

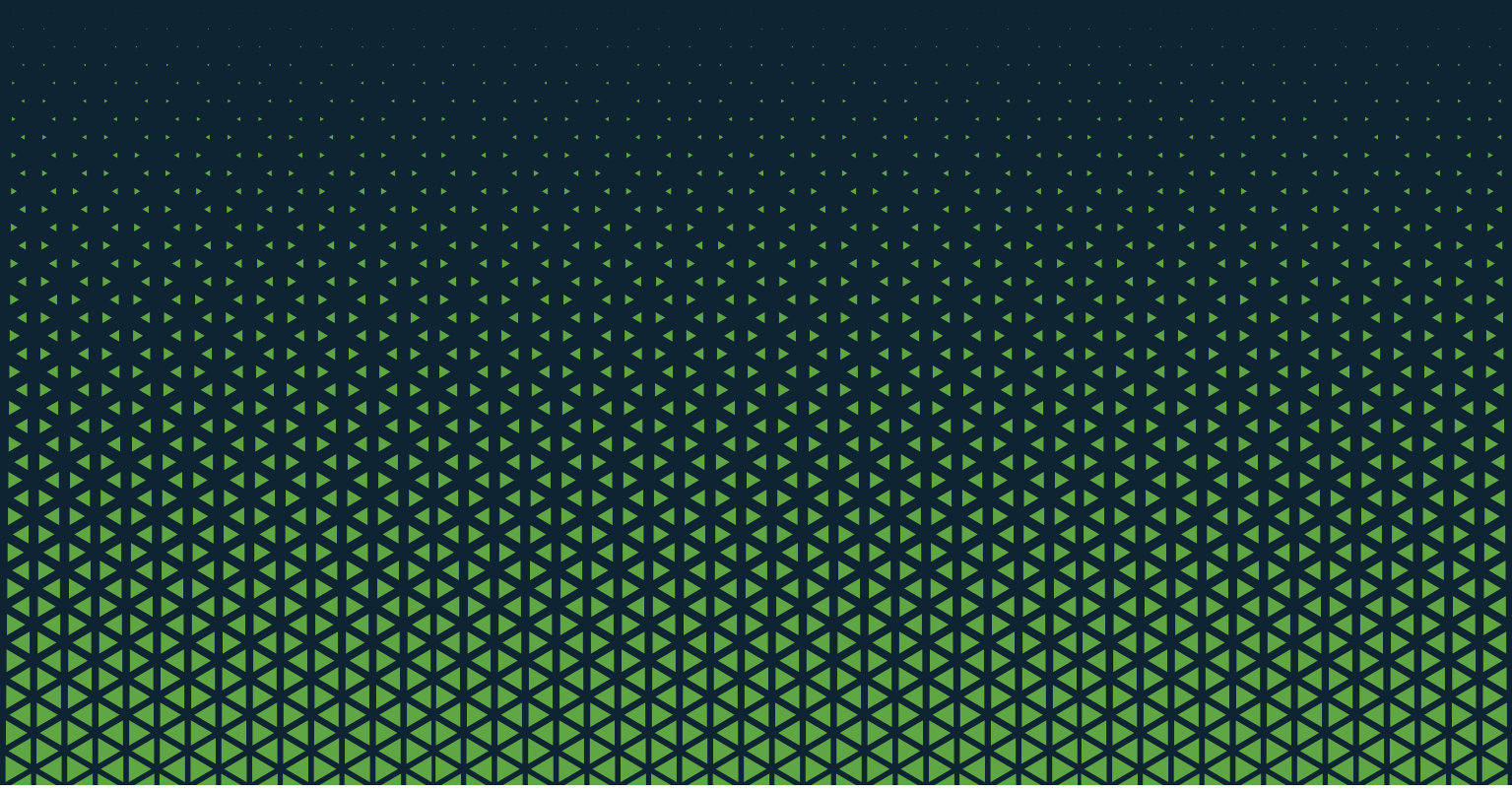


2022

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY**
NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
NORTH CAROLINA

Annual Comprehensive Financial Report, for the Fiscal Year Ended
June 30, 2022

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**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION



November 11, 2022

Board of Trustees
Research Triangle Regional Public Transportation Authority

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Research Triangle Regional Public Transportation Authority (GoTriangle) for the fiscal year ended June 30, 2022. The basic financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Cherry Bekaert LLP, and their unmodified opinion is included in the financial section. However, this report is presented by GoTriangle, which is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to set forth fairly the financial position and results of operations of GoTriangle as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of GoTriangle's financial affairs have been included.

