</u>	<u>\$ 54,099,185</u>	<u>\$ (2,792,309)</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 STORMWATER PROJECTS FUND
 For the Fiscal Year Ended June 30, 2001

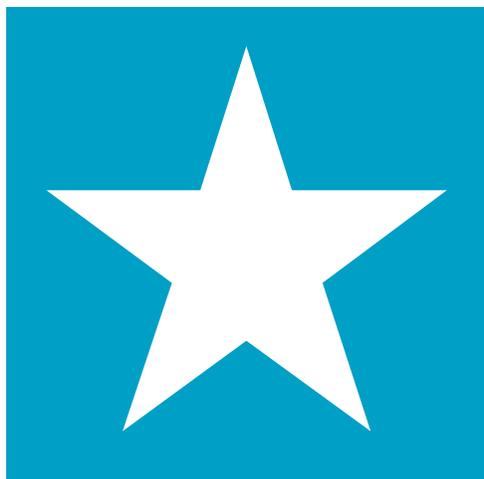
	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
State of North Carolina	\$ 221,093	\$ 1,516,926	\$ 1,738,019	\$ 3,760,000	\$ (2,021,981)
Interest on Investments	-	601,065	601,065	150,000	451,065
Drainage Petition Fees	74,314	43,463	117,777	272,272	(154,495)
Total Revenues	295,407	2,161,454	2,456,861	4,182,272	(1,725,411)
Other Financing Sources:					
Operating Transfers From:					
Sales Tax Fund	-	750,000	750,000	750,000	-
Street Improvement Fund	-	76,125	76,125	76,125	-
Street Bond Fund	-	82,646	82,646	82,646	-
Total Other Financing Sources	-	908,771	908,771	908,771	-
Total Revenues and Other Financing Sources	\$ 295,407	\$ 3,070,225	\$ 3,365,632	5,091,043	\$ (1,725,411)
Fund Balance Appropriated				12,486,243	
				\$ 17,577,286	
Expenditures:					
Stormwater Projects	\$ 2,234,801	\$ 2,985,142	\$ 5,219,943	\$ 17,268,471	\$ (12,048,528)
Debt Service:					
Principal	45,718	96,923	142,641	142,641	-
Interest	12,000	18,514	30,514	30,514	-
	57,718	115,437	173,155	173,155	-
Total Expenditures	2,292,519	3,100,579	5,393,098	17,441,626	(12,048,528)
Other Financing Uses:					
Operating Transfers To:					
Street Improvement Fund	-	30,660	30,660	30,660	-
Street Bond Fund	-	5,000	5,000	5,000	-
Park Improvement Fund	-	100,000	100,000	100,000	-
Total Other Financing Uses	-	135,660	135,660	135,660	-
Total Expenditures and Other Financing Uses	\$ 2,292,519	\$ 3,236,239	\$ 5,528,758	\$ 17,577,286	\$ (12,048,528)



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. Included within these funds are Mass Transit, Utility and Parking Facility operations.



ENTERPRISE FUNDS

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 of the City. This fund also accounts for all capital projects financed by transit grant proceeds.

Water and Sewer Fund - This fund combines the operating, debt service and capital projects funds as follows:

Water and Sewer Operating Fund - The Water and Sewer Operating Fund accounts for the user charges, fees, other resources and all operating costs associated with the operation of the water and sewer systems of the City.

Water Capital Projects Fund - The Water Capital Projects Fund accounts for transfers from other funds (primarily from Water and Sewer Operating Fund and Sales Tax Fund), developer participation, and all capital project costs in the construction of water capital improvement projects.

Sewer Capital Projects Fund - The Sewer Capital Projects Fund accounts for transfers from other funds (primarily from Water and Sewer Operating Fund and Sales Tax Fund), developer participation, and all capital project costs in the construction of sewer capital improvement projects.

Water and Sewer Revenue Bond Fund - The Water and Sewer Revenue Bond Fund accounts for all water and sewer revenue bond proceeds and capital project costs in the construction of various utility capital improvement projects.

Water and Sewer General Obligation Bond Fund - The Water and Sewer General Obligation Bond Fund accounts for all water and sewer general obligation bond proceeds and capital project costs in the construction of various utility capital improvement projects.

Parking Facilities Fund - The Parking Facilities Fund accounts for the parking fee charges and all operating costs associated with the operation of all parking decks and lots owned by the City. This fund combines an operating and a capital projects fund as follows:

Parking Facilities Operating Fund - The Parking Facilities Operating Fund accounts for the operations, debt service, and capital costs of all parking facilities.

Parking Facilities Capital Projects Fund - The Parking Facilities Capital Projects Fund accounts for the capital costs of any parking facilities being constructed or improved.



City of Raleigh

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
June 30, 2001

	Mass Transit <u>Fund</u>	Water and Sewer <u>Fund</u>	Parking Facilities <u>Fund</u>	Total June 30, <u>2001</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,266,851	\$ 54,443,380	\$ 7,534,451	\$ 65,244,682
Assessments Receivable, Net of Allowance for Uncollectibles of \$77,783	-	1,477,876	-	1,477,876
Customer Receivables, Net of Allowance for Uncollectibles of \$3,167,721	-	9,740,456	-	9,740,456
Due from Other Governmental Agencies	532,695	1,075,685	-	1,608,380
Sales Tax Receivable	24,380	451,431	148,753	624,564
Due from Other Funds	-	-	2,000,000	2,000,000
Accrued Interest Receivable	-	332,315	34,276	366,591
Other Receivables and Assets	18,533	74,757	196,913	290,203
Inventories	-	3,045,291	-	3,045,291
Deferred Charges	-	536,514	157,306	693,820
Cash and Cash Equivalents - Restricted Deposits and Bond Proceeds	-	48,112,841	6,004,948	54,117,789
	<u>3,842,459</u>	<u>119,290,546</u>	<u>16,076,647</u>	<u>139,209,652</u>
Fixed Assets:				
Land	988,989	13,708,370	8,050,997	22,748,356
Water and Sewer Systems	-	486,254,525	-	486,254,525
Buildings and Machinery	3,798,718	56,427,581	-	60,226,299
Parking Decks	-	-	33,865,689	33,865,689
Buses	13,487,979	-	-	13,487,979
Equipment	506,697	12,482,093	156,053	13,144,843
Furniture and Fixtures	25,902	14,410	-	40,312
Improvements	768,957	2,720,377	111,412	3,600,746
Construction in Progress	-	6,486,887	5,514,414	12,001,301
	<u>19,577,242</u>	<u>578,094,243</u>	<u>47,698,565</u>	<u>645,370,050</u>
Less: Accumulated Depreciation	<u>9,283,169</u>	<u>125,535,749</u>	<u>6,680,257</u>	<u>141,499,175</u>
Fixed Assets, Net	<u>10,294,073</u>	<u>452,558,494</u>	<u>41,018,308</u>	<u>503,870,875</u>
Total Assets	<u>\$ 14,136,532</u>	<u>\$ 571,849,040</u>	<u>\$ 57,094,955</u>	<u>\$ 643,080,527</u>

City of Raleigh

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
June 30, 2001

	Mass Transit Fund	Water and Sewer Fund	Parking Facilities Fund	Total June 30, 2001
<u>LIABILITIES AND FUND EQUITY</u>				
Accounts Payable	\$ 153,899	\$ 3,279,066	\$ 1,495,513	\$ 4,928,478
Arbitrage Rebate Payable	-	675,516	224,108	899,624
Accrued Interest Payable	-	1,822,081	163,429	1,985,510
Due to Other Funds	305,116	87,957	-	393,073
Deferred Contributions from Other Funds	967,284	-	-	967,284
Escrow and Other Deposits Payable from Restricted Assets	27,142	18,300,591	60,000	18,387,733
Current Portion of Long-Term Obligations:				
Bonds Payable	-	5,965,000	930,000	6,895,000
Contracts Payable	-	1,418,812	488,899	1,907,711
Long-Term Obligations:				
Bonds Payable	-	106,340,000	9,650,000	115,990,000
Deferred Refunding - Bonds Payable	-	(969,244)	(117,727)	(1,086,971)
Contracts and Other Notes Payable	-	16,594,260	15,562,082	32,156,342
Deferred Refunding - Contracts and Notes Payable	-	-	(421,193)	(421,193)
Earned Vacation Pay	33,580	894,530	8,992	937,102
Total Liabilities	<u>1,487,021</u>	<u>154,408,569</u>	<u>28,044,103</u>	<u>183,939,693</u>
Fund Equity:				
Contributed Capital	7,950,187	165,319,164	11,045,639	184,314,990
Retained Earnings	4,699,324	252,121,307	18,005,213	274,825,844
Total Fund Equity	<u>12,649,511</u>	<u>417,440,471</u>	<u>29,050,852</u>	<u>459,140,834</u>
Total Liabilities and Fund Equity	<u>\$ 14,136,532</u>	<u>\$ 571,849,040</u>	<u>\$ 57,094,955</u>	<u>\$ 643,080,527</u>

City of Raleigh

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2001

	Mass Transit Fund	Water and Sewer Fund	Parking Facilities Fund	Total June 30, 2001
Operating Revenues:				
User Charges	\$ 2,130,079	\$ 52,094,366	\$ 2,267,119	\$ 56,491,564
Other	296,036	1,555,629	923	1,852,588
Total Operating Revenues	<u>2,426,115</u>	<u>53,649,995</u>	<u>2,268,042</u>	<u>58,344,152</u>
Operating Expenses:				
Administration	449,802	2,128,519	428,339	3,006,660
Water Supply and Treatment	-	8,684,034	-	8,684,034
Sewer System and Treatment	-	7,915,190	-	7,915,190
Warehousing, Maintenance and Construction	-	10,976,840	-	10,976,840
Other Services	3,020,393	3,614,281	-	6,634,674
Non-Departmental Charges	-	3,036,274	-	3,036,274
Management Contract Charges	7,487,876	-	-	7,487,876
Depreciation and Amortization	1,060,922	11,953,972	831,070	13,845,964
Total Operating Expenses	<u>12,018,993</u>	<u>48,309,110</u>	<u>1,259,409</u>	<u>61,587,512</u>
Operating Income (Loss)	(9,592,878)	5,340,885	1,008,633	(3,243,360)
Nonoperating Revenues:				
Interest on Investments	-	5,181,229	816,823	5,998,052
Subsidy Income - Federal and State	3,257,856	-	-	3,257,856
Other	-	236,716	-	236,716
Total Nonoperating Revenues	<u>3,257,856</u>	<u>5,417,945</u>	<u>816,823</u>	<u>9,492,624</u>
Nonoperating Expenses:				
Interest Expense on Long-Term Obligations	-	5,508,589	1,241,824	6,750,413
Loss on Sale of Property	111,296	457,435	255,429	824,160
Other	-	57,766	65,615	123,381
Total Nonoperating Expenses	<u>111,296</u>	<u>6,023,790</u>	<u>1,562,868</u>	<u>7,697,954</u>
Income (Loss) Before Operating Transfers and Capital Contributions	(6,446,318)	4,735,040	262,588	(1,448,690)
Operating Transfers In	5,314,073	-	3,326,493	8,640,566
Operating Transfers Out	-	(822,131)	(200,000)	(1,022,131)
	<u>5,314,073</u>	<u>(822,131)</u>	<u>3,126,493</u>	<u>7,618,435</u>
Capital Contributions	2,600,896	46,507,123	-	49,108,019
Net Income	1,468,651	50,420,032	3,389,081	55,277,764
Add: Amortization (Including Disposal) of Contributed Capital	950,519	4,517,017	-	5,467,536
Retained Earnings - Beginning of Year	<u>2,280,154</u>	<u>197,184,258</u>	<u>14,616,132</u>	<u>214,080,544</u>
Retained Earnings - End of Year	<u>\$ 4,699,324</u>	<u>\$ 252,121,307</u>	<u>\$ 18,005,213</u>	<u>\$ 274,825,844</u>

City of Raleigh

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2001

	Mass Transit Fund
Operating Income (Loss)	\$ (9,592,878)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation and Amortization	1,060,922
Bad Debt Expense	-
Cash Payments of Deposits and Other Nonrevenue Sources	-
Changes in Assets and Liabilities:	
Operating Receivables	-
Inventories	-
Other Receivables and Assets	(5,256)
Accounts Payable - Operating Accounts	24,300
Due to Other Funds	240,444
Earned Vacation Pay	7,464
Net Cash Provided by (Used in) Operating Activities	<u>(8,265,004)</u>
Cash Flows from Noncapital and Related Financing Activities:	
Operating Grants Received	1,505,203
Operating Transfers In	5,314,073
Operating Transfers Out	-
Other Non-operating Revenues	-
Other Non-operating Expenditures	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>6,819,276</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Sale of Bonds and Other Obligations	-
Acquisition and Construction of Capital Assets	(2,889,885)
Principal Paid on Bonds and Other Long-Term Obligations	-
Interest Paid on Bonds and Other Long-Term Obligations	-
Bond Issuance Costs	-
Contributed Capital Provided by Governmental Funds	109,458
Capital Grants and Other Capital Contributions	4,244,147
Proceeds from Sale of Equipment	35,311
Proceeds from Sale of Land Assemblage	-
Escrow Deposits	-
Net Cash Provided by Capital and Related Financing Activities	<u>1,499,031</u>
Cash Flows from Investing Activities:	
Interest on Investments	-
Net Cash Provided by Investing Activities	<u>-</u>

<u>Water and Sewer Fund</u>	<u>Parking Facilities Fund</u>	<u>Total June 30, 2001</u>
\$ 5,340,885	\$ 1,008,633	\$ (3,243,360)
11,953,972	831,070	13,845,964
544,086	-	544,086
8,002,963	-	8,002,963
(1,852,455)	(97,200)	(1,949,655)
(69,965)	-	(69,965)
118,956	-	113,700
(354,307)	45,883	(284,124)
87,957	-	328,401
141,228	2,926	151,618
<u>23,913,320</u>	<u>1,791,312</u>	<u>17,439,628</u>
-	-	1,505,203
-	3,326,493	8,640,566
(822,131)	(200,000)	(1,022,131)
236,716	-	236,716
(57,766)	(2,000,000)	(2,057,766)
<u>(643,181)</u>	<u>1,126,493</u>	<u>7,302,588</u>
24,175,592	10,445,000	34,620,592
(16,739,685)	(5,144,544)	(24,774,114)
(7,178,167)	(2,769,189)	(9,947,356)
(5,213,183)	(1,235,308)	(6,448,491)
(158,364)	(165,585)	(323,949)
-	-	109,458
5,053,956	-	9,298,103
95,397	555,000	685,708
-	276,985	276,985
-	(60,000)	(60,000)
<u>35,546</u>	<u>1,902,359</u>	<u>3,436,936</u>
5,264,099	790,866	6,054,965
<u>5,264,099</u>	<u>790,866</u>	<u>6,054,965</u>

continued on next page

City of Raleigh

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2001

	Mass Transit <u>Fund</u>
(Continued from previous page):	
Net Increase in Cash and Cash Equivalents	\$ 53,303
Cash and Cash Equivalents, Beginning of Year	<u>3,213,548</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,266,851</u>

Noncash Capital and Related Financing Activities:

During the fiscal year ended June 30, 2001, the City had the following noncash capital and related financing activities in enterprise operations:

Water and Sewer Fund

Capital Contributions: Town of Garner utilities merger \$29,238,649; annexations \$12,214,517

Acquisition and construction of capital assets on account: \$2,451,919

Capitalized interest: \$230,942

Parking Facilities Fund

Acquisition and construction of capital assets on account: \$1,433,197

Note principal payoff from sale of land assemblage: \$1,250,043

Note interest payoff from sale of land assemblage: \$34,961

<u>Water and Sewer Fund</u>	<u>Parking Facilities Fund</u>	<u>Total June 30, 2001</u>
\$ 28,569,784	\$ 5,611,030	\$ 34,234,117
<u>73,986,437</u>	<u>7,928,369</u>	<u>85,128,354</u>
<u><u>\$ 102,556,221</u></u>	<u><u>\$ 13,539,399</u></u>	<u><u>\$ 119,362,471</u></u>

**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 Enterprise Funds shown on the Combining 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.



City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 MASS TRANSIT FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Operating Revenues and Other Sources:					
Farebox	\$ -	\$ 2,095,336	\$ 2,095,336	\$ 2,200,000	\$ (104,664)
Charter	-	34,743	34,743	33,887	856
Intergovernmental:					
State of North Carolina	-	1,505,203	1,505,203	1,200,000	305,203
Miscellaneous Other	-	296,036	296,036	233,550	62,486
Operating Transfers From:					
General Fund	-	4,941,016	4,941,016	5,181,457	(240,441)
Sales Tax Fund	319,881	-	319,881	319,881	-
Street Improvement Fund	-	373,057	373,057	373,057	-
	<u>319,881</u>	<u>9,245,391</u>	<u>9,565,272</u>	<u>9,541,832</u>	<u>23,440</u>
Capital Revenues and Other Sources:					
Intergovernmental:					
Federal Transit Administration	3,583,873	4,230,206	7,814,079	15,461,379	(7,647,300)
State of North Carolina	174,715	13,941	188,656	1,352,579	(1,163,923)
Miscellaneous Other	24,711	-	24,711	-	24,711
	<u>3,783,299</u>	<u>4,244,147</u>	<u>8,027,446</u>	<u>16,813,958</u>	<u>(8,786,512)</u>
Residual Equity Transfers:					
From Sales Tax Fund	797,269	-	797,269	863,929	(66,660)
From Street Improvement Fund	808,689	109,458	918,147	918,147	-
	<u>1,605,958</u>	<u>109,458</u>	<u>1,715,416</u>	<u>1,782,076</u>	<u>(66,660)</u>
Total Revenues	<u>\$ 5,709,138</u>	<u>\$ 13,598,996</u>	<u>\$ 19,308,134</u>	<u>28,137,866</u>	<u>\$ (8,829,732)</u>
Fund Balance Appropriated				<u>1,369,451</u>	
				<u>\$ 29,507,317</u>	
Operating Grant Expenditures and Other Uses:					
Budget Reserve	\$ -	\$ -	\$ -	\$ 697,947	\$ (697,947)
Mass Transit Program Expenditures	-	7,780,384	7,780,384	8,384,060	(603,676)
ART Program Expenditures	-	1,044,510	1,044,510	1,136,338	(91,828)
	<u>-</u>	<u>8,824,894</u>	<u>8,824,894</u>	<u>10,218,345</u>	<u>(1,393,451)</u>
Capital Grant Expenditures	<u>4,990,673</u>	<u>5,015,598</u>	<u>10,006,271</u>	<u>19,288,972</u>	<u>(9,282,701)</u>
Total Expenditures	<u>\$ 4,990,673</u>	<u>\$ 13,840,492</u>	<u>\$ 18,831,165</u>	<u>\$ 29,507,317</u>	<u>\$ (10,676,152)</u>

Continued

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
MASS TRANSIT FUND
For the Fiscal Year Ended June 30, 2001

Reconciliation of Modified Accrual Basis to Full Accrual Basis:

Total Current Year Revenues - Modified Accrual Basis	\$ 13,598,996
Total Current Year Expenditures - Modified Accrual Basis	<u>13,840,492</u>
Deficiency of Revenues over Expenditures	(241,496)
Adjustments to Full Accrual Basis:	
Capital Outlay	2,889,885
Increase in Federal and State Receivables - Capital Projects	109,402
Capital Transfers	(109,458)
Depreciation	(1,060,922)
Vacation Expense	(7,464)
Loss on Disposal of Equipment	<u>(111,296)</u>
Net Income per Statement of Revenues, Expenses, and Changes in Retained Earnings	<u><u>\$ 1,468,651</u></u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 WATER AND SEWER OPERATING FUND
 For the Fiscal Year Ended June 30, 2001

	Actual	Budget	Over (Under) Budget
Revenues:			
Water and Sewer User Charges	\$ 43,026,369	\$ 42,018,523	\$ 1,007,846
Water and Sewer Services	497,230	600,000	(102,770)
Outside Sewer Connections	259,030	75,000	184,030
Water and Sewer Penalties	108,445	60,000	48,445
Water and Sewer Sales - Municipalities	3,811,184	3,553,190	257,994
Capital Facility Charges	1,023,514	325,000	698,514
Water and Sewer Assessments	862,581	750,000	112,581
Acreage Connection Fees	36,357	75,000	(38,643)
Other Sewer and Treatment Fees	2,087,299	1,200,000	887,299
Miscellaneous Other	377,633	291,500	86,133
Total Operating Revenues	<u>52,089,642</u>	<u>48,948,213</u>	<u>3,141,429</u>
Nonoperating Revenues:			
Interest on Investments	3,860,628	2,530,412	1,330,216
Other	300,959	248,600	52,359
Total Nonoperating Revenues	<u>4,161,587</u>	<u>2,779,012</u>	<u>1,382,575</u>
Total Revenues	<u>\$ 56,251,229</u>	51,727,225	<u>\$ 4,524,004</u>
Fund Balance Appropriated		<u>11,425,081</u>	
		<u>\$ 63,152,306</u>	
Expenditures:			
Public Utilities:			
Administration	\$ 2,148,605	\$ 2,317,702	\$ (169,097)
Water Plant	8,566,916	9,883,547	(1,316,631)
Waste Treatment Plant	8,496,498	9,227,672	(731,174)
Utilities Construction	2,473,628	2,873,853	(400,225)
Utilities Maintenance	4,350,061	5,857,774	(1,507,713)
Meter	2,834,547	3,007,124	(172,577)
Warehouse	1,140,015	1,297,809	(157,794)
	<u>30,010,270</u>	<u>34,465,481</u>	<u>(4,455,211)</u>
Special Appropriations:			
Reimbursement to General Fund	5,585,135	5,585,135	-
Insurance and Risk Management Charges	356,901	366,585	(9,684)
Other Expenditures	326,378	727,424	(401,046)
	<u>6,268,414</u>	<u>6,679,144</u>	<u>(410,730)</u>

Continued

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 WATER AND SEWER OPERATING FUND
 For the Fiscal Year Ended June 30, 2001

	<u>Actual</u>	<u>Budget</u>	Over (Under) Budget
Expenditures (Continued):			
Debt Service:			
General Obligations Bonds:			
Principal	\$ 4,805,000	\$ 4,805,000	\$ -
Interest	1,943,046	1,943,046	-
Revenue Bonds:			
Principal	1,475,000	2,010,000	(535,000)
Interest	2,789,545	3,316,448	(526,903)
Installment Financing Agreement	1,360,355	2,092,205	(731,850)
Other Installment Obligations	8,521	9,000	(479)
Other Expenditures	<u>57,766</u>	<u>110,000</u>	<u>(52,234)</u>
	<u>12,439,233</u>	<u>14,285,699</u>	<u>(1,846,466)</u>
Other Expenditures:			
Refunds and Other	78,453	-	78,453
Bad Debt Expense	<u>544,086</u>	<u>-</u>	<u>544,086</u>
	<u>622,539</u>	<u>-</u>	<u>622,539</u>
Total Expenditures	<u>49,340,456</u>	<u>55,430,324</u>	<u>(6,089,868)</u>
Other Financing Uses:			
Operating Transfers Out:			
General Fund	667,212	667,212	-
Equipment Replacement Fund	138,770	138,770	-
Water Capital Projects Fund	3,059,000	3,059,000	-
Sewer Capital Projects Fund	<u>3,857,000</u>	<u>3,857,000</u>	<u>-</u>
Total Other Financing Uses	<u>7,721,982</u>	<u>7,721,982</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 57,062,438</u>	<u>\$ 63,152,306</u>	<u>\$ (6,089,868)</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 WATER CAPITAL PROJECTS FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 281,394	\$ 281,394	\$ -	\$ 281,394
Developer Participation:					
Holly Springs Water Main	1,957,771	7,051	1,964,822	1,992,265	(27,443)
Forestville Road	-	75,484	75,484	75,484	-
Miscellaneous	-	94,000	94,000	94,000	-
Total Revenues	1,957,771	457,929	2,415,700	2,161,749	253,951
Other Financing Sources:					
Operating Transfer From Water and Sewer Operating Fund	-	3,059,000	3,059,000	3,059,000	-
Total Revenues and Other Financing Sources	\$ 1,957,771	\$ 3,516,929	\$ 5,474,700	5,220,749	\$ 253,951
Fund Balance Appropriated				6,158,847	
				\$ 11,379,596	
Expenditures:					
Water Capital Projects	\$ 3,990,039	\$ 1,977,164	\$ 5,967,203	\$ 11,305,418	\$ (5,338,215)
Other Financing Uses:					
Operating Transfers To:					
Water and Sewer Revenue Bond Fund	-	64,462	64,462	64,462	-
Water and Sewer G.O. Bond Fund	-	9,716	9,716	9,716	-
Total Other Financing Uses	-	74,178	74,178	74,178	-
Total Expenditures and Other Financing Uses	\$ 3,990,039	\$ 2,051,342	\$ 6,041,381	\$ 11,379,596	\$ (5,338,215)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 SEWER CAPITAL PROJECTS FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 83,215	\$ 83,215	\$ -	\$ 83,215
Developer Participation:					
Upper Neuse Main	150,000	-	150,000	200,000	(50,000)
Neuse Outfall Extension	-	-	-	66,667	(66,667)
Wycliff Road	-	19,952	19,952	19,952	-
LNBA Grant Re-use Pump Station	200,000	-	200,000	200,000	-
Total Revenues	<u>350,000</u>	<u>103,167</u>	<u>453,167</u>	<u>486,619</u>	<u>(33,452)</u>
Other Financing Sources:					
Operating Transfer From Water and Sewer Operating Fund	-	3,857,000	3,857,000	3,857,000	-
State Loan Proceeds	<u>14,739,977</u>	<u>1,913,386</u>	<u>16,653,363</u>	<u>17,500,000</u>	<u>(846,637)</u>
Total Other Financing Sources	<u>14,739,977</u>	<u>5,770,386</u>	<u>20,510,363</u>	<u>21,357,000</u>	<u>(846,637)</u>
Total Revenues and Other Financing Sources	<u>\$ 15,089,977</u>	<u>\$ 5,873,553</u>	<u>\$ 20,963,530</u>	21,843,619	<u>\$ (880,089)</u>
Fund Balance Appropriated				<u>6,195,272</u>	
				<u>\$ 28,038,891</u>	
Expenditures:					
Sewer Capital Projects	<u>\$ 19,949,437</u>	<u>\$ 2,090,502</u>	<u>\$ 22,039,939</u>	<u>\$ 27,765,113</u>	<u>\$ (5,725,174)</u>
Other Financing Uses:					
Operating Transfer To Water and Sewer Revenue Bond Fund	<u>-</u>	<u>273,778</u>	<u>273,778</u>	<u>273,778</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 19,949,437</u>	<u>\$ 2,364,280</u>	<u>\$ 22,313,717</u>	<u>\$ 28,038,891</u>	<u>\$ (5,725,174)</u>

City of Raleigh

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER AND SEWER REVENUE BOND FUND
For the Fiscal Year Ended June 30, 2001**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 1,050,206	\$ 1,050,206	\$ -	\$ 1,050,206
Developer Participation	35,000	-	35,000	22,500	12,500
Total Revenues	<u>35,000</u>	<u>1,050,206</u>	<u>1,085,206</u>	<u>22,500</u>	<u>1,062,706</u>
Other Financing Sources:					
Operating Transfers From:					
Water Capital Projects Fund	-	64,462	64,462	64,462	-
Sewer Capital Projects Fund	-	273,778	273,778	273,778	-
	-	338,240	338,240	338,240	-
Bond Proceeds	-	22,262,205	22,262,205	22,262,205	-
Total Other Financing Sources	<u>-</u>	<u>22,600,445</u>	<u>22,600,445</u>	<u>22,600,445</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 35,000</u>	<u>\$ 23,650,651</u>	<u>\$ 23,685,651</u>	22,622,945	<u>\$ 1,062,706</u>
Fund Balance Appropriated				<u>44,193,369</u>	
				<u>\$ 66,816,314</u>	
Expenditures:					
Bond Issue Costs	\$ -	\$ 158,365	\$ 158,365	\$ 262,206	\$ (103,841)
Water Capital Projects	18,357,450	6,086,227	24,443,677	30,911,709	(6,468,032)
Sewer Capital Projects	12,860,618	5,037,272	17,897,890	29,742,399	(11,844,509)
Total Expenditures	<u>31,218,068</u>	<u>11,281,864</u>	<u>42,499,932</u>	<u>60,916,314</u>	<u>(18,416,382)</u>
Other Financing Uses:					
Budget Reserve	-	-	-	5,900,000	(5,900,000)
Total Expenditures and Other Financing Uses	<u>\$ 31,218,068</u>	<u>\$ 11,281,864</u>	<u>\$ 42,499,932</u>	<u>\$ 66,816,314</u>	<u>\$ (24,316,382)</u>

City of Raleigh

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER AND SEWER GENERAL OBLIGATION BOND FUND
For the Fiscal Year Ended June 30, 2001**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 277,116	\$ 277,116	\$ -	\$ 277,116
Other Financing Sources:					
Operating Transfer From Water Capital Projects Fund	-	9,716	9,716	9,716	-
Total Revenues and Other Financing Sources	<u>\$ -</u>	<u>\$ 286,832</u>	<u>\$ 286,832</u>	9,716	<u>\$ 277,116</u>
Fund Balance Appropriated				<u>12,228,923</u>	
				<u>\$ 12,238,639</u>	
Expenditures:					
Water and Sewer Capital Projects	\$ 7,346,584	\$ 1,536,648	\$ 8,883,232	\$ 12,222,490	\$ (3,339,258)
Other Financing Uses:					
Operating Transfer To Street Improvement Fund	-	16,149	16,149	16,149	-
Total Expenditures and Other Financing Uses	<u>\$ 7,346,584</u>	<u>\$ 1,552,797</u>	<u>\$ 8,899,381</u>	<u>\$ 12,238,639</u>	<u>\$ (3,339,258)</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL WATER AND SEWER FUNDS For the Fiscal Year Ended June 30, 2001

Reconciliation of Modified Accrual to Full Accrual Basis:

Total Current Year Revenues and Other Financing Sources - Modified Accrual Basis	
Water and Sewer Operating Fund	\$ 56,251,229
Water Capital Projects Fund	3,516,929
Sewer Capital Projects Fund	5,873,553
Water and Sewer Revenue Bond Fund	23,650,651
Water and Sewer General Obligation Bond Fund	286,832
Total Current Year Expenditures and Other Financing Uses - Modified Accrual Basis	
Water and Sewer Operating Fund	(57,062,438)
Water Capital Projects Fund	(2,051,342)
Sewer Capital Projects Fund	(2,364,280)
Water and Sewer Revenue Bond Fund	(11,281,864)
Water and Sewer General Obligation Bond Fund	<u>(1,552,797)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	15,266,473
Adjustments to Full Accrual Basis:	
Amortization of Deferred Costs	(36,535)
Assessments and Grants	(1,326,147)
Bond and Note Principal Payments	7,099,472
Bond and Note Proceeds	(24,175,592)
Bond Issuance Costs	158,365
Capital Contributions	46,507,123
Capital Outlay	17,273,900
Capitalized Interest	230,942
Depreciation	(11,917,437)
Interest Expense Accrual	(457,536)
Interest Income Accrual	(371,331)
Loss on Disposal of Fixed Assets	(457,435)
Proceeds from Sale of Equipment	(95,397)
Revenue Accruals from Receivables	<u>2,721,167</u>
Net Income per Statement of Revenues, Expenses and Changes in Retained Earnings	<u>\$ 50,420,032</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 PARKING FACILITIES OPERATING FUND
 For the Fiscal Year Ended June 30, 2001

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Revenues:			
Parking Fees	\$ 2,267,119	\$ 1,637,310	\$ 629,809
Interest on Investments	226,149	60,000	166,149
Total Revenues	<u>2,493,268</u>	<u>1,697,310</u>	<u>795,958</u>
Other Financing Sources:			
Operating Transfer From General Fund	<u>2,376,493</u>	<u>2,376,493</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 4,869,761</u>	4,073,803	<u>\$ 795,958</u>
Fund Balance Appropriated		<u>125,961</u>	
		<u>\$ 4,199,764</u>	
Expenditures:			
Operating Expenditures	\$ 428,339	\$ 1,442,838	\$ (1,014,499)
Capital Outlay	-	1,895	(1,895)
Total Expenditures	<u>428,339</u>	<u>1,444,733</u>	<u>(1,016,394)</u>
Debt Service:			
Bond Principal	1,235,000	1,235,000	-
Bond Interest	567,213	567,213	-
Note Principal	403,577	403,577	-
Note Interest	549,241	549,241	-
Total Debt Service	<u>2,755,031</u>	<u>2,755,031</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 3,183,370</u>	<u>\$ 4,199,764</u>	<u>\$ (1,016,394)</u>

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 PARKING FACILITIES CAPITAL PROJECTS FUND
 For the Fiscal Year Ended June 30, 2001

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
Revenues:					
Interest on Investments	\$ -	\$ 554,375	\$ 554,375	\$ -	\$ 554,375
Miscellaneous Income	-	923	923	383,000	(382,077)
Total Revenues	-	555,298	555,298	383,000	172,298
Other Financing Sources:					
Operating Transfer From Sales Tax Fund	-	950,000	950,000	950,000	-
Bond Proceeds	-	10,445,000	10,445,000	10,175,000	270,000
Proceeds From Sale of Property	-	831,985	831,985	-	831,985
Total Other Financing Sources	-	12,226,985	12,226,985	11,125,000	1,101,985
Total Revenues and Other Financing Sources	\$ -	\$ 12,782,283	\$ 12,782,283	11,508,000	\$ 1,274,283
Fund Balance Appropriated				13,298,942	
				\$ 24,806,942	
Expenditures:					
Bond Issue Costs	\$ -	\$ 165,585	\$ 165,585	\$ 175,000	\$ (9,415)
Parking Facilities Capital Projects	10,863,384	5,794,455	16,657,839	22,849,187	(6,191,348)
Other	-	65,615	65,615	65,615	-
Total Expenditures	10,863,384	6,025,655	16,889,039	23,089,802	(6,200,763)
Debt Service:					
Note Principal	-	1,130,612	1,130,612	1,363,325	(232,713)
Note Interest	-	153,815	153,815	153,815	-
Total Debt Service	-	1,284,427	1,284,427	1,517,140	(232,713)
Other Financing Uses:					
Operating Transfer to Convention Center and Memorial Auditorium Projects	-	200,000	200,000	200,000	-
Total Expenditures and Other Financing Uses	\$ 10,863,384	\$ 7,510,082	\$ 18,373,466	\$ 24,806,942	\$ (6,433,476)

City of Raleigh

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
PARKING FACILITIES FUNDS
For the Fiscal Year Ended June 30, 2001

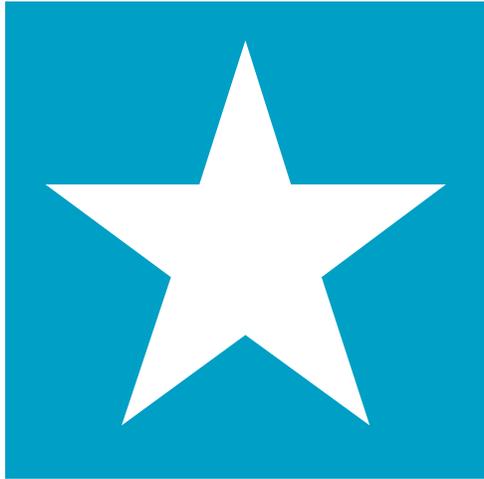
Reconciliation of Modified Accrual Basis to Full Accrual Basis:

Total Current Year Revenues and Other Financing Sources - Modified Accrual Basis (Parking Facilities Operating Fund)	\$ 4,869,761
Total Current Year Expenditures and Other Financing Uses - Modified Accrual Basis (Parking Facilities Operating Fund)	(3,183,370)
Total Current Year Revenues and Other Financing Sources - Modified Accrual Basis (Parking Facilities Capital Projects Fund)	12,782,283
Total Current Year Expenditures and Other Financing Uses - Modified Accrual Basis (Parking Facilities Capital Projects Fund)	<u>(7,510,082)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	6,958,592
Adjustments to Full Accrual Basis:	
Depreciation	(821,684)
Amortization	(9,386)
Capital Outlay	5,794,455
Accrued Interest Expense	87,421
Amortization of Deferred Refunding	(58,976)
Deferred Charges - Bond Issue Costs	165,585
Proceeds from Sale of Property	(831,985)
Long-Term Debt Proceeds	(10,445,000)
Bond Principal	1,235,000
Note Principal	1,534,189
Loss on Sale of Fixed Assets	(255,429)
Accrued Interest Income	<u>36,299</u>
Net Income Per Statement of Revenues, Expenses and Changes in Retained Earnings	<u>\$ 3,389,081</u>