To provide a reasonable basis for making these representations, GoTriangle management has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of GoTriangle's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, GoTriangle's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management directs the reader to the Management's Discussion and Analysis (MD&A) section of the ACFR to gather a clear and in-depth understanding of its contents.

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Profile of GoTriangle

The 1989 Session of the North Carolina General Assembly amended Chapter 160A of the General Statutes by adding Article 26 enabling the creation of regional public transportation authorities. The Board of Commissioners in Durham, Orange and Wake counties each held a public hearing, published articles of incorporation, and passed resolutions creating the Research Triangle Regional Public Transportation Authority (originally known as Triangle Transit; now known as GoTriangle). The new public authority was chartered by the Secretary of State on December 1, 1989.

The 1991 session of the General Assembly enacted legislation permitting regional public transportation authorities to levy a vehicle registration tax of up to \$5 per registration. Following a public hearing, a tax levy of \$5 per registered vehicle was approved by the Special Tax Board; the Boards of County Commissioners of Durham, Orange and Wake counties; and the Authority's Board of Trustees. This tax forms the basic operating funding for regional transit services in the Triangle. The NC Division of Motor Vehicles began collection of the tax on January 1, 1992.

The 1997 session of the General Assembly enacted legislation permitting a regional public transportation authority to also levy a 5% tax on motor vehicle rental receipts in its multi-county service area. Following a public hearing, a tax levy of 5% on motor vehicle rental receipts was approved by the Special Tax Board; the Boards of County commissioners of Durham, Orange and Wake counties; and the Authority's Board of Trustees. The tax provides a local match to current and future federal and state grants. GoTriangle began collection of the tax on January 1, 1998.

The General Assembly enacted legislation allowing for voter referendums in Durham, Orange and Wake Counties on the levy of an additional 1/2¢ Local Option Sales Tax. The proceeds of this tax may only be used for public transportation purposes. The tax provides local funding for regional transit service expansion and transit projects. GoTriangle began receiving the tax proceeds in 2014 for Durham and Orange Counties. GoTriangle received the first Wake County tax revenue in 2017. The sales tax revenue appears in the tax district Operating Fund and the Capital Fund for each county.

Purpose

GoTriangle was created to plan, finance, organize and operate a public transportation system for the Research Triangle area (Durham, Orange, and Wake Counties). The public transportation system may include operation of ridesharing activities, buses and fixed guideways.

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Board of Trustees

GoTriangle is governed by a thirteen-member Board of Trustees. Ten (10) members are appointed by the region's cities and counties, and three (3) members are appointed by the NC Secretary of Transportation, as shown in the following chart.

<u>Appointing Body</u>	<u>Number of Appointments</u>
Town of Cary	1
Town of Chapel Hill	1
City of Durham	1
Durham City and County	1
Durham County	1
Orange County	1
City of Raleigh	2
Wake County	2
Secretary of Transportation	3

Staffing

GoTriangle annually reviews its staffing needs. There were 280 full-time budgeted positions as of June 30, 2022. The following chart shows these positions by department.

<u>Department</u>	<u>Full-Time Employees</u>
Executive Office/COO	4
General Counsel/Real Estate	8
Communications & Public Affairs	15
Finance/IT	20
Human Resources	5
Administration	5
EEO/DBE	2
Capital Development	13
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2021-2022 Economic Development Announcements

The Triangle

The Research Triangle region is comprised of Durham, Orange and Wake counties. The principal cities in the area include Raleigh, Durham, Cary, and Chapel Hill. The Triangle Region continues to receive accolades and is frequently ranked as one of “America’s Best Places to Live” and “Best Places for Business and Careers.”