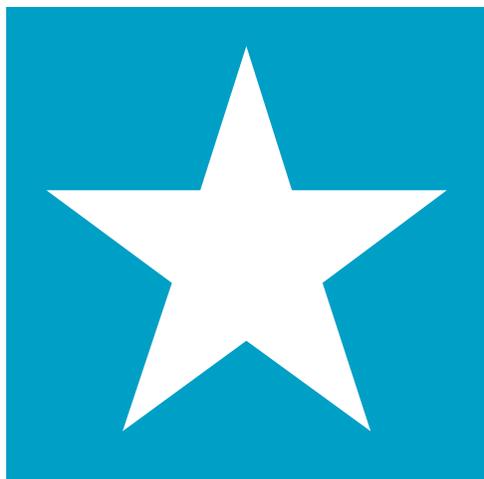
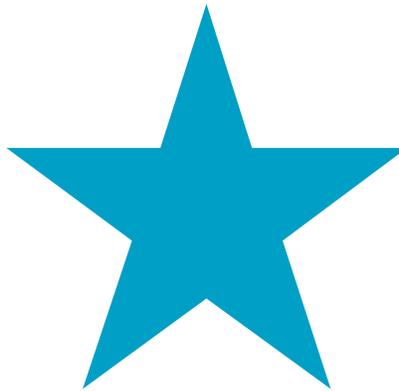
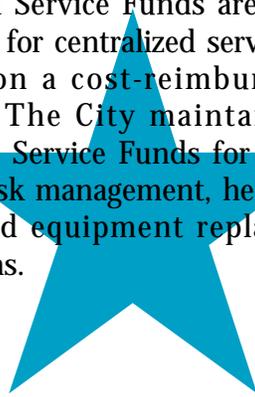
City of Raleigh

SCHEDULE OF CHANGES IN
ENTERPRISE FUND FIXED ASSETS
For the Fiscal Year Ended June 30, 2001

	Balance June 30, 2000	Additions	Transfers	Deletions	Balance June 30, 2001
Mass Transit Fund:					
Land	\$ 988,989	\$ -	\$ -	\$ -	\$ 988,989
Buildings	3,837,833	-	-	39,115	3,798,718
Buses	10,877,357	2,889,885	-	279,263	13,487,979
Equipment	1,282,154	-	-	775,457	506,697
Furniture and Fixtures	49,763	-	-	23,861	25,902
Improvements	884,977	-	-	116,020	768,957
Total Fixed Assets	17,921,073	2,889,885	-	1,233,716	19,577,242
Less: Accumulated Depreciation	9,309,356	1,060,922	-	1,087,109	9,283,169
Fixed Assets, Net	\$ 8,611,717	\$ 1,828,963	\$ -	\$ 146,607	\$ 10,294,073
Water and Sewer Fund:					
Land	\$ 9,422,838	\$ 4,205,323	\$ 151,195	\$ 70,986	\$ 13,708,370
Water and Sewer Systems	442,285,143	40,399,811	4,302,171	732,600	486,254,525
Buildings and Machinery	49,638,298	7,579,517	-	790,234	56,427,581
Equipment	13,812,792	842,145	-	2,172,844	12,482,093
Furniture and Fixtures	25,902	-	-	11,492	14,410
Water Improvement Projects	2,409,915	144,644	181,254	15,436	2,720,377
Construction in Progress	5,072,786	6,067,629	(4,634,620)	18,908	6,486,887
Total Fixed Assets	522,667,674	59,239,069	-	3,812,500	578,094,243
Less: Accumulated Depreciation	116,877,985	11,917,437	-	3,259,673	125,535,749
Fixed Assets, Net	\$ 405,789,689	\$ 47,321,632	\$ -	\$ 552,827	\$ 452,558,494
Parking Facilities Fund:					
Land	\$ 10,312,393	\$ 170,030	\$ -	\$ 2,431,426	\$ 8,050,997
Parking Decks	34,154,143	110,011	-	398,465	33,865,689
Equipment	175,574	-	-	19,521	156,053
Improvements	234,672	-	-	123,260	111,412
Construction in Progress	-	5,514,414	-	-	5,514,414
Total Fixed Assets	44,876,782	5,794,455	-	2,972,672	47,698,565
Less: Accumulated Depreciation	5,995,241	821,864	-	136,848	6,680,257
Fixed Assets, Net	\$ 38,881,541	\$ 4,972,591	\$ -	\$ 2,835,824	\$ 41,018,308



Internal Service Funds are used to account for centralized services provided on a cost-reimbursement basis. The City maintains four Internal Service Funds for its print shop, risk management, health benefit, and equipment replacement programs.



INTERNAL SERVICE FUNDS

Print Services Fund - The Print Services Fund accounts for the operations of the City's Print Shop.

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 and employees' contributions to a Medical Trust and its related costs, including claims and operating expenses.

Equipment Replacement Fund - The Equipment Replacement Fund accounts for the activities related to managing the City's equipment replacement program.



City of Raleigh

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
June 30, 2001

	Print Services Fund	Risk Management Fund	Employees' Health Benefits Fund	Equipment Replacement Fund	June 30, 2001
ASSETS					
Cash and Cash Equivalents	\$ 547,280	\$ 9,332,695	\$ 579,749	\$ 13,068,424	\$ 23,528,148
Customer Receivables	4,087	-	-	-	4,087
Interest Receivable	2,501	42,446	-	59,414	104,361
Sales Tax Receivable	27,723	356	-	45,527	73,606
Due from Other Funds	-	-	-	14,325	14,325
Inventories	21,843	-	-	-	21,843
Insurance Deposit	-	85,200	-	-	85,200
Deferred Charges	-	-	-	76,170	76,170
Restricted Cash	-	-	-	8,547,170	8,547,170
	<u>603,434</u>	<u>9,460,697</u>	<u>579,749</u>	<u>21,811,030</u>	<u>32,454,910</u>
Fixed Assets:					
Equipment	62,764	-	-	23,603,557	23,666,321
Less: Accumulated Depreciation	57,754	-	-	6,442,877	6,500,631
Fixed Assets, Net	<u>5,010</u>	<u>-</u>	<u>-</u>	<u>17,160,680</u>	<u>17,165,690</u>
Total Assets	<u>\$ 608,444</u>	<u>\$ 9,460,697</u>	<u>\$ 579,749</u>	<u>\$ 38,971,710</u>	<u>\$ 49,620,600</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 25,835	\$ 247	\$ -	\$ 149,108	\$ 175,190
Arbitrage Rebate Payable	-	-	-	271,925	271,925
Claims Payable	-	5,883,319	2,059,864	-	7,943,183
Accrued Interest Payable	-	-	-	154,014	154,014
Current Portion of Long-Term Obligations - Contracts and Other Notes Payable	-	-	-	5,775,000	5,775,000
Current Portion of Unamortized Premium - Long Term Obligations	-	-	-	74,943	74,943
Long-Term Obligations - Contracts and Other Notes Payable	-	-	-	18,695,000	18,695,000
Unamortized Premium - Long-Term Obligations	-	-	-	224,829	224,829
Earned Vacation Pay	8,697	-	-	-	8,697
Total Liabilities	<u>34,532</u>	<u>5,883,566</u>	<u>2,059,864</u>	<u>25,344,819</u>	<u>33,322,781</u>
Fund Equity:					
Contributed Capital	186,643	-	-	5,272,459	5,459,102
Retained Earnings (Deficit)	387,269	3,577,131	(1,480,115)	8,354,432	10,838,717
Total Fund Equity (Deficit)	<u>573,912</u>	<u>3,577,131</u>	<u>(1,480,115)</u>	<u>13,626,891</u>	<u>16,297,819</u>
Total Liabilities and Fund Equity	<u>\$ 608,444</u>	<u>\$ 9,460,697</u>	<u>\$ 579,749</u>	<u>\$ 38,971,710</u>	<u>\$ 49,620,600</u>

City of Raleigh

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2001**

	Print Services Fund	Risk Management Fund	Employees' Health Benefits Fund	Equipment Replacement Fund	June 30, 2001
Operating Revenues:					
Charges for Services	\$ 707,464	\$ 2,756,500	\$ 10,157,605	\$ 4,199,176	\$ 17,820,745
Other Charges	-	42,701	-	56,107	98,808
Total Operating Revenues	<u>707,464</u>	<u>2,799,201</u>	<u>10,157,605</u>	<u>4,255,283</u>	<u>17,919,553</u>
Operating Expenses:					
Claims	-	2,437,447	11,536,796	-	13,974,243
Premiums	-	447,781	-	-	447,781
Administrative Charges and Fees	84,963	215,819	1,418,626	-	1,719,408
Materials, Services and Supplies	599,908	-	-	-	599,908
Other	-	9,916	-	33,922	43,838
Depreciation	10,179	-	-	3,987,543	3,997,722
Total Operating Expenses	<u>695,050</u>	<u>3,110,963</u>	<u>12,955,422</u>	<u>4,021,465</u>	<u>20,782,900</u>
Operating Income (Loss)	<u>12,414</u>	<u>(311,762)</u>	<u>(2,797,817)</u>	<u>233,818</u>	<u>(2,863,347)</u>
Nonoperating Revenue:					
Investment Income	<u>27,981</u>	<u>567,609</u>	<u>88,832</u>	<u>468,566</u>	<u>1,152,988</u>
Nonoperating Expense:					
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,529</u>	<u>475,529</u>
Income (Loss) Before Operating Transfers	<u>40,395</u>	<u>255,847</u>	<u>(2,708,985)</u>	<u>226,855</u>	<u>(2,185,888)</u>
Operating Transfers In	<u>1,228</u>	<u>-</u>	<u>-</u>	<u>1,723,681</u>	<u>1,724,909</u>
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>(800,000)</u>
Net Income (Loss)	<u>41,623</u>	<u>255,847</u>	<u>(2,708,985)</u>	<u>1,150,536</u>	<u>(1,260,979)</u>
Retained Earnings - Beginning of Year	<u>345,646</u>	<u>3,321,284</u>	<u>1,228,870</u>	<u>7,203,896</u>	<u>12,099,696</u>
Retained Earnings (Deficit) - End of Year	<u>\$ 387,269</u>	<u>\$ 3,577,131</u>	<u>\$ (1,480,115)</u>	<u>\$ 8,354,432</u>	<u>\$ 10,838,717</u>

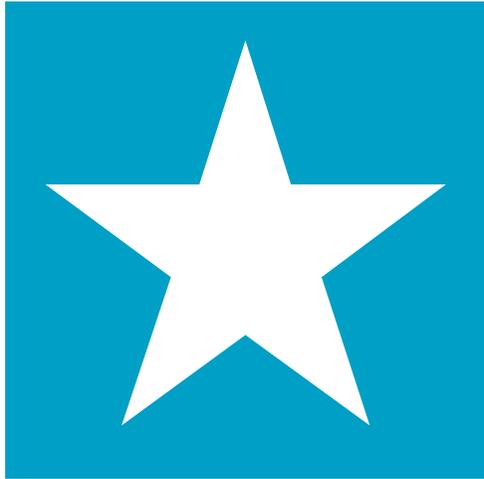
City of Raleigh

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2001

	Print Services Fund	Risk Management Fund	Employees' Health Benefits Fund	Equipment Replacement Fund	June 30, 2001
Operating Income (Loss)	\$ 12,414	\$ (311,762)	\$ (2,797,817)	\$ 233,818	\$ (2,863,347)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	10,179	-	-	3,987,543	3,997,722
Changes in Assets and Liabilities:					
Operating Receivables	(2,935)	(184)	-	55,967	52,848
Inventories	1,618	-	-	-	1,618
Accounts Payable - Operating Accounts	21,000	(84)	-	-	20,916
Claims Payable - Operating Accounts	-	(178,284)	609,833	-	431,549
Earned Vacation Pay	1,666	-	-	-	1,666
Net Cash Provided (Used) by Operating Activities	43,942	(490,314)	(2,187,984)	4,277,328	1,642,972
Cash Flows from Noncapital and Related Financing Activities:					
Operating Transfer In	1,228	-	-	1,723,681	1,724,909
Operating Transfer Out	-	-	-	(800,000)	(800,000)
Net Cash Provided by Noncapital and Related Financing Activities	1,228	-	-	923,681	924,909
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	-	-	-	(9,341,036)	(9,341,036)
Proceeds From Long-term Debt	-	-	-	15,109,715	15,109,715
Principal Paid on Long-term Debt	-	-	-	(3,015,000)	(3,015,000)
Interest Paid on Long-term Debt	-	-	-	(526,815)	(526,815)
Net Cash Provided by Capital and Related Financing Activities	-	-	-	2,226,864	2,226,864
Cash Flows from Investing Activities:					
Investment Income	27,165	557,903	88,832	710,816	1,384,716
Net Increase (Decrease) in Cash and Cash Cash Equivalents	72,335	67,589	(2,099,152)	8,138,689	6,179,461
Cash and Cash Equivalents, Beginning of Year	474,945	9,265,106	2,678,901	13,476,905	25,895,857
Cash and Cash Equivalents, End of Year	\$ 547,280	\$ 9,332,695	\$ 579,749	\$ 21,615,594	\$ 32,075,318

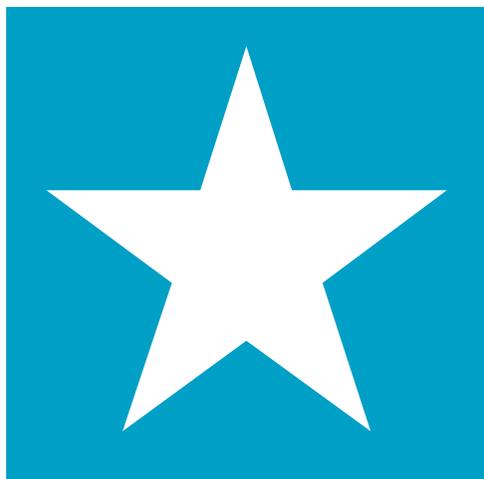
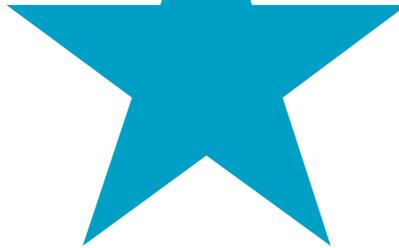
Noncash Capital and Related Financing Activities:

During the fiscal year ended June 30, 2001, the City had the following noncash and capital and related financing activities in the internal service operations: Equipment Replacement Fund - acquisition and construction of capital assets on account, \$149,108; first year amortization of premium on long-term obligations, \$74,943.



The Fiduciary Funds are used to account for resources received and held by the City as the trustee or for which the City acts as agent. These funds are expended or invested in accordance with agreements or applicable prescribed procedures.

The City's Fiduciary Funds include two Pension Trust Funds and two Agency Funds which account for activities of the City's deferred compensation plan, the law enforcement officers' special separation allowance, the county-wide room occupancy tax, and the CIAA Tournament planning activities.



FIDUCIARY FUNDS TRUST AND AGENCY FUNDS

Pension Trust 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 Fund - The Law Enforcement Officers' Special Separation Allowance Fund accounts for the City's contributions to a defined benefit plan provided to City law enforcement officers. The City is administrator of the plan and holds all plan assets.

Agency Funds:

Occupancy Tax Fund - The Occupancy Tax Fund accounts for the collection of the county-wide six percent room occupancy tax and the monthly transmittal of the funds to Wake County.

CIAA Steering Committee Fund - The CIAA Steering Committee Fund accounts for the fundraising and promotional activities of the CIAA Tournament Steering Committee.



City of Raleigh

COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 June 30, 2001

	<u>Pension Trust Funds</u>	
	<u>Supplemental Money Purchase Pension Plan</u>	<u>Law Enforcement Officers' Special Separation Allowance</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 9,358,173	\$ 4,517,381
Accrued Interest Receivable	-	20,534
Due From Other Governmental Agencies	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 9,358,173</u>	<u>\$ 4,537,915</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Due to Other Funds	\$ -	\$ -
Due to Other Agencies	-	-
	<hr/>	<hr/>
Total Liabilities	<hr/>	<hr/>
Fund Equity:		
Fund Balance:		
Reserved for Employees' Retirement Benefits	<u>9,358,173</u>	<u>4,537,915</u>
Total Liabilities and Fund Equity	<u>\$ 9,358,173</u>	<u>\$ 4,537,915</u>

Agency Funds

<u>Occupancy Tax</u>	<u>CIAA Steering Committee</u>	<u>June 30, 2001</u>
\$ -	\$ 4,810	\$ 13,880,364
-	-	20,534
<u>13,013</u>	<u>-</u>	<u>13,013</u>
<u>\$ 13,013</u>	<u>\$ 4,810</u>	<u>\$ 13,913,911</u>
\$ 13,013	\$ -	\$ 13,013
<u>-</u>	<u>4,810</u>	<u>4,810</u>
<u>13,013</u>	<u>4,810</u>	<u>17,823</u>
<u>-</u>	<u>-</u>	<u>13,896,088</u>
<u>\$ 13,013</u>	<u>\$ 4,810</u>	<u>\$ 13,913,911</u>

City of Raleigh

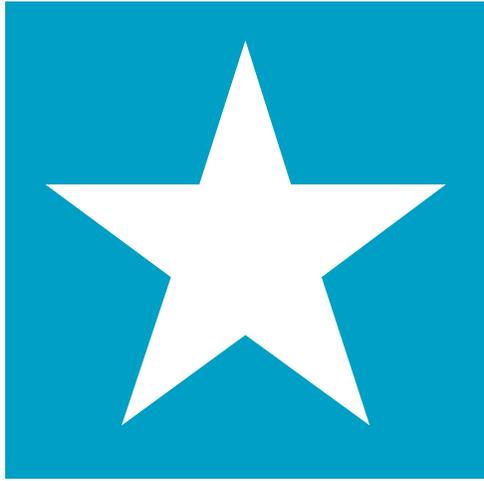
COMBINING STATEMENT OF CHANGES
IN PLAN NET ASSETS
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 2001

	Supplemental Money Purchase Pension Plan	Law Enforcement Officers' Special Separation Allowance	<u>June 30, 2001</u>
Additions:			
Employer Contributions	\$ 966,062	\$ 1,452,446	\$ 2,418,508
Plan Transfers	42,920	-	42,920
Investment Earnings (Losses)	(187,462)	236,034	48,572
Investment Expense	(31,908)	-	(31,908)
	<u>789,612</u>	<u>1,688,480</u>	<u>2,478,092</u>
Deductions:			
Benefits	315,276	1,290,513	1,605,789
Withdrawals and Forfeitures	2,328	-	2,328
	<u>317,604</u>	<u>1,290,513</u>	<u>1,608,117</u>
Net Increase	472,008	397,967	869,975
Fund Balance Reserved for Employees'			
Retirement Benefits:			
Beginning of Year	<u>8,886,165</u>	<u>4,139,948</u>	<u>13,026,113</u>
End of Year	<u>\$ 9,358,173</u>	<u>\$ 4,537,915</u>	<u>\$ 13,896,088</u>

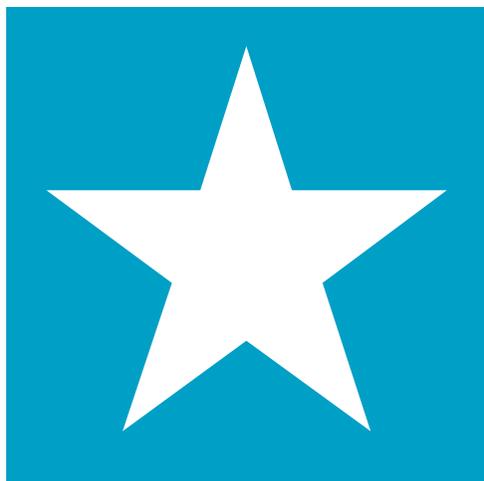
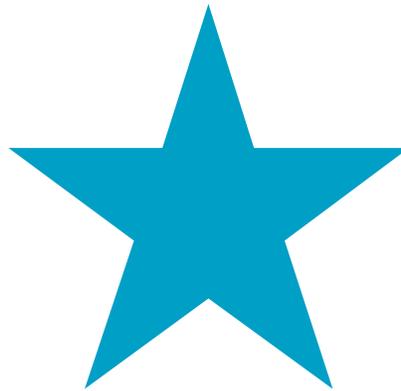
City of Raleigh

COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2001

	Balance June 30, 2000	Additions	Deductions	Balance June 30, 2001
<u>Occupancy Tax Fund</u>				
Assets:				
Cash and Investments	\$ 16,264	\$ 11,349,943	\$ 11,366,207	\$ -
Accrued Interest Receivable	46	-	46	-
Due From Other Governmental Agencies	-	13,013	-	13,013
	<u>\$ 16,310</u>	<u>\$ 11,362,956</u>	<u>\$ 11,366,253</u>	<u>\$ 13,013</u>
Liabilities:				
Due to Other Governmental Agencies	\$ 16,310	\$ 11,349,943	\$ 11,366,253	\$ -
Due to General Fund	-	13,013	-	13,013
	<u>\$ 16,310</u>	<u>\$ 11,362,956</u>	<u>\$ 11,366,253</u>	<u>\$ 13,013</u>
<u>CIAA Steering Committee Fund</u>				
Assets:				
Cash and Investments	\$ 11,024	\$ 573,294	\$ 579,508	\$ 4,810
Liabilities:				
Due to Other Agencies	\$ 11,024	\$ 573,294	\$ 579,508	\$ 4,810
<u>Total - All Agency Funds</u>				
Assets:				
Cash and Investments	\$ 27,288	\$ 11,923,237	\$ 11,945,715	\$ 4,810
Accrued Interest Receivable	46	-	46	-
Due From Other Governmental Agencies	-	13,013	-	13,013
	<u>\$ 27,334</u>	<u>\$ 11,936,250</u>	<u>\$ 11,945,761</u>	<u>\$ 17,823</u>
Liabilities:				
Due to Other Governmental Agencies	\$ 16,310	\$ 11,349,943	\$ 11,366,253	\$ -
Due to Other Funds	-	13,013	-	13,013
Due to Other Agencies	11,024	573,294	579,508	4,810
	<u>\$ 27,334</u>	<u>\$ 11,936,250</u>	<u>\$ 11,945,761</u>	<u>\$ 17,823</u>



Account Groups are used to establish accounting control and accountability for the City's general fixed assets, the unmatured principal of its general long-term debt, and other long-term general obligations, including lease-purchase contracts, installment notes, accumulated vacation pay and solid waste closure and postclosure costs.



ACCOUNT GROUPS

General Fixed Assets Account Group - The General Fixed Assets Account Group accounts for all fixed assets of the City other than those accounted for in the Proprietary Funds.

General Long-Term Obligations Account Group - The General Long-Term Obligations Account Group accounts for all long-term obligations of the City other than those accounted for in the Proprietary Funds.



City of Raleigh

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
For the Fiscal Year Ended June 30, 2001

	Balance June 30, <u>2000</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	Balance June 30, <u>2001</u>
Land	\$ 81,949,069	\$ 6,736,189	\$ 576,378	\$ 206,614	\$ 89,055,022
Buildings and Machinery	96,450,319	17,710,867	172,679	812,441	113,521,424
Streets & Sidewalks	338,865,316	21,684,405	4,843,406	195,636	365,197,491
Equipment	49,810,499	1,638,062	-	10,196,799	41,251,762
Furniture & Fixtures	2,341,693	45,541	-	465,740	1,921,494
Improvements - General and Parks	101,173,604	7,653,936	19,230,260	693,365	127,364,435
Construction in Progress	<u>26,640,811</u>	<u>13,089,416</u>	<u>(24,822,723)</u>	<u>-</u>	<u>14,907,504</u>
Total Fixed Assets	<u>\$ 697,231,311</u>	<u>\$ 68,558,416</u>	<u>\$ -</u>	<u>\$ 12,570,595</u>	<u>\$ 753,219,132</u>

City of Raleigh

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY June 30, 2001

	<u>Land</u>	<u>Buildings</u>	<u>Streets and Sidewalks</u>
General Government:			
Office of City Attorney	\$ -	\$ -	\$ -
Office of City Manager	-	-	-
Personnel Department	-	-	-
Administrative Services Department	-	230,912	-
Finance Department	-	-	-
Information Services Department	-	-	-
Total General Government	<u>-</u>	<u>230,912</u>	<u>-</u>
Community Development Services:			
Community Development Department	10,097,042	2,311,797	47,838
Central Engineering Department	1,628,859	-	-
Planning Department	-	-	-
Transportation Department	29,616,411	21,354,703	364,334,433
Inspections Department	-	-	-
Community Services Department	-	-	-
Total Community Services Department	<u>41,342,312</u>	<u>23,666,500</u>	<u>364,382,271</u>
Public Safety:			
Emergency Communications Center	-	-	-
Police Department	-	850,509	-
Fire Department	303,396	9,816,821	-
Total Public Safety	<u>303,396</u>	<u>10,667,330</u>	<u>-</u>
Solid Waste Services:	<u>2,772,456</u>	<u>15,331</u>	<u>-</u>
Leisure Services:			
Convention Center and Memorial Auditorium	9,142,131	35,175,334	-
Walnut Creek Amphitheatre	1,250,047	13,420,210	-
Parks and Recreation Department	34,244,680	30,345,807	815,220
Visitors and Convention Bureau	-	-	-
Total Leisure Services	<u>44,636,858</u>	<u>78,941,351</u>	<u>815,220</u>
Total General Fixed Assets	<u>\$ 89,055,022</u>	<u>\$ 113,521,424</u>	<u>\$ 365,197,491</u>

<u>Equipment</u>	<u>Furniture and Fixtures</u>	<u>Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 5,436	\$ -	\$ -	\$ -	\$ 5,436
45,249	-	-	-	45,249
22,646	4,022	3,799	-	30,467
714,564	2,093	53,002	-	1,000,571
1,202,843	28,064	-	-	1,230,907
1,109,509	8,695	357,755	-	1,475,959
<u>3,100,247</u>	<u>42,874</u>	<u>414,556</u>	<u>-</u>	<u>3,788,589</u>
27,285	14,022	4,128,032	-	16,626,016
672,403	-	2,394,778	1,136,696	5,832,736
17,495	17,343	-	-	34,838
6,862,384	4,255	17,882,949	11,780,738	451,835,873
850,265	67,494	-	-	917,759
7,051	-	1,267	-	8,318
<u>8,436,883</u>	<u>103,114</u>	<u>24,407,026</u>	<u>12,917,434</u>	<u>475,255,540</u>
1,118,403	11,847	351,200	14,538	1,495,988
7,155,855	54,012	621,494	-	8,681,870
7,638,785	-	523,787	3,446	18,286,235
<u>15,913,043</u>	<u>65,859</u>	<u>1,496,481</u>	<u>17,984</u>	<u>28,464,093</u>
<u>7,255,762</u>	<u>-</u>	<u>684,956</u>	<u>35,569</u>	<u>10,764,074</u>
1,209,926	1,420,789	46,085,905	179,522	93,213,607
238,357	-	237,045	-	15,145,659
4,032,850	38,673	54,038,466	1,756,995	125,272,691
1,064,694	250,185	-	-	1,314,879
<u>6,545,827</u>	<u>1,709,647</u>	<u>100,361,416</u>	<u>1,936,517</u>	<u>234,946,836</u>
<u>\$ 41,251,762</u>	<u>\$ 1,921,494</u>	<u>\$ 127,364,435</u>	<u>\$ 14,907,504</u>	<u>\$ 753,219,132</u>

City of Raleigh

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY For the Fiscal Year Ended June 30, 2001

	Balance June 30, <u>2000</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	Balance June 30, <u>2001</u>
General Government:					
Office of City Council	\$ 9,368	\$ -	\$ -	\$ 9,368	\$ -
Office of City Clerk	8,300	-	-	8,300	-
Office of City Attorney	6,476	-	-	1,040	5,436
Office of City Manager	50,691	-	-	5,442	45,249
Public Affairs Office	32,149	-	-	32,149	-
Arts Office	1,169	-	-	1,169	-
Personnel Department	80,063	-	-	49,596	30,467
Administrative Services Department	1,106,822	71,515	-	177,766	1,000,571
Finance Department	1,350,774	5,734	-	125,601	1,230,907
Information Services Department	1,652,113	25,524	-	201,678	1,475,959
Total General Government	4,297,925	102,773	-	612,109	3,788,589
Community Development Services:					
Community Development Department	17,023,417	505,705	31,199	934,305	16,626,016
Central Engineering Department	1,630,319	2,168,405	1,013,007	115,691	4,696,040
Planning Department	77,926	-	-	43,088	34,838
Transportation Department	409,329,334	25,553,038	6,937,334	1,764,571	440,055,135
Inspections Department	911,314	23,175	-	16,730	917,759
Community Services Department	14,271	-	-	5,953	8,318
Total Community Development Services	428,986,581	28,250,323	7,981,540	2,880,338	462,338,106
Public Safety:					
Emergency Communications	1,665,679	33,299	-	217,528	1,481,450
Police Department	12,711,491	328,044	53,555	4,411,220	8,681,870
Fire Department	16,968,374	2,127,643	154,791	968,019	18,282,789
Total Public Safety	31,345,544	2,488,986	208,346	5,596,767	28,446,109
Solid Waste Services:	11,432,415	-	-	703,910	10,728,505
Leisure Services:					
Convention Center and Memorial Auditorium	62,909,220	15,756,473	14,917,031	548,640	93,034,084
Walnut Creek Amphitheatre	15,157,669	-	-	12,010	15,145,659
Parks and Recreation Department	115,138,383	8,870,445	1,715,806	2,208,937	123,515,697
Visitors and Convention Bureau	1,322,763	-	-	7,884	1,314,879
Total Leisure Services	194,528,035	24,626,918	16,632,837	2,777,471	233,010,319
Construction in Progress	26,640,811	13,089,416	(24,822,723)	-	14,907,504
Total General Fixed Assets	\$ 697,231,311	\$ 68,558,416	\$ -	\$ 12,570,595	\$ 753,219,132

City of Raleigh

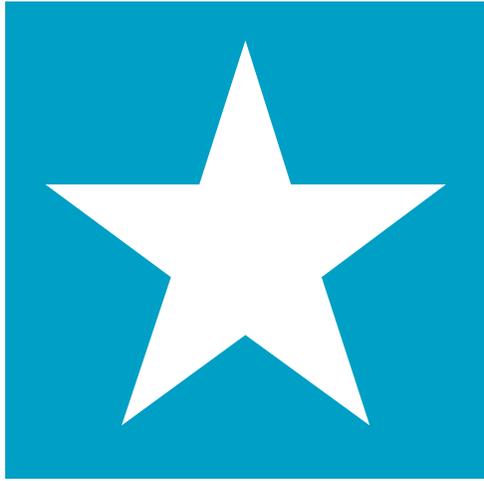
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES For the Fiscal Year Ended June 30, 2001

General Fixed Assets:	
Land	\$ 89,055,022
Buildings and Machinery	113,521,424
Streets & Sidewalks	365,197,491
Equipment	41,251,762
Furniture & Fixtures	1,921,494
Improvements - General and Parks	127,364,435
Construction in Progress	<u>14,907,504</u>
Total	<u>\$ 753,219,132</u>
Investment in General Fixed Assets From:	
General Revenue	\$ 173,285,988
State Revenue	45,109,792
Federal Grants	11,766,187
General Obligation Bonds	203,766,054
Donations	13,593,213
Contributed Property	122,427,807
Amounts Prior to 1987 for Which Source is Unknown	<u>183,270,091</u>
Total	<u>\$ 753,219,132</u>

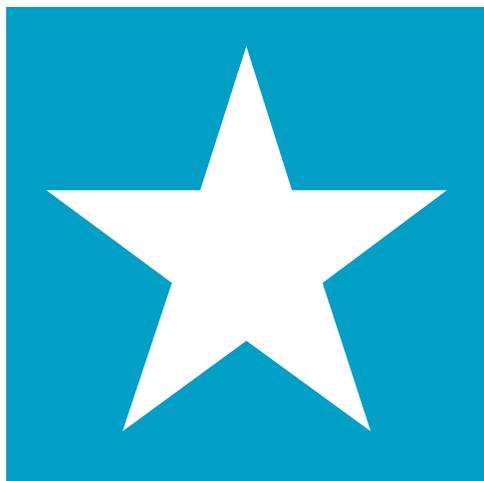
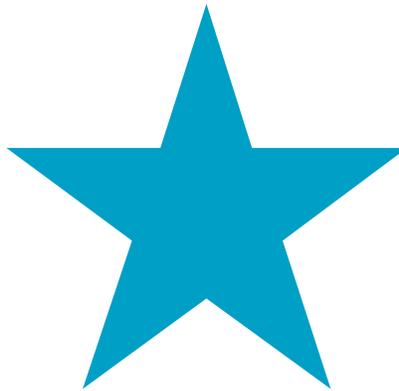
City of Raleigh

**SCHEDULE OF CHANGES IN GENERAL
LONG-TERM OBLIGATIONS
For the Fiscal Year Ended June 30, 2001**

	<u>Balance June 30, 2000</u>	<u>General Long-Term Obligations Incurred</u>	<u>General Long-Term Obligations Retired</u>	<u>Balance June 30, 2001</u>
Resources to be Provided in Future Years Years for Retirement of General Obligation Bonded Debt	\$ 110,695,000	\$ -	\$ 8,560,000	\$ 102,135,000
Resources to be Provided in Future Years for Retirement of Other Installment and Contractual Obligations	3,086,777	7,885	1,004,233	2,090,429
Resources to be Provided in Future Years for Retirement of Earned Vacation Pay	9,817,245	515,066	-	10,332,311
Resources to be Provided in Future Years for Retirement of Landfill Closure and Postclosure Costs	2,991,294	734,509	428,603	3,297,200
Resources to be Provided in Future Years for Retirement of Installment Financing Agreements	<u>9,404,237</u>	<u>-</u>	<u>388,820</u>	<u>9,015,417</u>
Total Available and to be Provided	<u>\$ 135,994,553</u>	<u>\$ 1,257,460</u>	<u>\$ 10,381,656</u>	<u>\$ 126,870,357</u>
General Long-Term Obligations Payable:				
Serial Bonds	\$ 110,695,000	\$ -	\$ 8,560,000	\$ 102,135,000
Other Long-Term Obligations	<u>25,299,553</u>	<u>1,257,460</u>	<u>1,821,656</u>	<u>24,735,357</u>
Total General Long-Term Obligations Payable	<u>\$ 135,994,553</u>	<u>\$ 1,257,460</u>	<u>\$ 10,381,656</u>	<u>\$ 126,870,357</u>



The Other Schedules represent various financial schedules of the City. Included are a schedule of long-term obligation maturities covering all fund types and detailed schedules of General, Enterprise, and Internal Service long-term obligations.



OTHER SCHEDULES



City of Raleigh

SCHEDULE OF LONG-TERM OBLIGATION MATURITIES
AND DEBT SERVICE REQUIREMENTS
June 30, 2001

Maturities on all long-term obligations are:

	Water and Sewer		Enterprise		Mass Transit	
			Parking Facilities			
Fiscal Year Ended June 30	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
General Obligation Bonded Debt:						
2002	\$ 4,000,000	\$ 5,686,518	\$ 930,000	\$ 1,433,645	\$ -	\$ -
2003	3,555,000	5,043,785	775,000	1,236,150	-	-
2004	3,360,000	4,684,280	785,000	1,211,413	-	-
2005	3,320,000	4,489,073	775,000	1,166,250	-	-
2006	3,300,000	4,301,042	770,000	1,123,700	-	-
2007	2,980,000	3,814,002	770,000	1,086,400	-	-
2008	2,530,000	3,212,963	680,000	959,100	-	-
2009	1,965,000	2,519,422	665,000	911,300	-	-
2010	1,605,000	2,058,923	595,000	809,550	-	-
2011-2017	7,085,000	8,252,480	3,835,000	4,467,000	-	-
Total General Obligation Bonded Debt	33,700,000	44,062,488	10,580,000	14,404,508	-	-
Revenue Bonds:						
2002	1,965,000	5,897,499	-	-	-	-
2003	2,145,000	5,826,116	-	-	-	-
2004	2,235,000	5,827,931	-	-	-	-
2005	2,325,000	5,824,706	-	-	-	-
2006	2,420,000	5,821,043	-	-	-	-
2007	2,535,000	5,825,693	-	-	-	-
2008	2,660,000	5,830,360	-	-	-	-
2009	2,775,000	5,825,354	-	-	-	-
2010	2,905,000	5,829,129	-	-	-	-
2011-2026	56,640,000	79,292,586	-	-	-	-
Total Revenue Bonded Debt	78,605,000	131,800,417	-	-	-	-
Other Long-Term Obligations:						
Installment Financing Agreement:						
2002	1,413,051	2,148,400	-	-	-	-
2003	1,413,051	2,011,873	-	-	-	-
2004	1,413,051	1,965,995	-	-	-	-
2005	1,413,051	1,920,065	-	-	-	-
2006	1,413,051	1,873,208	-	-	-	-
2007	1,413,051	1,827,131	-	-	-	-
2008	1,413,051	1,781,181	-	-	-	-
2009	1,413,051	1,734,735	-	-	-	-
2010	1,115,524	1,390,656	-	-	-	-
2011-2020	5,536,644	6,392,999	-	-	-	-
	17,956,576	23,046,243	-	-	-	-