With its success, the Triangle has the challenge of continuing to preserve and enhance the quality of life that it has come to enjoy. Current growth in the region has expanded from 1.30 million people in 2010 to 1.63 million in July 2021 as estimated by the NC Office of State Budget and Management. Further, the Office of State Budget and Management predicts a population for the three counties of 2.57 million by July 2050, a growth rate of 57.7% over a 29-year period.

The physical distance between the region’s development and limited public transportation networks have affected the opportunities for upward social mobility of some low-income residents. A study called the Equality of Opportunity by Harvard University and the University of California – Berkeley released in 2015 found that Wake and Durham ranked among the lowest 6 percent of counties in the country in upward mobility among low income families (families in the 25th percentile). Improved transit and ridesharing alternatives, together with sound development practices, can provide affordable access to jobs for a greater share of the population.

Toward this end, communities in the Triangle have seen a surge in interest in the housing, working, and recreation options in their downtowns. Together with the major universities, they are developing a diversity of activities that can be well served by public transit. The sales tax revenues adopted in Durham and Orange Counties in 2013 have funded expansions of transit service in both counties. Fiscal Year 2022 showed county-wide revenue increases of \$38.11M (16.43%) in Durham County and \$10.05M (16.38%) in Orange County. GoTriangle and Wake County, together with multiple partners, have developed a long-range plan for transit expansion and improvement for the Triangle’s eastern county. As noted in the Management’s Discussion and Analysis, Wake County revenue exceeds current spending, but the variance between the revenue and the spending decreased this year compared to last year. This is expected because the Transit Governance Interlocal Agreement (ILA) between GoTriangle and Wake County included a savings goal for the first five years of operation, so in this sixth fiscal year, progress towards larger and more projects began. Consumer-driven revenue, such as the local option sales tax, improved dramatically in Fiscal Year 2022. Gross collections for Wake County were up \$42.66M countywide, or 7.03% from Fiscal Year 2021.

Transit ensures that communities in the Triangle have a transportation network that keeps pace with growth and provides affordable mobility. While it is widely known that transit eases congestion by adding capacity to existing roadways, many societal benefits are often overlooked. Some include:

- **Responding to the COVID-19 Outbreak** – In March 2020, a new strain of coronavirus, commonly known as COVID-19, reached pandemic status in the United States. That pandemic currently remains a factor in daily life. During Fiscal Year 2022, GoTriangle continued providing transportation services. Fares continued to be waived, allowing passengers to board and disembark from the rear doors of a bus. Additionally, until the middle of April 2022, face masks were required and provided to those without one, hand sanitizer stations continue to be available for customer use, and buses are sanitized at least daily.
- **Supporting the Employed** – In FY 2022, GoTriangle provided transit services to 1.46 million passengers over 2.26M revenue miles. The mileage decreased in FY22 compared to FY21 by 368,662 miles, primarily caused by the operator shortage requiring suspension of certain routes. Management and the operations department began collaborating at the end of the fiscal year to develop a program to retain and recruit operators.
- **Strengthening Business** – Transit increases the region’s ability to attract and retain new jobs, improving mobility for employees, employers, suppliers, customers, and tourists. More employers support the benefit by encouraging the use of transit for their employees through the purchase of bus passes.
- **Moving the Economy** – Transit moves people to school and training, allowing them to seek higher paying jobs and become self-sufficient.
- **Encouraging Independence** – Transit enables elderly and disabled people to remain independent by providing access to health care, shopping, nutrition programs, and other basic life needs. Paratransit revenue miles were 393,436 compared to 315,509 in Fiscal Year 2021. Management believes that as people, especially elderly citizens, resume pre-pandemic activities after an extended quarantine, the demand for paratransit services will continue to grow and exceed pre-pandemic levels.

To promote the habit of public transit use as a life-long habit, GoTriangle and the Wake County Transit Partners continued the Youth GoPass program, for participants between the ages of 13 and 18.

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Major Initiatives

During Fiscal Year 2022, GoTriangle continued to move forward with projects designed to improve the public transit efficiency and effectiveness in Durham, Orange and Wake Counties. However, the COVID-19 pandemic drastically altered GoTriangle's plans and those of the transit partners. Listed below are the major accomplishments of each area separated by fund.

Wake Operating and Capital Funds

Throughout the year, GoTriangle staff continued to participate and take leadership roles with the Transit Planning Advisory Committee (TPAC) in Wake County. TPAC is tasked with coordinating the planning and implementation of the Wake Transit Work Plan. GoTriangle has fiduciary responsibilities for funds generated pursuant to the ILA. This agreement is between GoTriangle, the Capital Area Metropolitan Planning Organization (CAMPO), and Wake County. A full year of revenue collection generated \$125,841,003, a 6.45% increase over the prior year. Service expansion plans have been funded and implemented. Capital projects that include Bus Infrastructure improvements, Bus Rapid Transit, Commuter Rail Transit, and Vehicle acquisitions are underway. The financial reserves expected to be accumulated will lessen the need for borrowing. Once debt issuance is required, sound financial management and documented financial reserves will maximize the GoTriangle's debt rating, resulting in lower interest costs.

Regional Bus Fund

Fixed Route bus ridership for Fiscal Year 2022 was 1,464,724 boardings, which is up by 20.3% compared to the previous year. GoTriangle was determined to be an essential "business" under state guidelines and continued to operate assisting essential workers to reach their places of employment and service. For the second year in a row, bus operations were impacted by the nationwide pandemic and orders to minimize in-person contact.

Ridesharing Fund

The GoTransit Regional Information Center (the Center) provides a single source of information about public transportation services, ridesharing and paratransit services throughout the Triangle by allowing customers to make one call via 919-485-RIDE (7433). It is a cooperative function between GoTriangle, GoDurham, GoRaleigh, GoCary and the Town of Chapel Hill (Chapel Hill Transit). Through this multi-agency partnership, the GoTransit Regional Information Center provides comprehensive transit information of a consistently high quality that is relied upon by our current and future customers. The Center is staffed by 22 team members operating daily from 6:00am - 9:00pm. The Center is an entity of Regional Partnerships under the direction of Audra Foree, Interim Director.

During the period of July 1, 2021 – June 30, 2022, calls increased from 394,977 to 417,384. The Center answered 90% of inbound calls, averaging a hold time of two seconds during this timeframe.

Awards and Acknowledgements

GoTriangle is required by state law to have an independent financial audit. A compliance audit on federal and state financial assistance programs is also required under the revised federal Single Audit Act of 1996 and the State Single Audit Implementation Act. GoTriangle's auditors, Cherry Bekaert LLP, were selected through a formal request for proposals. The auditor's report on the Basic Financial Statements is included in the Financial Section of this report. The auditor's reports required as part of a single audit are found in the Compliance Section of this report. The inclusion of these reports is dependent upon GoTriangle's level of federal and state award spending during the year.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the GoTriangle for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. GoTriangle has received a Certificate of Achievement for the last twenty-eight (28) consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully submitted,