General Governmental		Internal Service		Total	
Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
\$ 9,145,000	\$ 14,254,077	\$ -	\$ -	\$ 14,075,000	\$ 21,374,240
9,405,000	14,068,247	-	-	13,735,000	20,348,182
8,885,000	13,097,128	-	-	13,030,000	18,992,821
8,910,000	12,691,477	-	-	13,005,000	18,346,800
8,845,000	12,175,833	-	-	12,915,000	17,600,575
8,870,000	11,753,178	-	-	12,620,000	16,653,580
8,865,000	11,299,947	-	-	12,075,000	15,472,010
7,750,000	9,728,773	-	-	10,380,000	13,159,495
5,600,000	7,187,633	-	-	7,800,000	10,056,106
25,860,000	30,384,660	-	-	36,780,000	43,104,140
<u>102,135,000</u>	<u>136,640,953</u>	<u>-</u>	<u>-</u>	<u>146,415,000</u>	<u>195,107,949</u>
-	-	-	-	1,965,000	5,897,499
-	-	-	-	2,145,000	5,826,116
-	-	-	-	2,235,000	5,827,931
-	-	-	-	2,325,000	5,824,706
-	-	-	-	2,420,000	5,821,043
-	-	-	-	2,535,000	5,825,693
-	-	-	-	2,660,000	5,830,360
-	-	-	-	2,775,000	5,825,354
-	-	-	-	2,905,000	5,829,129
-	-	-	-	56,640,000	79,292,586
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,605,000</u>	<u>131,800,417</u>
414,103	984,568	5,775,000	6,838,561	7,602,154	9,971,529
441,029	984,568	6,035,000	6,770,885	7,889,080	9,767,326
469,706	984,568	6,320,000	6,773,030	8,202,757	9,723,593
500,249	984,568	3,090,000	3,329,750	5,003,300	6,234,383
532,777	984,568	3,250,000	3,331,250	5,195,828	6,189,026
567,420	984,568	-	-	1,980,471	2,811,699
604,316	984,568	-	-	2,017,367	2,765,749
643,611	984,568	-	-	2,056,662	2,719,303
685,461	984,568	-	-	1,800,985	2,375,224
4,156,745	4,922,839	-	-	9,693,389	11,315,838
<u>9,015,417</u>	<u>13,783,951</u>	<u>24,470,000</u>	<u>27,043,476</u>	<u>51,441,993</u>	<u>63,873,670</u>

continued

City of Raleigh

SCHEDULE OF LONG-TERM OBLIGATION MATURITIES
AND DEBT SERVICE REQUIREMENTS
June 30, 2001

Maturities on all long-term obligations are:

	Enterprise					
	Water and Sewer		Parking Facilities		Mass Transit	
Other Long-Term Obligations:	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
(Continued):						
Other Installment Obligations:						
2002	\$ -	\$ -	\$ 488,899	\$ 1,325,240	\$ -	\$ -
2003	-	-	1,028,249	1,822,750	-	-
2004	-	-	1,014,004	1,753,567	-	-
2005	-	-	1,038,624	1,722,927	-	-
2006	-	-	1,058,498	1,686,378	-	-
2007	-	-	1,088,641	1,658,580	-	-
2008	-	-	1,114,066	1,624,390	-	-
2009	-	-	1,030,000	1,479,100	-	-
2010	-	-	1,055,000	1,447,015	-	-
2011-2021	-	-	7,135,000	8,848,360	-	-
	-	-	16,050,981	23,368,307	-	-
Other:						
Reimbursement Contracts	56,496	56,496 (1)	-	-	-	-
Earned Vacation Pay	894,530	894,530 (2)	8,992	8,992	33,580	33,580
Landfill Closure and Postclosure Costs	-	-	-	-	-	-
	951,026	951,026	8,992	8,992	33,580	33,580
Total Other Long-Term Obligations	18,907,602	23,997,269	16,059,973	23,377,299	33,580	33,580
Total Long-Term Obligations	\$ 131,212,602	\$ 199,860,174	\$ 26,639,973	\$ 37,781,807	\$ 33,580	\$ 33,580

Notes:

- (1) Interest to be paid in future periods not determinable in advance.
- (2) Interest not applicable.

General Governmental		Internal Service		Total	
Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest
\$ 734,568	\$ 865,788	\$ -	\$ -	\$ 1,223,467	\$ 2,191,028
388,372	496,654	-	-	1,416,621	2,319,404
290,785	377,869	-	-	1,304,789	2,131,436
297,756	367,599	-	-	1,336,380	2,090,526
20,607	76,542	-	-	1,079,105	1,762,920
21,343	76,542	-	-	1,109,984	1,735,122
25,020	76,542	-	-	1,139,086	1,700,932
29,330	76,542	-	-	1,059,330	1,555,642
34,383	76,542	-	-	1,089,383	1,523,557
244,422	344,444	-	-	7,379,422	9,192,804
<u>2,086,586</u>	<u>2,835,064</u>	<u>-</u>	<u>-</u>	<u>18,137,567</u>	<u>26,203,371</u>
3,843	3,843 (1)	-	-	60,339	60,339 (1)
10,332,311	10,332,311 (2)	8,697	8,697	11,278,110	11,278,110 (2)
<u>3,297,200</u>	<u>3,297,200</u>	<u>-</u>	<u>-</u>	<u>3,297,200</u>	<u>3,297,200</u>
<u>13,633,354</u>	<u>13,633,354</u>	<u>8,697</u>	<u>8,697</u>	<u>14,635,649</u>	<u>14,635,649</u>
<u>24,735,357</u>	<u>30,252,369</u>	<u>24,478,697</u>	<u>27,052,173</u>	<u>84,215,209</u>	<u>104,712,690</u>
<u>\$ 126,870,357</u>	<u>\$ 166,893,322</u>	<u>\$ 24,478,697</u>	<u>\$ 27,052,173</u>	<u>\$ 309,235,209</u>	<u>\$ 431,621,056</u>

City of Raleigh

SCHEDULE OF GENERAL GOVERNMENTAL LONG-TERM OBLIGATIONS For the Fiscal Year Ended June 30, 2001

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Principal Balance June 30, 2000</u>	<u>Issued During Year</u>
<u>GENERAL OBLIGATION BONDS PAYABLE</u>				
Public Improvement Series 1991	6.40%	3/1/91	\$ 505,000	\$ -
Housing - Series 1991	6.00 - 6.50	12/1/91	1,800,000	-
Street/Sidewalk - Series 1992	6.1	4/1/92	1,100,000	-
Housing - Series 1992B Taxable	8.20 - 8.25	4/1/92	1,450,000	-
G. O. Refunding 1993	4.70 - 5.00	5/1/93	20,300,000	-
Parks/Recreation-Series 1993	5.10 - 5.25	5/1/93	2,470,000	-
Housing-Series 1993	5.10 - 5.25	5/1/93	780,000	-
Street/Sidewalk - Series 1994	5.40	9/1/94	1,025,000	-
Housing, Series 1994B Taxable	7.75 - 8.00	9/1/94	2,375,000	-
Parks, Series 1996	5.20 - 5.30	6/1/96	24,180,000	-
Housing, Series 1996	5.40 - 5.75	6/1/96	1,840,000	-
Fire Station, Series 1996	5.20 - 5.30	6/1/96	1,725,000	-
Public Improvement Refunding, Series 1997	4.25 - 5.00	10/1/97	20,260,000	-
Housing, Series 1997	6.70	10/1/97	3,620,000	-
G. O. Refunding, Series 1998	3.50 - 4.20	12/1/98	6,215,000	-
Street Improvement, Series 1998	4.30 - 4.40	12/1/98	21,050,000	-
Total General Obligation Bonded Debt			<u>110,695,000</u>	<u>-</u>
<u>OTHER GENERAL GOVERNMENTAL LONG-TERM OBLIGATIONS</u>				
Installment Financing Agreement			9,404,237	-
Other Installment Obligations			3,076,322	7,885
Reimbursement Contracts - Streets			10,455	-
Earned Vacation Pay			9,817,245	515,066
Landfill Closure and Postclosure Costs			2,991,294	734,509
Total Other General Governmental Long-Term Obligations			<u>25,299,553</u>	<u>1,257,460</u>
Total General Governmental Long-Term Obligations			<u>\$ 135,994,553</u>	<u>\$ 1,257,460</u>

Notes:

- (1) The amount of vacation pay to be paid in any fiscal year cannot be determined. The total amount of accrued vacation pay outstanding at any point in time is not expected to materially increase or decrease from the amount shown.

<u>Payments During Fiscal 2000-01</u>		<u>Principal Balance June 30, 2001</u>	<u>Due Fiscal 2001-2002</u>		
<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 505,000	\$ 32,320	\$ -	\$ -	\$ -	\$ -
150,000	113,250	1,650,000	150,000	104,250	254,250
550,000	67,100	550,000	550,000	33,550	583,550
100,000	119,075	1,350,000	100,000	110,875	210,875
2,910,000	990,110	17,390,000	2,810,000	853,340	3,663,340
190,000	127,300	2,280,000	190,000	117,610	307,610
60,000	40,200	720,000	60,000	37,140	97,140
225,000	55,350	800,000	225,000	43,200	268,200
125,000	186,100	2,250,000	125,000	176,412	301,412
1,495,000	1,264,225	22,685,000	1,495,000	1,186,485	2,681,485
115,000	101,602	1,725,000	115,000	95,392	210,392
105,000	90,195	1,620,000	105,000	84,735	189,735
665,000	955,026	19,595,000	1,855,000	926,763	2,781,763
150,000	242,540	3,470,000	150,000	232,490	382,490
265,000	245,860	5,950,000	265,000	236,585	501,585
950,000	911,100	20,100,000	950,000	870,250	1,820,250
<u>8,560,000</u>	<u>5,541,353</u>	<u>102,135,000</u>	<u>9,145,000</u>	<u>5,109,077</u>	<u>14,254,077</u>
388,820	595,748	9,015,417	414,103	570,465	984,568
997,621	187,014	2,086,586	734,568	131,219	865,787
6,612	334	3,843	559	404	963
-	-	10,332,311	- (1)	-	-
428,603	-	3,297,200	-	-	-
<u>1,821,656</u>	<u>783,096</u>	<u>24,735,357</u>	<u>1,149,230</u>	<u>702,088</u>	<u>1,851,318</u>
<u>\$ 10,381,656</u>	<u>\$ 6,324,449</u>	<u>\$ 126,870,357</u>	<u>\$ 10,294,230</u>	<u>\$ 5,811,165</u>	<u>\$ 16,105,395</u>

City of Raleigh

SCHEDULE OF ENTERPRISE LONG-TERM OBLIGATIONS
For the Fiscal Year Ended June 30, 2001

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Principal Balance June 30, 2000</u>	<u>Issued During Year</u>
<u>WATER AND SEWER</u>				
<u>GENERAL OBLIGATION BONDS PAYABLE</u>				
Sanitary Sewer Series 1991	6.40%	3/1/91	\$ 1,000,000	\$ -
Sanitary Sewer Series 1992	6.10	4/1/92	1,500,000	-
Water Refunding 1993	4.70 & 4.80	5/1/93	1,855,000	-
Sewer Refunding 1993	4.70 - 5.00	5/1/93	1,825,000	-
Sanitary Sewer-Series 1993	5.10 - 5.25	5/1/93	2,700,000	-
Water Series 1996	5.20 - 5.30	6/1/96	9,235,000	-
Sanitary Sewer Series 1996	5.20 - 5.30	6/1/96	5,520,000	-
Sanitary Sewer Refunding, Series 1997	4.25 - 5.00	10/1/97	14,870,000	-
Total Water and Sewer General Obligation Debt			<u>38,505,000</u>	<u>-</u>
<u>REVENUE BONDS PAYABLE</u>				
Water/Sewer, Series 1996	4.20 - 5.25	12/01/96	35,140,000	-
Water/Sewer, Series 1999	4.00 - 4.75	1/1/99	22,270,000	-
Water/Sewer, Series 2001	3.50 - 5.25	1/1/01	-	22,670,000
Total Water and Sewer Revenue Debt			<u>57,410,000</u>	<u>22,670,000</u>
<u>OTHER WATER AND SEWER LONG TERM OBLIGATIONS</u>				
Installment Financing Agreement			16,575,180	2,194,447
Reimbursement Contracts - Water and Sewer Lines			141,612	-
Earned Vacation Pay			753,302	141,228
Total Other Water and Sewer Long-Term Obligations			<u>17,470,094</u>	<u>2,335,675</u>
Total Water and Sewer Long-Term Obligations			<u>113,385,094</u>	<u>25,005,675</u>
<u>PARKING FACILITIES FUND</u>				
Parking Facilities Series 1991	6.30 - 6.40	3/1/91	350,000	-
Parking Facilities Refunding 1993	4.70	5/1/93	650,000	-
Parking Facilities Refunding 1997	4.25 - 5.00	10/1/97	2,945,000	-
Parking Facilities Series 1997	4.70 - 5.00	10/1/97	7,870,000	-
Total Parking Facilities General Obligation Bonded Debt			<u>11,815,000</u>	<u>-</u>
<u>OTHER PARKING FACILITIES LONG-TERM OBLIGATIONS</u>				
Other Installment Obligations			8,390,213	10,445,000
Earned Vacation Pay			6,066	2,926
Total Other Parking Facilities Long-Term Obligations			<u>8,396,279</u>	<u>10,447,926</u>
Total Parking Facilities Long-Term Obligations			<u>20,211,279</u>	<u>10,447,926</u>
<u>OTHER ENTERPRISE LONG-TERM OBLIGATIONS</u>				
Mass Transit Earned Vacation Pay			26,116	7,464
Total Enterprise Long-Term Obligations			<u>\$ 133,622,489</u>	<u>\$ 35,461,065</u>

NOTE:

(1) The amount of vacation pay to be paid in any fiscal year cannot be determined. The total amount of accrued vacation pay outstanding at any point in time is not expected to materially increase or decrease from the amount shown.

Payments During Fiscal 2000-01		Principal Balance June 30, 2001	Due Fiscal 2001-02		
Principal	Interest		Principal	Interest	Total
\$ 1,000,000	\$ 64,000	\$ -	\$ -	\$ -	\$ -
750,000	91,500	750,000	750,000	45,750	795,750
1,170,000	87,420	685,000	450,000	32,430	482,430
285,000	88,495	1,540,000	320,000	75,100	395,100
200,000	139,250	2,500,000	200,000	129,050	329,050
570,000	482,850	8,665,000	570,000	453,210	1,023,210
345,000	288,592	5,175,000	345,000	270,652	615,652
485,000	700,939	14,385,000	1,365,000	680,326	2,045,326
<u>4,805,000</u>	<u>1,943,046</u>	<u>33,700,000</u>	<u>4,000,000</u>	<u>1,686,518</u>	<u>5,686,518</u>
925,000	1,780,321	34,215,000	965,000	1,741,008	2,706,008
550,000	1,009,224	21,720,000	570,000	987,224	1,557,224
-	-	22,670,000	430,000	1,204,267	1,634,267
<u>1,475,000</u>	<u>2,789,545</u>	<u>78,605,000</u>	<u>1,965,000</u>	<u>3,932,499</u>	<u>5,897,499</u>
813,051	547,304	17,956,576	1,413,051	735,350	2,148,401
85,116	2,101	56,496	5,762	1,844	7,606
-	-	894,530	- (1)	-	-
<u>898,167</u>	<u>549,405</u>	<u>18,907,602</u>	<u>1,418,813</u>	<u>737,194</u>	<u>2,156,007</u>
<u>7,178,167</u>	<u>5,281,996</u>	<u>131,212,602</u>	<u>7,383,813</u>	<u>6,356,211</u>	<u>13,740,024</u>
350,000	22,400	-	-	-	-
390,000	30,550	260,000	260,000	12,220	272,220
95,000	138,813	2,850,000	270,000	134,776	404,776
400,000	375,450	7,470,000	400,000	356,650	756,650
<u>1,235,000</u>	<u>567,213</u>	<u>10,580,000</u>	<u>930,000</u>	<u>503,646</u>	<u>1,433,646</u>
2,784,232	703,056	16,050,981	488,899	836,342	1,325,241
-	-	8,992	- (1)	-	-
<u>2,784,232</u>	<u>703,056</u>	<u>16,059,973</u>	<u>488,899</u>	<u>836,342</u>	<u>1,325,241</u>
<u>4,019,232</u>	<u>1,270,269</u>	<u>26,639,973</u>	<u>1,418,899</u>	<u>1,339,988</u>	<u>2,758,887</u>
-	-	33,580	- (1)	-	-
<u>\$ 11,197,399</u>	<u>\$ 6,552,265</u>	<u>\$ 157,886,155</u>	<u>\$ 8,802,712</u>	<u>\$ 7,696,199</u>	<u>\$ 16,498,911</u>

City of Raleigh

SCHEDULE OF INTERNAL SERVICE LONG-TERM OBLIGATIONS
For the Fiscal Year Ended June 30, 2001

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Principal Balance June 30, 2000</u>	<u>Issued During Year</u>
<u>EQUIPMENT INTERNAL SERVICE LONG-TERM OBLIGATIONS PAYABLE</u>				
<u>CERTIFICATES OF PARTICIPATION</u>				
Equipment Acquisition Project, Series 1999	3.10 - 4.75%	2/1/99	\$ 12,750,000	\$ -
Equipment Acquisition Project, Series 2001	5.00	5/1/01	-	14,735,000
Total Certificates of Participation			<u>12,750,000</u>	<u>14,735,000</u>
<u>OTHER INTERNAL SERVICE LONG-TERM OBLIGATIONS</u>				
Earned Vacation Pay			7,031	1,666
Total Internal Service Long-Term Obligations			<u>\$ 12,757,031</u>	<u>\$ 14,736,666</u>

<u>Payments During Fiscal 2000-01</u>		<u>Principal Balance June 30, 2001</u>	<u>Due Fiscal 2001-2002</u>		
<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 3,015,000	\$ 431,603	\$ 9,735,000	\$ 3,115,000	\$ 331,915	\$ 3,446,915
-	-	14,735,000	2,660,000	731,646	3,391,646
<u>3,015,000</u>	<u>431,603</u>	<u>24,470,000</u>	<u>5,775,000</u>	<u>1,063,561</u>	<u>6,838,561</u>
-	-	8,697	-	-	-
<u>\$ 3,015,000</u>	<u>\$ 431,603</u>	<u>\$ 24,478,697</u>	<u>\$ 5,775,000</u>	<u>\$ 1,063,561</u>	<u>\$ 6,838,561</u>

City of Raleigh

**INTERFUND OPERATING TRANSFERS
For the Fiscal Year Ended June 30, 2001**

Transfers From Other Funds:

General Fund		\$ 16,236,572
Special Revenue Funds:		
Grants Fund	\$ 783,276	
Sales Tax Fund	1,930,633	
Housing Development Fund	824,906	
Housing Bond Fund	<u>1,479,000</u>	
	5,017,815	
Less: Eliminations	<u>2,783,319</u>	2,234,496
General Capital Projects Funds:		
Street Improvement Fund	10,696,553	
Street Bond Fund	2,265,400	
Sidewalk Fund	208,133	
Park Improvement Fund	4,268,618	
Park Bond Fund	111,422	
Miscellaneous Capital Improvements Fund	1,766,300	
Convention Center and Memorial		
Auditorium Projects Fund	1,000,000	
Stormwater Projects Fund	<u>908,771</u>	
	21,225,197	
Less: Eliminations	<u>10,162,723</u>	11,062,474
Enterprise Funds:		
Mass Transit Fund	5,314,073	
Water Capital Projects Fund	3,059,000	
Sewer Capital Projects Fund	3,857,000	
Water and Sewer Revenue Bond Fund	338,240	
Water and Sewer General Obligation		
Bond Fund	9,716	
Parking Facilities Operating Fund	2,376,493	
Parking Facilities Capital Projects Fund	<u>950,000</u>	
	15,904,522	
Less: Eliminations	<u>7,263,956</u>	8,640,566
Internal Service Funds:		
Print Services	1,228	
Equipment Replacement Fund	<u>1,723,681</u>	<u>1,724,909</u>