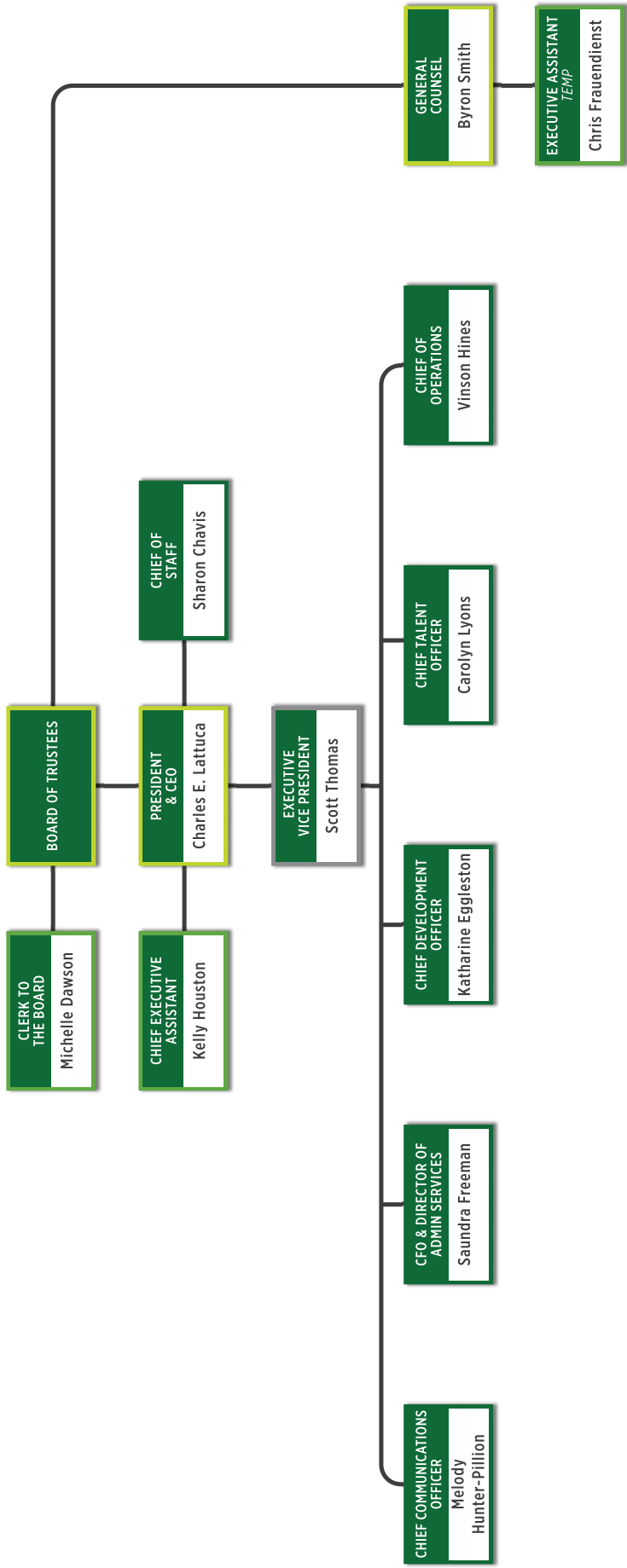


Sandra Freeman
CFO & Director of Administrative Services

GoTriangle Board of Trustees

June 30, 2022

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**Research Triangle
Regional Public Transportation Authority
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditor

To the Board of Trustees
Research Triangle Regional Public Transportation Authority
Research Triangle Park, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the component units, each major fund, and the aggregate remaining fund information of the Research Triangle Regional Public Transportation Authority (the “Authority”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying individual fund statements and schedules and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
November 11, 2022

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MANAGEMENT'S
DISCUSSION &
ANALYSIS

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Research Triangle Regional Public Transportation Authority (the "Authority") management offers readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2022. The Authority also does business using the trade name **GoTriangle**. This is part of a branding effort with transit partners such as the City of Durham (GoDurham), the City of Raleigh (GoRaleigh) and the Town of Cary (GoCary) to clearly identify the organization and the area of transit services. Users are encouraged to read the information presented here in conjunction with additional information furnished in the Authority's financial statements.