\$ 39,899,017

continued on next page

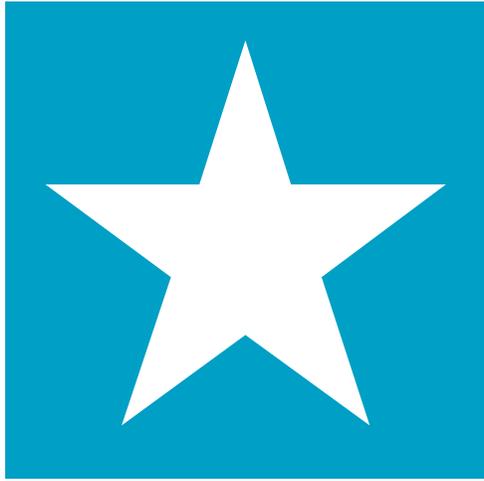
City of Raleigh

INTERFUND OPERATING TRANSFERS
 For the Fiscal Year Ended June 30, 2001

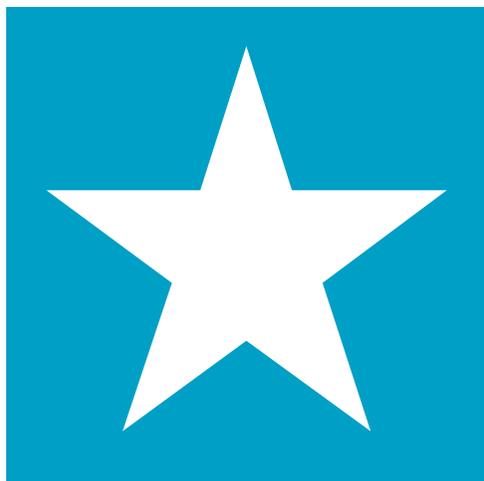
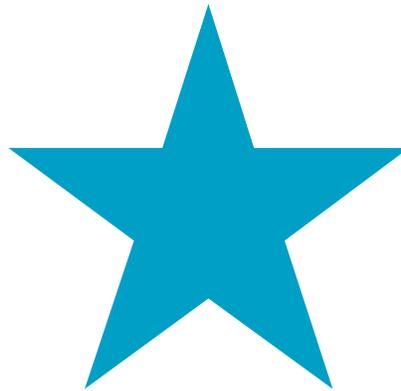
(continued from previous page)

Transfers To Other Funds:

General Fund		\$	9,820,836
Special Revenue Funds:			
Sales Tax Fund	\$	19,542,200	
Housing Development Fund		871,294	
Housing Bond Fund		504,319	
Powell Bill Fund		8,519,000	
Disaster Recovery Fund		1,200,000	
		<u>30,636,813</u>	
Less: Eliminations		<u>2,783,319</u>	27,853,494
General Capital Projects Funds:			
Street Improvement Fund		2,721,007	
Street Bond Fund		82,646	
Sidewalk Fund		122,044	
Park Improvement Fund		111,422	
Facility Fees Fund		7,063,000	
Miscellaneous Capital Improvements Fund		329,500	
Stormwater Projects Fund		135,660	
		<u>10,565,279</u>	
Less: Eliminations		<u>10,162,723</u>	402,556
Enterprise Funds:			
Water and Sewer Operating Fund		7,721,982	
Water Capital Projects Fund		74,178	
Sewer Capital Projects Fund		273,778	
Water and Sewer General Obligation Fund		16,149	
Parking Facilities Capital Projects Fund		200,000	
		<u>8,286,087</u>	
Less: Eliminations		<u>7,263,956</u>	1,022,131
Internal Service Funds:			
Equipment Replacement Fund		<u>800,000</u>	<u>800,000</u>
			<u>\$ 39,899,017</u>



The Statistical Data Section includes schedules illustrating ten-year financial trends as extracted from current and prior years' financial reports and other supplemental information relevant to the City. The statistical schedules reflect social and economic data, financial trends and the fiscal capacity of the City.



STATISTICAL DATA



City of Raleigh

GENERAL GOVERNMENTAL REVENUES BY SOURCE LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Ad Valorem Taxes</u>	<u>Inter- governmental</u>	<u>Local Sales Tax</u>	<u>Occupancy and Prepared Food Taxes (1)</u>
1992	\$ 68,749,965	\$ 24,827,831	\$ 21,218,021	\$ 1,948,715
1993	73,340,093	27,315,400	23,224,583	3,512,749
1994	76,348,271	27,353,974	25,798,941	5,712,064
1995	73,379,634	29,912,567	28,581,353	6,262,027
1996	73,621,764	28,293,141	31,495,957	6,411,689
1997	76,774,058	37,723,969	34,202,089	7,656,827
1998	81,724,633	35,370,460	36,521,239	-
1999	83,734,150	34,703,909	39,303,692	-
2000	88,300,818	46,402,263	40,598,796	-
2001	96,360,232	41,135,536	42,521,655	-

Notes:

Includes General and Special Revenue Funds. Total General Governmental revenues, including General Capital Projects Funds revenues, are \$247,335,201.

(1) Elimination of revenues reflects an accounting change resulting from enabling state legislation effective July 1, 1997.

<u>Licenses and Fees</u>	<u>Interest on Investments</u>	<u>Fines, Forfeits, and Penalties</u>	<u>Other</u>	<u>Total</u>
\$ 6,968,909	\$ 3,865,978	\$ 762,866	\$ 13,326,143	\$ 141,668,428
7,352,667	3,097,653	1,113,321	14,341,794	153,298,260
8,578,838	2,960,373	1,125,395	14,873,572	162,751,428
9,029,053	6,047,180	1,336,452	17,922,379	172,470,645
10,420,034	7,238,544	1,261,652	18,717,637	177,460,418
10,175,922	6,195,445	886,475	19,022,480	192,637,265
11,443,526	6,868,701	1,200,984	20,575,685	193,705,228
13,366,809	5,735,594	1,205,984	20,783,676	198,833,814
14,050,839	6,433,920	1,039,135	21,820,395	218,646,166
15,673,942	8,798,810	673,443	22,630,742	227,794,360

City of Raleigh

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Government	Community Development Services	Public Safety	Solid Waste Services	Leisure Services
1992	\$ 17,558,985	\$ 13,432,914	\$ 34,876,166	\$ 19,139,800	\$ 14,566,801
1993	18,226,912	13,534,077	36,298,701	17,480,779	16,356,389
1994	19,328,657	13,652,967	38,960,112	18,216,235	16,641,571
1995	22,181,545	13,792,704	41,619,630	17,404,673	16,970,524
1996	21,701,934	14,167,569	43,388,108	15,665,908	16,982,862
1997	20,216,000	19,176,013	45,863,280	11,435,616	19,272,951
1998	20,538,153	20,658,941	48,247,344	11,904,960	21,236,612
1999	22,918,190	22,868,372	51,791,043	13,051,569	22,592,751
2000	18,985,829	43,927,047	70,352,893	14,824,339	27,339,358
2001	20,784,677	39,993,456	78,845,334	16,546,626	29,339,006

Notes:

Includes General and Special Revenue Funds. Total General Governmental expenditures, including General Capital Projects Funds expenditures, are \$261,458,180. Administrative costs charged to water and sewer are netted as General Governmental expenditures.

<u>Economic Development Programs</u>	<u>Capital Outlay</u>	<u>Other</u>	<u>Debt Service</u>	<u>Total</u>
\$ 4,764,881	\$ 3,234,616	\$ 8,263,826	\$ 10,208,485	\$ 126,046,474
5,476,632	6,015,448	7,745,556	13,517,591	134,652,085
5,971,137	2,694,430	8,007,420	10,014,820	133,487,349
4,983,575	4,945,475	9,117,108	12,814,525	143,829,759
5,713,480	3,519,683	9,632,728	13,546,770	144,319,042
4,703,696	5,394,032	11,309,649	15,369,248	152,740,485
6,306,902	9,072,095	13,111,538	15,115,850	166,192,395
7,318,542	8,386,231	19,014,798	16,574,892	184,516,388
2,924,159	3,966,482	915,153	17,851,456	201,086,716
3,129,912	4,163,264	105,154	16,020,825	208,928,254

City of Raleigh

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Year of Levy</u>	<u>Gross Levy</u>	<u>Gross Collected Current</u>	<u>Percent Collected Current</u>	<u>Collected Prior Levies</u>	<u>Total Collected</u>	<u>Percent Total Collected to Current Levy</u>
1992	1991	\$ 70,174,457	\$ 68,730,530	97.94%	\$ 961,755	\$ 69,692,285	99.31%
1993	1992	73,962,313	72,761,523	98.38	1,179,294	73,940,817	99.97
1994	1993	78,150,735	76,537,372	97.94	911,856	77,449,228	99.10
1995	1994	74,406,900	72,913,205	97.99	1,333,142	74,246,347	99.78
1996	1995	74,331,409	72,780,759	97.91	1,179,305	73,960,064	99.50
1997	1996	77,914,252	76,050,012	97.61	1,379,623	77,429,635	99.38
1998	1997	82,601,696	80,681,394	97.68	1,535,949	82,217,343	99.53
1999	1998	84,575,694	82,599,104	97.66	1,688,929	84,288,033	99.66
2000	1999	89,412,222	87,244,673	97.58	1,678,845	88,923,518	99.45
2001	2000	98,015,562	95,868,328	97.81	1,830,027	97,698,355	99.68

(1)

Notes:

(1) Reconciliation to revenues collected:

Total collected as per above	\$ 97,698,355
Tax penalties collected	340,853
Rebates	<u>(1,678,976)</u>
Ad valorem taxes collected per combined financial statements	<u>\$ 96,360,232</u>

City of Raleigh

ASSESSED VALUE OF ALL TAXABLE PROPERTY LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Corporate Excess</u>	<u>Total</u>
1992	\$ 6,671,172,417	\$ 1,903,355,991	\$ 314,713,468	\$ 8,889,241,876
1993	9,654,235,765	1,784,875,880	453,350,706	11,892,462,351 *
1994	9,965,608,365	2,276,514,443	484,129,799	12,726,252,607
1995	10,089,010,167	2,356,274,039	455,511,391	12,900,795,597
1996	10,496,369,079	2,608,227,774	463,186,753	13,567,783,606
1997	10,991,596,569	3,022,687,489	421,726,911	14,436,010,969
1998	11,490,116,461	3,385,081,770	453,243,053	15,328,441,284
1999	12,002,015,510	3,638,218,459	428,245,202	16,068,479,171
2000	12,609,958,034	3,800,597,785	597,704,468	17,008,260,287
2001	20,745,733,139	4,161,172,981	722,269,639	25,629,175,759 *

Notes:

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.

*Increase due to revaluation of property every eight years.

CITY OF RALEIGH

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESSED VALUE) LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>City Rate</u>	<u>Wake County Rate</u>	<u>Total</u>
1992	\$.7850	\$.8800	\$ 1.6650
1993 (1)	.6175	.6600	1.2775
1994	.6175	.7600	1.3775
1995	.5725	.7600	1.3325
1996	.5440	.6300	1.1740
1997	.5375	.6300	1.1675
1998	.5375	.6300	1.1675
1999	.5250	.6300	1.1550
2000	.5250	.7300	1.2550
2001 (1)	.3850	.5640	.9490

Notes:

(1) Tax rate decrease due to revaluation.

Other Tax Data:

Property taxes are listed and assessed as of January 1, and the collections are first budgeted for the fiscal year beginning July 1, next.

There is a State statutory tax rate 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.

City of Raleigh

COMPARISON OF CITY OF RALEIGH AND WAKE COUNTY ASSESSED VALUES LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Assessed Value		Ratio of City to County
	City of Raleigh	Wake County	
1992	\$ 8,889,241,876	\$ 20,088,603,859	44.25%
1993	11,892,462,351	27,571,053,521	43.13
1994	12,726,252,607	29,288,817,583	43.45
1995	12,900,795,597	30,205,217,044	42.71
1996	13,567,783,606	33,695,988,760	40.27
1997	14,436,010,969	34,337,422,702	42.04
1998	15,328,441,284	36,715,051,446	41.75
1999	16,068,479,171	41,132,691,825	39.06
2000	17,008,260,287	41,458,793,931	41.02
2001	25,629,175,759	59,525,494,337	43.06

City of Raleigh

ANALYSIS OF CURRENT TAX LEVY
CITY - WIDE LEVY
For the Fiscal Year Ended June 30, 2001

	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	\$ 24,690,271,456	.3850	\$ 92,925,567	\$ 87,315,039	\$ 5,610,528
Registered Motor Vehicles Taxed at Prior Year's Rate	858,936,428	.5250	4,442,675	-	4,442,675
Total	<u>25,549,207,884</u>		<u>97,368,242</u>	<u>87,315,039</u>	<u>10,053,203</u>
Discoveries:					
Current Year Taxes	-	.3850	-	-	-
Prior Years' Taxes	50,804,741	(1)	267,900	7,556	260,344
Total	<u>50,804,741</u>		<u>267,900</u>	<u>7,556</u>	<u>260,344</u>
City Billed	<u>29,163,134</u>	(2)	<u>38,820</u>	<u>38,820</u>	<u>-</u>
Total Property Valuation	<u>\$ 25,629,175,759</u>				
Deferred Penalty Rebates			216,195 124,405 (1,358,417)	216,195 124,405 (1,153,686)	- - (204,731)
Net Levy			96,657,145	86,548,329	10,108,816
Uncollected Taxes at June 30,2001			<u>(2,147,234)</u>	<u>(1,029,300)</u>	<u>(1,117,934)</u>
Current Year's Taxes Collected			<u>\$ 94,509,911</u>	<u>\$ 85,519,029</u>	<u>\$ 8,990,882</u>
Current Levy Collection Percentage			<u>97.78%</u>	<u>98.81%</u>	<u>88.94%</u>

Notes:

(1) Taxes levied on discovered properties of prior periods at tax rates applicable to those periods.

(2) Taxes on City billed accounts are based on a per month rate.

City of Raleigh

SCHEDULE OF AD VALOREM TAXES RECEIVABLE June 30, 2001

Fiscal Year Ended June 30	Taxes Receivable June 30, 2000 (1)	Additions	Collections and Other Reductions	Taxes Receivable June 30, 2001 (1)
1992 & Prior	\$ 653,078	\$ -	\$ 211,500	\$ 441,578
1993	161,414	-	5,574	155,840
1994	241,291	-	11,588	229,703
1995	241,672	-	16,235	225,437
1996	282,102	-	20,861	261,241
1997	510,581	-	177,936	332,645
1998	576,169	-	62,688	513,481
1999	709,891	-	151,294	558,597
2000	2,167,548	-	1,378,568	788,980
2001	<u>-</u>	<u>98,015,562</u>	<u>95,868,328</u>	<u>2,147,234</u>
TOTALS	<u><u>\$ 5,543,746</u></u>	<u><u>\$ 98,015,562</u></u>	<u><u>\$ 97,904,572</u></u>	<u><u>\$ 5,654,736</u></u>

(2)

Notes:

(1) Ad valorem taxes receivable only; does not include vehicle tag fee receivable (\$1,441,616).

(2) Reconciliation to revenues collected:

Collections and other reductions per above	\$ 97,904,572
Tax penalties collected	340,853
Tax rebates	(1,678,976)
Taxes written off	<u>(206,217)</u>
Ad valorem taxes collected per combined financial statements	<u><u>\$ 96,360,232</u></u>

City of Raleigh

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Taxable Property Assessed Value</u>	<u>8% Debt Limit</u>
1992	222,455	\$ 8,889,241,876	\$ 711,139,350
1993	230,418	11,892,462,351	951,396,988
1994	237,739	12,726,252,607	1,018,100,209
1995	243,345	12,900,795,597	1,032,063,648
1996	251,609	13,567,783,606	1,085,422,688
1997	266,035	14,436,010,969	1,154,880,878
1998	273,011	15,328,441,284	1,226,275,303
1999	280,132	16,068,479,171	1,285,478,334
2000	286,834	17,008,260,287	1,360,660,823
2001	294,843	25,629,175,759	2,050,334,061

Note:

Population data for 2001 is an estimate of the City's Department of Planning. The United States Bureau of Census established the 2000 population as 276,093.

(1) This total includes all general obligation bonded debt. Gross and net per capita debt for general governmental bonded debt at June 30, 2001 is as follows:

	<u>Gross</u>	<u>Net</u>
General Governmental Bonded Debt	<u>\$ 102,135,000</u>	<u>\$ 102,016,110</u>
Per Capita Bonded Debt	<u>\$ 346</u>	<u>\$ 346</u>

(2) Represents gross bonded debt less allowable statutory deductions.