Financial Highlights

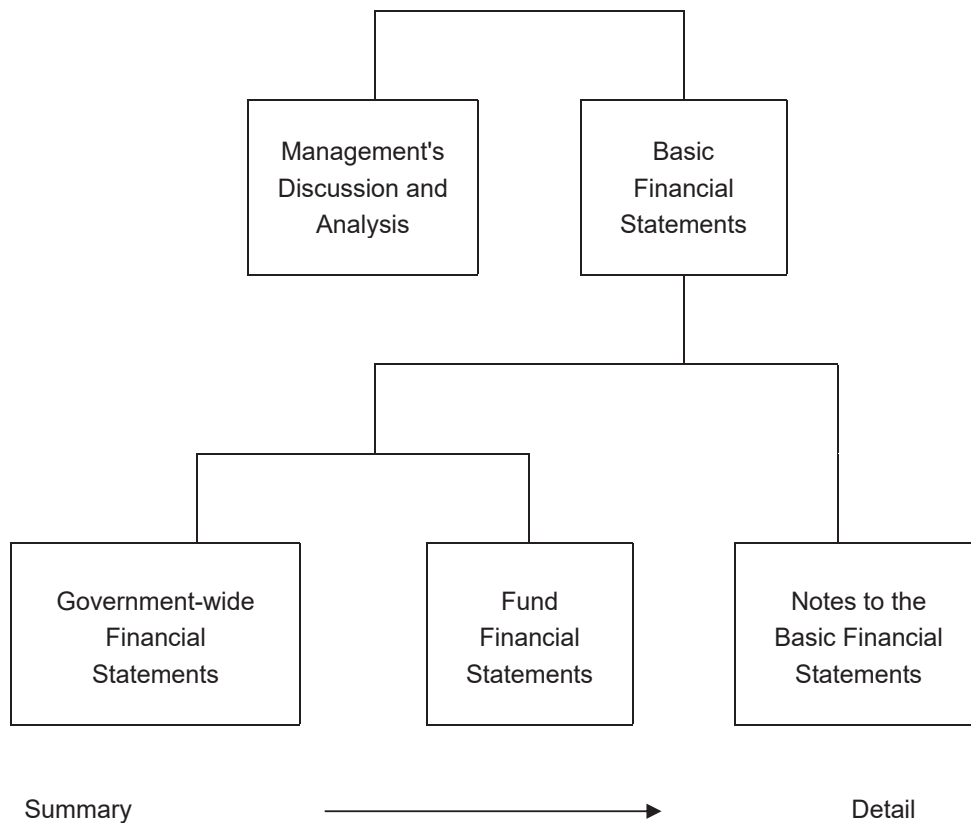
- The assets and deferred inflows of the Authority exceeded its liabilities and deferred inflows at the close of Fiscal Year 2022 by \$699,230,700 (*net position*).
- The Authority's total net position increased by \$110,802,190. The Wake Tax District Funds contributed \$72,753,239 of net revenue to the Authority's net position. Planning for a Raleigh Bus Rapid Transit system and a Commuter Rail Line in Johnston, Wake and Durham counties is continuing. Staff expects the feasibility studies for the Commuter Rail Line to be complete sometime in Fiscal Year 2023. Per the original strategic plan, the Wake Transit District is building financial resources to fund the initial construction of major projects and improve the ratings of any debt that may be issued. Additionally, grant revenue for all funds increased by \$7,532,268 over the preceding year.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$610,780,906, an increase of \$78,907,594 from the prior year.
- Fund balances at year-end for governmental funds fully under the control of the Authority (the General Fund, the Major Capital Projects Fund, and the Technology Capital Project Fund totaled \$62,287,186. These funds should be reviewed together for an accurate view of the Authority's financial position. For Fiscal Year 2022, fund balance for these funds decreased by \$17,884,567. The General Fund provided support to other funds through transfers of \$28,149,001 contributing to the drop in fund balance.
- Previously, the Triangle Tax Districts for Durham and Orange counties were shown on a combined basis. The counties have chosen to present their efforts independently from one another as an operations fund, a capital fund, and a special tax district fund. The Durham County tax district funds had revenues and other financing sources over expenditures and other financing uses of \$22,926,620. The Orange County tax district funds had revenue and other financing sources over expenditures and other financing uses of \$1,112,302. The Wake County tax district funds, as noted above, had revenues and other financing sources over expenditures and other financing uses of \$72,753,239.
- The Tax Districts are legally separate entities, and the Authority has fiduciary responsibilities and limitations on how the funds may be expended. Activities in the districts are discussed in more detail below.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Authority through the use of government-wide

Required Components of Annual Financial Report

Figure 1



financial statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Research Triangle Regional Public Transportation Authority.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements

The first two statements (pages 31 through 33) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short-term and long-term information about the Authority's financial status.