<u>Gross Bonded Debt</u> (1)	<u>Net Bonded Debt</u> (2)	Ratio of Net Bonded Debt to Taxable Property <u>Assessed Value</u>	<u>Per Capita Bonded Debt</u>	
			<u>Gross</u>	<u>Net</u>
\$ 154,545,000	\$ 128,941,915	1.5 %	\$ 695	\$ 580
154,085,000	131,835,927	1.1	669	572
143,830,000	125,383,182	1.0	605	527
140,585,000	116,635,000	1.0	578	479
178,345,000	155,552,072	1.2	709	618
165,320,000	146,135,332	1.0	621	549
167,125,000	150,721,154	1.0	612	552
175,705,000	161,510,684	1.0	627	577
161,015,000	148,659,070	0.9	561	518
146,415,000	135,390,452	0.5	497	459

City of Raleigh

STATEMENT OF LEGAL DEBT MARGIN June 30, 2001

Assessed Valuation - June 30, 2001		<u>\$ 25,629,175,759</u>
Debt Limit - Eight (8%) Percent of Assessed Valuation	\$ 2,050,334,061	

Gross Debt

Outstanding General Obligation

Bonded Debt:

General Governmental Bonds	\$ 102,135,000
Water Bonds	9,350,000
Sewer Bonds	24,350,000
Parking Deck Bonds	10,580,000
	<u>146,415,000</u>

General Obligation Bonds

Authorized not Issued:

General Governmental	103,000,000
	<u>103,000,000</u>

Other:

Installment Financing Agreements	26,971,994
Lease Purchase and Other Installment Obligations	18,137,566
Equipment Fund Certificates of Participation	24,470,000
Reimbursement Contracts - Streets	3,843
Reimbursement Contracts - Water and Sewer	56,496
	<u>69,639,899</u>

Gross Debt	<u>319,054,899</u>
------------	--------------------

Statutory Deductions

Bonded debt included in gross debt incurred for water	9,350,000
--	-----------

Uncollected special assessments levied for local improvements for which gross debt was incurred to the extent to be applied to the payment of such gross debt	<u>1,674,548</u>
	<u>11,024,548</u>

Net Debt	<u>308,030,351</u>	
Legal Debt Margin		<u>\$ 1,742,303,710</u>

City of Raleigh

SCHEDULE OF DIRECT AND OVERLAPPING DEBT June 30, 2001

	<u>Bonded Debt</u>	<u>Percentage Applicable to City</u>	<u>City's Share of Debt</u>
Direct Debt - City of Raleigh (1)	\$ 102,135,000	100.00%	\$ 102,135,000
Overlapping Debt: (2)			
Wake County General Improvement Bonds (3)	<u>637,515,000</u>	43.06 (4)	<u>274,513,959</u>
Total Direct and Overlapping Debt	<u>\$ 739,650,000</u>		<u>\$ 376,648,959</u>

Notes:

- (1) This total includes only general governmental obligation bonds. Water and sewer bonds and parking facility bonds are not included.
- (2) 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.
- (3) This total includes \$608,898,688 of Wake County School Bonds; but does not include Hospital bonds, as these bonds are payable solely from hospital revenues.
- (4) Percentage of Direct and Overlapping Debt is based on June 30, 2001 Assessed Valuation of County (\$59,525,494,337) as compared to the June 30, 2001 Assessed Valuation of the City of Raleigh (\$25,629,175,759).

City of Raleigh

RATIO OF ANNUAL GENERAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Principal	Interest	Other Expenses	Total	Total General Expenditures (1)	Ratio of General Debt Service to Total General Expenditures
1992	\$ 3,980,000	\$ 4,436,115	\$ 10,460	\$ 8,426,575	\$ 126,046,474	6.7 %
1993	5,789,088 (2)	5,895,816 (2)	10,049	11,694,953	134,652,085	8.7
1994	3,685,000	4,438,796	6,267	8,130,063	133,487,349	6.1
1995	5,720,000	4,914,256	5,778	10,640,034	143,829,759	7.4
1996	5,730,000	4,868,926	3,775	10,602,701	144,319,042	7.4
1997	5,955,000	6,243,645	4,335	12,202,980	152,740,485	8.0
1998	6,115,000	5,902,046	85,528	12,102,574	166,192,395	7.3
1999	7,890,000	5,980,188	135,667	14,005,855	184,516,388	7.6
2000	8,600,000	5,895,797	76,686	14,572,483	201,086,716	7.2
2001	8,560,000	5,541,353	59,146	14,160,499	208,928,254	6.8

Note:

(1) Includes General and Special Revenue Funds.

(2) Includes debt service of \$1,943,521 (\$1,319,088 principal; \$624,433 interest) contributed by City for 1993 Advance Refunding.

City of Raleigh

SCHEDULE OF REVENUE BOND COVERAGE WATER AND SEWER REVENUE BONDS For the Fiscal Year Ended June 30, 2001

Fiscal Year Ended (1)	Gross Revenues	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3 and 4)			Coverage	Required Coverage
				Principal	Interest	Total		
<u>Parity Debt Service Coverage (3)</u>								
1997	\$ 38,766,974	\$ 24,396,590	\$ 14,370,384	\$ 250,000	\$ 694,376	\$ 944,376	15.21	1.25
1998	42,980,846	28,335,465	14,645,381	1,070,000	2,147,064	3,217,064	4.55	1.25
1999	51,092,288	28,833,598	22,258,690	1,105,000	2,113,547	3,218,547	6.92	1.25
2000	53,442,428	32,760,930	20,681,498	1,135,000	3,232,702	4,367,702	4.74	1.25
2001	57,337,535	36,870,339	20,467,196	1,725,000	3,012,533	4,737,533	4.32	1.25
<u>All Water and Sewer Debt Service Coverage (4)</u>								
1997	\$ 38,766,974	\$ 24,396,590	\$ 14,370,384	\$ 6,855,000	\$ 4,034,971	\$ 10,889,971	1.32	1.00
1998	42,980,846	28,335,465	14,645,381	7,385,000	5,040,122	12,425,122	1.18	1.00
1999	51,092,288	28,833,598	22,258,690	6,455,000	4,758,353	11,213,353	1.99	1.00
2000	53,442,428	32,760,930	20,681,498	6,408,051	5,656,737	12,064,788	1.71	1.00
2001	57,337,535	36,870,339	20,467,196	7,093,051	5,279,894	12,372,945	1.65	1.00

NOTES:

- (1) The City issued water and sewer revenue bonds December 1, 1996, January 1, 1999 and January 1, 2001.
- (2) Operating expenses are exclusive of depreciation and interest expense.
- (3) Parity debt service includes interest and principal of revenue bonds and certain State loans.
- (4) All water and sewer debt service includes interest and principal of revenue bonds, State loans, and water and sewer general obligation bonds.

City of Raleigh

SCHEDULE OF ASSESSMENTS RECEIVABLE
LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30</u>	Assessments Receivable Beginning <u>of Period</u>	<u>Billings</u>	<u>Collections and Other Reductions</u>	Assessments Receivable End of <u>Year</u>
1992	\$ 2,637,644	\$ 2,909,497	\$ 1,437,712	\$ 4,109,429
1993	4,109,429	1,568,328	1,844,201	3,833,556
1994	3,833,556	486,357	1,215,376	3,104,537
1995	3,104,537	851,910	1,023,129	2,933,318
1996	2,933,318	1,129,790	1,253,467	2,809,641
1997	2,809,641	119,104	719,060	2,209,685
1998	2,209,685	689,474	777,598	2,121,561
1999	2,121,561	737,730	1,087,819	1,771,472
2000	1,771,472	965,281	864,453	1,872,300
2001	1,872,300	1,816,741	1,313,442	2,375,599

Note:

Assessments receivable at June 30, 2001 consists of

Water and sewer assessments receivable	\$ 1,555,659
Other assessments receivable	<u>819,940</u>
Total	<u>\$ 2,375,599</u>

City of Raleigh

INSURANCE COVERAGE
June 30, 2001

<u>TYPE OF POLICY</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS OF COVERAGE</u>	<u>TERM OF POLICY</u>	<u>ANNUAL PREMIUM</u>
General Property	All Risk: Buildings and Contents	Coverage Limits: \$261,585,784 Deductible Per Occurrence: \$100,000	July 1, 2000 to June 30, 2001	\$90,534
Property - Other	Basic Form	Coverage Limits: \$11,575,000 Deductible Per Occurrence: \$50,000	July 1, 2000 to June 30, 2001	Included Above
Inland Marine: Municipal Equipment; Computer Equipment; Museum Fine Arts; Pool Bubble Cover; Auto Physical Damage	All Risk: Property Damage	Actual Cash Value Less Depreciation; Museum Fine Arts: \$130,000 Deductible Per Occurrence: \$25,000; Pool Cover: \$5,000; Museum Fine Arts: \$500	July 1, 2000 to June 30, 2001	\$10,330
Boiler and Machinery	All Risk: Pressure Vessels, HVAC Systems, Production Equipment	Coverage Limits: \$5,000,000 Deductible Per Occurrence: \$100,000	July 1, 2000 to June 30, 2001	\$15,498
General Liability	Bodily Injury or Property Damage Arising From Premises/Operations and Products	Coverage Limits: \$10,000,000 Deductible Per Occurrence: \$1,000,000	July 1, 2000 to June 30, 2001	\$262,232
Police	Police: Bodily Injury and Property Damage	Coverage Limits: \$10,000,000 Deductible Per Occurrence: \$1,000,000	July 1, 2000 to June 30, 2001	Included Above
Vehicle Liability	City-Owned Vehicles: Bodily Injury and Property Damage	Coverage Limits: \$10,000,000 Deductible Per Occurrence: \$1,000,000	July 1, 2000 to June 30, 2001	Included Above
Physical Damage	Fire Department Vehicles: Comprehensive and Collision	Coverage Limits: \$9,031,086 Deductible Per Occurrence: \$25,000	July 1, 2000 to June 30, 2001	Included Above
Aggregate Stop-Loss	Bodily Injury and Property Damage	Annual Aggregate: \$3,000,000	July 1, 2000 to June 30, 2001	Included Above
Public Officials Liability	All Employees, Council and Boards: Wrongful Acts			Self - Insured
Public Official Blanket Bond	Dishonest or Fraudulent Acts of Employees Handling Money or Property	Coverage Limits: \$500,000 Deductible Per Occurrence: \$1,000	July 1, 2000 to June 30, 2001	\$2,034

City of Raleigh

INSURANCE COVERAGE
June 30, 2001

<u>TYPE OF POLICY</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS OF COVERAGE</u>	<u>TERM OF POLICY</u>	<u>ANNUAL PREMIUM</u>
Public Official Bond	Tax Collector: City Taxes Finance Director	Coverage Limits: \$150,000	July 1, 2000 to June 30, 2001	\$1,600
Medical Professional Liability	City Nurses	Coverage Limits: \$1,000,000 per person \$3,000,000 per occurrence	July 1, 2000 to June 30, 2001	\$272
Special Program Liability	Grandfather Mountain Recreation Program: Bodily Injury and Property Damage	Coverage Limits: \$1,000,000 annually \$500,000 per occurrence	May 22, 2001 to May 22, 2002	\$500
Money and Securities	Selected Locations Handling Negotiable Funds: Premise and Off-Premise	Coverage Limits Per Location: \$4,100 or \$50,000 Deductible Per Occurrence: \$500 or \$1,000	August 1, 2000 to July 31, 2001	\$3,228
Workers' Compensation	All Employees: All Benefits Allowed by Law	Self-Insured Retention Per Occurrence: \$500,000 Excess Coverage: \$1,000,000 Employers Liability: \$1,000,000	July 1, 2000 to June 30, 2001	\$42,978
Statue	Multi-Peril External Cause	Statue: Deductible: \$1,000	September 1, 2000 to August 31, 2001	\$578

City of Raleigh

DEMOGRAPHIC CHARACTERISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended	Population	Per Capita Income	Unemployment Rate	School Enrollment ADM	Retail Sales (5)	
					(In Billions)	
<u>June 30</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>City</u>	<u>County</u>
1992	222,455	\$ 21,350	4.6%	66,343	\$ 3.640	\$ 5.288
1993	230,418	22,818	4.1	69,547	4.051	5.969
1994	237,739	23,907	2.9	72,643	4.395	6.663
1995	243,345	24,852	3.0	76,273	5.019	7.649
1996	251,609	27,069	2.5	80,646	5.493	8.441
1997	266,035	28,758	2.0	85,542	6.119	9.670
1998	273,011	30,525	1.6	89,074	6.437	10.319
1999	280,132	32,054	1.5	92,566	6.914	11.536
2000	286,834	N/A	1.6	94,295	7.026	11.614
2001	294,843	N/A	3.1	97,348	7.524	12.546

Notes:

- (1) The City's Planning Department estimates the 2001 population to be 294,843. The United States Bureau of Census established the 2000 population as 276,093. The nationwide census resulted in a reduction in the City's estimate of population as has been reported in prior years.
- (2) Per capita income for the Raleigh-Durham SMSA.
Data for 2000 and 2001 are not available.
Source: U.S. Department of Commerce, Bureau of Economic Analysis
- (3) Estimated percentage of unemployment in Wake County.
Source: North Carolina Employment Security Commission.
- (4) ADM = Average daily membership - (final ADM). Includes five Charter Schools.
Source: North Carolina Department of Public Instruction, Statistical Research and Data Center
- (5) Source: North Carolina Department of Revenue,
Sales and Use Tax Division, Tax Research Division

City of Raleigh

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30</u>	Property <u>Value (1)</u>	Commercial Construction (2)		Residential Construction (2)		Bank <u>Deposits (3)</u>
		Number of <u>Permits</u>	<u>Value</u>	Number of <u>Permits</u>	<u>Value</u>	
1992	\$ 8,889,241,876	1,054	\$ 124,896,741	2,586	\$ 122,127,226	\$ 3,106,615,000
1993	11,892,462,351	1,056	146,022,393	3,072	191,363,360	3,315,079,000
1994	12,726,252,607	1,171	186,506,086	3,332	253,240,442	3,308,816,000
1995	12,900,795,597	1,185	195,647,516	3,642	294,566,077	3,636,608,000
1996	13,567,783,606	1,349	334,033,422	3,853	354,115,298	3,621,257,000
1997	14,436,010,969	1,322	312,281,711	4,366	321,023,215	3,771,729,000
1998	15,328,441,284	1,409	408,385,493	4,380	354,301,654	4,074,241,000
1999	16,068,479,171	1,662	497,648,410	5,507	627,106,349	4,528,758,000
2000	17,008,260,287	1,522	497,664,132	5,067	652,441,455	6,832,513,000
2001	25,629,175,759	1,621	583,051,394	5,924	733,566,327	N/A

Notes:

- (1) Source: Wake County
- (2) Source: City of Raleigh Inspections Department. All figures include governmental construction.
- (3) "Bank Deposits" include deposits with Savings and Loans (and exclude credit unions) for the combined Raleigh and Wake County area. Data for 2001 is not available. Source: North Carolina State Banking Commission.

City of Raleigh

PRINCIPAL TAXPAYERS

June 30, 2001

<u>Company</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Carolina Power and Light Company	Utility	\$ 276,013,216	1.08%
Bellsouth Telephone and Telegraph Company	Utility	193,184,575	0.75
CVM Associates	Real estate	176,625,531	0.69
Highwoods Realty, Limited Partnership	Real estate	156,895,598	0.61
UDRT of North Carolina, LLC	Real estate	117,198,118	0.46
AVX Corporation	Electronics	101,033,470	0.39
Prudential Insurance Company	Insurance	86,103,969	0.34
Capital Center Acquisition LLC	Real estate	72,346,495	0.28
CRIT NC LCC	Real estate	60,142,902	0.24
Lead Mine Land Company	Real estate	<u>59,388,978</u>	<u>0.23</u>
		<u>\$ 1,298,932,852</u>	<u>5.07%</u>

Note:

Above assessed valuations are as of January 1, 2001 and the associated tax levies were due in the fiscal year ended June 30, 2000.

City of Raleigh

MISCELLANEOUS STATISTICS

June 30, 2001

Population: 294,843

Date of incorporation: Established 1792 by an act of the North Carolina General Assembly

Form of government: Council/Manager

Area: 122.7 square miles

Miles of streets: 1,027.9

Number of street lights: 24,619

Fire protection:

Number of stations: 23

Number of firemen and officers: 447
(exclusive of volunteer firefighters)

Police protection:

Number of stations: 4 (3) sub-stations, (1) training center

Number of policemen and officers: 693

Municipal water department:

Number of consumers: 122,793

Average daily consumption: 44.5 MGD

Miles of water mains: 1,102 miles

Sewers:

Sanitary sewers: 1,392 miles

Average daily flow: 36.2 MGD

Recreation and Parks:

Number of major parks: 59

Total acreage of parkland, open space, greenways and lakes: 7,310

Number of staffed community, arts and special facilities: 49

Neighborhood centers: 10

Park sites: 163

Greenway tracks: 370

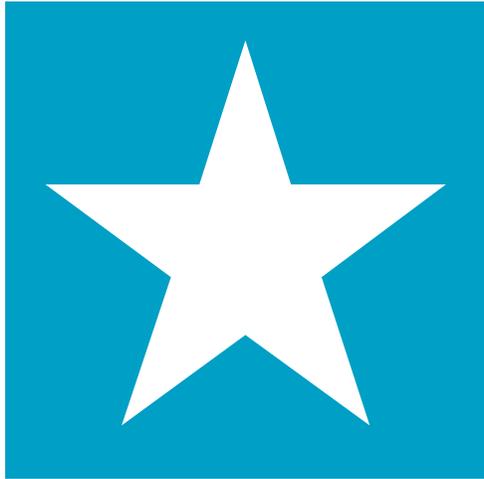
Aquatic facilities: 8

Culture:

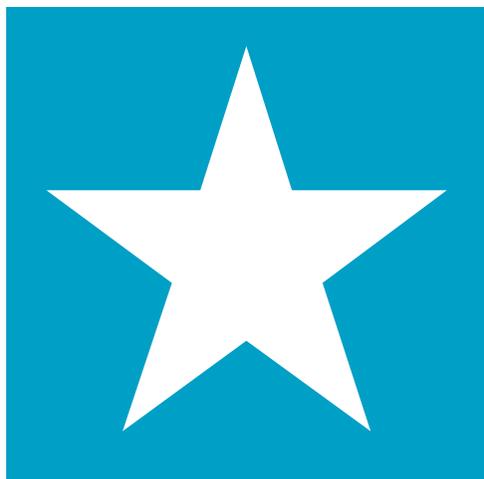
Number of libraries: 17

Number of volumes: 1,435,753

Employees: 2,884



The Single Audit Section contains schedules, exhibits and Auditor Reports reflecting Federal, State and local matching participation in various projects and programs of the City. The Single Audit Act of 1984 established audit requirements for State and local governments that receive Federal assistance. The audit requirements also have been adopted by the State of North Carolina for State grants. These requirements were established to ensure that audits are made on an organization-wide basis, rather than on a grant-by-grant basis.



Deloitte & Touche LLP
Suite 1800
First Union Capitol Center
150 Fayetteville Street Mall
P.O. Box 2778
Raleigh, North Carolina 27602-2778

Tel: (919) 546-8000
Telex: 4995716
Fax: (919) 833-3276
www.us.deloitte.com

**Deloitte
& Touche**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of City of Raleigh, North Carolina (the "City"), as of and for the year ended June 30, 2001, and have issued our report thereon dated October 23, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated October 23, 2001.

**Deloitte
Touche
Tohmatsu**

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

October 23, 2001

Deloitte & Touche LLP
Suite 1800
First Union Capitol Center
150 Fayetteville Street Mall
P.O. Box 2778
Raleigh, North Carolina 27602-2778

Tel: (919) 546-8000
Telex: 4995716
Fax: (919) 833-3276
www.us.deloitte.com



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited the compliance of City of Raleigh, North Carolina (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2001. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, which is described in the accompanying Schedule of Findings and Questioned Costs as Item 01-1.

Internal Control Over Compliance

The management of the City of is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

October 23, 2001

Deloitte & Touche LLP
Suite 1800
First Union Capitol Center
150 Fayetteville Street Mall
P.O. Box 2778
Raleigh, North Carolina 27602-2778

Tel: (919) 546-8000
Telex: 4995716
Fax: (919) 833-3276
www.us.deloitte.com



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited the compliance of City of Raleigh, North Carolina (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2001. The City's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

October 23, 2001

SINGLE AUDIT SCHEDULES



CITY OF RALEIGH

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Federal CFDA Number	Grant Number	Grant Award	Expenditures		
				Prior Year	Current Year	Total to Date
EXPENDITURES OF FEDERAL AWARDS:						
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Direct Programs:						
Federal Transit Administration						
Planning Assistance - Section 9	20.507	NC-90-2256	\$ 48,045	\$ 26,807	\$ -	\$ 26,807
Planning Assistance - Section 9	20.507	NC-90-2279	36,794	-	32,965	32,965
Capital Assistance - Section 9	20.507	NC-90-0171	720,384	523,362	-	523,362
Capital Assistance - Section 9	20.507	NC-90-0190	383,057	315,358	7,869	323,227
Capital Assistance - Section 9	20.507	NC-90-0207	570,117	350,987	190,730	541,717
Capital Assistance - Section 9	20.507	NC-90-0220	2,277,257	1,334,948	717,734	2,052,682
Capital Assistance - Section 9	20.507	NC-90-0237	2,440,136	1,193,685	838,542	2,032,227
Capital Assistance - Section 9	20.507	NC-90-0256	6,232,233	274,199	1,781,286	2,055,485
Capital Assistance - Section 9	20.507	NC-90-0279	2,838,195	-	476,316	476,316
			<u>15,546,218</u>	<u>4,019,346</u>	<u>4,045,442</u>	<u>8,064,788</u>
Passed-Through N.C. Department of Transportation:						
Federal Transit Administration						
Planning Assistance - Section 8	20.505	NC-80-0008	43,080	43,080	-	43,080
Planning Assistance - Section 8	20.505	NC-80-0009	50,688	-	50,688	50,688
			<u>93,768</u>	<u>43,080</u>	<u>50,688</u>	<u>93,768</u>
Federal Highway Administration						
Section 104(f) Technical Assistance	20.205	8.53614	539,669	313,653	58,529	372,182
Section 104(f) Technical Assistance	20.205	8.53714	429,725	-	330,326	330,326
			<u>969,394</u>	<u>313,653</u>	<u>388,855</u>	<u>702,508</u>
National Highway Traffic Safety Administration						
Pedestrian and Bicycle Planning	20.600	RS00-0808	79,700	15,920	63,680	79,600
			<u>16,689,080</u>	<u>4,391,999</u>	<u>4,548,665</u>	<u>8,940,664</u>
<u>CORPORATION FOR NATIONAL SERVICE</u>						
Direct Programs:						
Foster Grandparents Program						
	94.011	439-S006/12	237,937	74,855	163,082	237,937
	94.011	439-S006/13	238,238	-	93,003	93,003
			<u>476,175</u>	<u>74,855</u>	<u>256,085</u>	<u>330,940</u>
Retired Senior Volunteers Program						
	94.002	440-S025/17	52,165	25,798	26,367	52,165
	94.002	440-S025/18	51,065	-	19,534	19,534
			<u>103,230</u>	<u>25,798</u>	<u>45,901</u>	<u>71,699</u>
			<u>579,405</u>	<u>100,653</u>	<u>301,986</u>	<u>402,639</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
Direct Programs:						
Community Development Block Grant Program						
	14.218	B91MC370009	1,628,000	1,590,783	37,217	1,628,000
	14.218	B93MC370009	2,209,000	2,073,868	135,132	2,209,000
	14.218	B95MC370009	2,459,000	2,341,937	92,773	2,434,710
	14.218	B96MC370009	2,416,000	2,384,073	10,289	2,394,362
	14.218	B97MC370009	2,389,000	2,382,793	6,207	2,389,000
	14.218	B98MC370009	2,323,000	1,750,361	553,036	2,303,397
	14.218	B99MC370009	2,336,000	1,446,249	691,706	2,137,955
	14.218	B00MC370009	2,365,000	-	1,316,738	1,316,738
			<u>18,125,000</u>	<u>13,970,064</u>	<u>2,843,098</u>	<u>16,813,162</u>

Continued

CITY OF RALEIGH

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Federal CFDA Number	Grant Number	Grant Award	Expenditures		
				Prior Year	Current Year	Total to Date
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)						
Emergency Shelter Grant Program	14.231	S00MC370005	\$ 83,000	\$ -	\$ 83,000	\$ 83,000
HOME Grant Program	14.239	M94MC370206	858,000	857,477	523	858,000
	14.239	M96MC370206	950,000	844,637	8,400	853,037
	14.239	M97MC370206	931,000	890,855	40,145	931,000
	14.239	M98MC370206	994,000	893,005	56,063	949,068
	14.239	M99MC370206	1,074,000	581,005	257,582	838,587
	14.239	M00MC370206	1,073,000	-	264,002	264,002
			5,880,000	4,066,979	626,715	4,693,694
DRI Grant Program	14.218	B97MU370009	3,002,052	1,896,683	916,856	2,813,539
HOPWA Grant Program	14.241	NC19H98F002	360,000	349,564	10,436	360,000
	14.241	NC19H99F002	386,000	288,071	97,929	386,000
	14.241	NC19H00F002	400,000	-	221,085	221,085
			1,146,000	637,635	329,450	967,085
Passed-Through N.C. Department of Commerce: Lead Based Paint Removal Program	14.900	97-L-008	465,000	282,486	174,861	457,347
Total U.S. Department of Housing and Urban Development			28,701,052	20,853,847	4,973,980	25,827,827
U.S. DEPARTMENT OF JUSTICE						
Direct Programs:						
Cops Ahead (97)	16.710	95CCWX0055	652,230	476,823	175,407	652,230
Cops Ahead (98)	16.710	95CCWX0055	1,500,000	201,032	566,471	767,503
Cops More (00)	16.710	00CLWX0055	102,701	-	8,006	8,006
			2,254,931	677,855	749,884	1,427,739
LLE Block Grant Program	16.592	98LBVX3277	562,275	338,324	119,600	457,924
LLE Block Grant Program	16.592	99LBVX7609	547,204	-	288,897	288,897
LLE Block Grant Program	16.592	00LBVX1097	498,532	-	128,111	128,111
			1,608,011	338,324	536,608	874,932
Weed & Seed Program	16.595	98WSQ80045	163,000	117,051	-	117,051
Weed & Seed Program	16.595	99WSQX0073	223,330	98,205	55,661	153,866
Weed & Seed Program	16.595	00WSQX0056	175,000	-	29,698	29,698
Weed & Seed Program	16.595	N/A	53,161	769	23,959	24,728
Weed & Seed Program	16.595	N/A	50,000	-	-	-
			664,491	216,025	109,318	325,343
Bullet Proof Vest Program	N/A	N/A	11,034	-	11,034	11,034
Passed-Through N.C. Department of Crime Control and Public Safety: DCSI Grant - Shaw University	16.579	1800015BD153	9,425	-	10,430	10,430
Total U.S. Department of Justice			4,547,892	1,232,204	1,417,274	2,649,478

Continued

CITY OF RALEIGH

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Federal CFDA Number	Grant Number	Grant Award	Expenditures		
				Prior Year	Current Year	Total to Date
ENVIRONMENTAL PROTECTION AGENCY						
Direct Programs:						
Brownfields Assessment Grant	66.811	BP984864-99-0	\$ 200,000	\$ 40,157	\$ 107,338	\$ 147,495
U.S. DEPARTMENT OF AGRICULTURE						
Passed-Through N.C. Department of Environment and Natural Resources:						
USFS - "Raleigh Neighborwoods"	10.664	ATB 00-16	10,000	-	8,804	8,804
USFS - "Raleigh Neighborwoods"	10.664	ATB 01-3	10,000	-	-	-
			<u>20,000</u>	<u>-</u>	<u>8,804</u>	<u>8,804</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY						
Passed-Through N.C. Department of Crime Control and Public Safety:						
Disaster Assistance - Hurricane Floyd	83.516	1292-DR-NC	847,646	862,341	(14,695)	847,646
Disaster Assistance - Winter Storm	83.516	1312-DR-NC	330,421	330,421	-	330,421
			<u>1,178,067</u>	<u>1,192,762</u>	<u>(14,695)</u>	<u>1,178,067</u>
Flood Mitigation	83.516	HMGP-1134	8,517,815	4,064,756	2,099,711	6,164,467
Total Federal Emergency Management Agency			<u>9,695,882</u>	<u>5,257,518</u>	<u>2,085,016</u>	<u>7,342,534</u>
U.S. DEPARTMENT OF COMMERCE						
Direct Programs:						
Southeast Raleigh Business Incubator	11.307	04-19-57005	500,000	444,051	55,949	500,000
OTHER FEDERAL AWARDS:						
ENVIRONMENTAL PROTECTION AGENCY						
Passed-Through N.C. Department of Environment and Natural Resources:						
Wastewater Treatment Works Loan	66.458	CS37-419-11	2,750,000	2,368,855	381,035	2,749,890
Wastewater Treatment Works Loan	66.458	CS37-419-12	5,000,000	3,268,919	1,210,039	4,478,958
			<u>7,750,000</u>	<u>5,637,774</u>	<u>1,591,074</u>	<u>7,228,848</u>
Total Expenditures of Federal Awards			<u>\$ 68,683,311</u>	<u>\$ 37,958,203</u>	<u>\$ 15,090,086</u>	<u>\$ 53,048,289</u>
EXPENDITURES OF STATE AWARDS:						
N. C. DEPARTMENT OF TRANSPORTATION						
Public Transportation Planning Assistance		00-09-007	\$ 6,005	\$ 3,351	\$ -	\$ 3,351
Public Transportation Planning Assistance		01-09-007	4,599	-	4,121	4,121
Public Transportation Planning Assistance		00-08-009	5,385	5,385	-	5,385
Public Transportation Planning Assistance		01-08-009	6,336	-	6,336	6,336
Public Transportation Capital Assistance		95-09-007	90,048	65,420	-	65,420
Public Transportation Capital Assistance		96-09-007	47,882	39,420	984	40,404
Public Transportation Capital Assistance		97-09-007	71,264	43,873	23,842	67,715
Public Transportation Capital Assistance		98-09-007	146,457	28,669	89,716	118,385
Public Transportation Capital Assistance		99-09-007	166,817	11,011	104,818	115,829
Public Transportation Capital Assistance		00-09-007	640,829	408	118,328	118,736
Public Transportation Capital Assistance		01-09-007	189,282	-	3,384	3,384
Public Transportation Maintenance Assistance Program - Operating		9.9051680	1,505,203	-	1,505,203	1,505,203
Greenskills Project		E-3800	50,000	6,300	21,209	27,509

Continued

CITY OF RALEIGH

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Federal CFDA Number	Grant Number	Grant Award	Expenditures		
				Prior Year	Current Year	Total to Date
<u>N. C. DEPARTMENT OF TRANSPORTATION (continued)</u>						
Auburn Church Road	9.8052055		\$ 175,000	\$ 175,000	\$ -	\$ 175,000
Sunnybrook-Poole Road Project	9.8052047		300,000	300,000	-	300,000
St. Alban's Drive	9.8052056		150,000	150,000	-	150,000
Hillsborough Street Feasibility Study	6.401071		100,000	-	43,300	43,300
Leesville Road Extension	9.8052061		150,000	-	-	-
Capital Boulevard at Durant Road	9.8052059		125,000	-	125,000	125,000
Duraleigh Road at U.S. 70	9.8052058		150,000	-	-	-
Crabtree Valley Greenway Connector	E-3603		300,000	300,000	-	300,000
Anderson Point Park RR Crossing	R-2547-BB		40,000	-	40,000	40,000
Rose Lane Bridge	8.2406001		880,000	116,454	49,849	166,303
Intermodal Facility Design Study	-		50,000	-	45,200	45,200
Powell Bill	-		8,416,376	-	8,901,530	8,901,530
Total N. C. Department of Transportation			13,766,483	1,245,291	11,082,820	12,328,111
<u>N.C. HOUSING FINANCE AGENCY</u>						
Job Training Grant			76,000	-	56,796	56,796
<u>N. C. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY</u>						
Disaster Assistance - Hurricane Floyd	1292-DR-NC		282,548	287,447	(4,899)	282,548
Disaster Assistance - Winter Storm	1312-DR-NC		110,441	110,441	-	110,441
Flood Mitigation	HMGP-1134		2,839,271	1,354,919	699,903	2,054,822
SARF Flood Mitigation	HMGP-SARF		1,521,619	1,149,107	9,904	1,159,011
Total N. C. Department of Crime Control and Public Safety			4,753,879	2,901,914	704,908	3,606,822
<u>N. C. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES</u>						
Wastewater Collection System Loan #E-SRF-T-0081			550,000	473,885	76,225	550,110
Wastewater Treatment Works Loan #E-SRF-T-0089			1,000,000	655,353	246,087	901,440
NCCWMTF - Neuse River Trust Acquisition Project	1998-A-104		2,850,000	87,935	1,453,784	1,541,719
	NPS-319		30,000	16,707	13,293	30,000
Storm Run-off Project - Pigeon Creek Emmissions Reduction Grant	EA200028		218,111	-	27,233	27,233
Total N. C. Department of Environment and Natural Resources			4,648,111	1,233,880	1,816,622	3,050,502
			<u>\$ 23,244,473</u>	<u>\$ 5,381,085</u>	<u>\$ 13,661,146</u>	<u>\$ 19,042,231</u>
Total Expenditures of State Awards						
EXPENDITURES OF OTHER AWARDS:						
<u>WAKE COUNTY</u>						
Special Populations Program			\$ 87,366	\$ -	\$ 87,366	\$ 87,366
Substance Abuse Prevention - Project Phoenix			25,000	3,500	3,929	7,429
Smartstart Program			25,474	12,195	12,556	24,751
Southeast Raleigh Business Incubator			500,000	300,000	200,000	500,000
Open Space Program			200,000	-	13,946	13,946
Handicap Access Grant			2,600	-	2,343	2,343
Total Wake County			840,440	315,695	320,140	635,835

Continued

CITY OF RALEIGH

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Federal CFDA Number	Grant Number	Grant Award	Expenditures		
				Prior Year	Current Year	Total to Date
<u>LOWER NEUSE BASIN ASSOCIATION</u> Upper Neuse Main Engineering		98-11	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>
<u>NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY</u> Southeast Raleigh Business Incubator			<u>200,000</u>	<u>105,000</u>	<u>-</u>	<u>105,000</u>
<u>TRIANGLE TRANSIT AUTHORITY</u> Intermodal Facility Design Study			<u>50,000</u>	<u>-</u>	<u>45,200</u>	<u>45,200</u>
			<u>\$ 1,290,440</u>	<u>\$ 620,695</u>	<u>\$ 365,340</u>	<u>\$ 986,035</u>
Total Expenditures of Other Awards						
			<u>\$ 93,218,224</u>	<u>\$ 43,959,983</u>	<u>\$ 29,116,572</u>	<u>\$ 73,076,555</u>
Total Expenditures - All Awards						

Notes:

The Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Powell Bill expenditures as reported above represent eligible expenditures reported to the North Carolina Department of Transportation for the fiscal year ending June 30, 2001. 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, 2001 is \$-0-.

CITY OF RALEIGH, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2001

I. SUMMARY OF AUDITORS' RESULTS

- A. An unqualified opinion was issued on the financial statements of City of Raleigh, North Carolina (the "City").
- B. Our audit of the general purpose financial statements disclosed no reportable conditions in internal controls.
- C. Our audit of the general purpose financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the general purpose financial statements.
- D. Our audit of compliance with the types of compliance requirements applicable to the City's major programs disclosed no material weaknesses or reportable conditions in internal controls over major programs.
- E. An unqualified opinion was issued on the City's compliance with the types of compliance requirements applicable to its major federal programs.
- F. An unqualified opinion was issued on the City's compliance with the types of compliance requirements applicable to its major state programs.
- G. Our audit disclosed one finding which related to federal awards and no findings related to state awards.
- H. Major federal programs for the City for fiscal year ended June 30, 2001 are:

Program Name	CFDA #
U.S. Department of Housing and Urban Development - Community Development Block Grant	14.218
U.S. Department of Justice - Local Law Enforcement Block Grant	16.592
Federal Emergency Management Agency - Flood Mitigation	83.516

- I. Major state programs for the City for fiscal year ended June 30, 2001 are:

Program Name	Grant No.
North Carolina Department of Crime Control and Public Safety SARF Flood Mitigation	HMGP-1134
North Carolina Department of Transportation Powell Bill	
North Carolina Department of Transportation Public Transportation Maintenance Assistance Program	9.9051680
North Carolina Department of Environment and Natural Resources Neuse River Trust Acquisition Project	1998-A-104

- J. The threshold for determining Type A programs for the City is \$452,703.
- K. The City does qualify as a low-risk auditee under Section .530 of OMB Circular No. A-133.

CITY OF RALEIGH, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2001 (Continued)

II. FINDINGS RELATED TO THE AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS OF CITY OF RALEIGH, NORTH CAROLINA

No findings during current year.

III. FINDINGS AND QUESTIONED COSTS RELATED TO THE AUDIT OF FEDERAL AND STATE AWARDS

U.S. Department of Justice

Finding #: 01-1

Program Name: Local Law Enforcement Block Grant

CFDA #: 16.592

Grant #: 98LBVX3277

Criteria: The unit of local government must obligate and expend Block Grants funds and any interest deriving therefrom within 24 months of the date of the initial payment.

Condition: The award period for the Local Law Enforcement Block Grant, #98LBVX3277, ended on September 30, 2000. However, \$187,650 in grant funds and \$25,771 in interest income was not expended during the allowable expenditure period which ended on December 29, 2000.

Effect: The City may have to return the unexpended funds and interest income to the U.S. Department of Justice.

Cause: The funds in question were fully obligated with related contracts and purchase orders within the allowable grant period. However, the City is awaiting satisfactory and complete performance by all vendors before actual payments will be made. The City intends to remit the funds to the vendor once the project has been satisfactorily completed.

Questioned Costs: \$213,421

Recommendation: The City of Raleigh is pursuing a waiver of this condition from the U.S. Department of Justice. The City should continue its communications with the U.S. Department of Justice to resolve this situation as soon as possible.

Management Response: We have submitted a written response to the grantor requesting waiver of the finding, resulting in the questioned costs. We are awaiting the grantor's response to our request. Regardless, in all succeeding DOJ LLE Block grants, we will expend grant funds completely within the allowable expenditure period.

CITY OF RALEIGH, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED JUNE 30, 2001

There were no findings in 2000.

Office of the City Manager
City of Raleigh
Post Office Box 590
Raleigh, North Carolina 27602
919-890-3070



Office of the Finance Director
City of Raleigh
Post Office Box 590
Raleigh, North Carolina 27602
919-890-3215

www.raleigh-nc.org