The next statements (pages 34 through 51) are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Authority's government. These statements provide more detail than the government-wide financial statements. There are three parts to the fund financial statements: 1) the governmental fund statements, 2) the budgetary comparison statements, and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes** (pages 53 to 83). The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Authority's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

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

The two government-wide financial statements report the Authority's net position and how it has changed. Net position is the difference between the Authority's total assets and total liabilities. Measuring net position is one way to gauge the Authority's financial condition.

The government-wide financial statements are divided into two categories: governmental activities and business-type activities. The governmental activities include most of the Authority's basic services, such as general counsel, planning and engineering, and general administration. Vehicle registration taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Authority charges customers to provide. *Since the start of the pandemic in March 2020, the Authority has been fare free. This allows more social distancing between operators and passengers.* These include the ridesharing and bus services offered by the Authority. The government-wide financial statements are on pages 31 to 33 of this report.

Fund Financial Statements – The fund financial statements (see pages 34 through 51) provide a more detailed look at the Authority's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Authority's budget ordinance. All of the funds of the Authority can be divided into two categories: governmental funds and proprietary funds.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Authority's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Authority's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Authority adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the counties the Authority serves, the management of the Authority, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Authority to obtain funds from identified sources to finance these current-period activities. The budgetary statement provided for the General Fund demonstrates how well the Authority complied with the budget ordinance and whether or not the Authority succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and actual resources and charges. The governmental fund financial statements with budget to actual information are on pages 41 - 47 of this report.

Proprietary Funds - The Authority uses Enterprise Funds to account for its proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses Enterprise Funds to account for its ridesharing and regional bus activities. These are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. The proprietary fund financial statements are on pages 48– 51 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 53 through 83 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Authority's progress in funding its obligation to provide other postemployment benefits to its employees. Required supplementary information can be found on page 84 of this report.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*Research Triangle Regional Public Transportation Authority's Net Position
Figure 2*

Government-Wide Financial Analysis

	Governmental Activities 2022	Governmental Activities 2021	Business-Type Activities 2022	Business-Type Activities 2021	Total 2022	Total 2021
Current and other assets	\$ 628,936,375	\$ 546,361,293	\$ 10,449,454	\$ (21,215,591)	\$ 639,385,829	\$ 525,145,702
Capital assets	67,357,218	64,051,612	19,534,809	20,685,618	86,892,027	84,737,230
Total assets	696,293,593	610,412,905	29,984,263	(529,973)	726,277,856	609,882,932
Deferred outflows of resources	374,171	347,190	922,356	871,447	1,296,527	1,218,637
Total assets and deferred outflows	696,667,764	610,760,095	30,906,619	341,474	727,574,383	611,101,569
Long term liabilities outstanding	2,136,574	1,877,434	4,286,384	4,056,311	6,422,958	5,933,745
Other liabilities	18,742,663	14,937,235	2,004,742	1,277,398	20,747,405	16,214,633
Total liabilities	20,879,237	16,814,669	6,291,126	5,333,709	27,170,363	22,148,378
Deferred inflows of resources	374,170	149,481	799,150	375,200	1,173,320	524,681
Total liabilities and deferred inflows	21,253,407	16,964,150	7,090,276	5,708,909	28,343,683	22,673,059
Net position:						
Net Investment in Capital Assets	67,121,817	64,051,612	19,534,809	20,685,618	86,656,626	84,737,230
Restricted - Stabilization by State Statute	80,402,299	80,825,676	-	-	80,402,299	80,825,676
Restricted - Enabling Legislation	490,333,573	354,264,277	-	-	490,333,573	354,264,277
Restricted - Interlocal Agreement	27,934,296	82,893,460	-	-	27,934,296	82,893,460
Unrestricted (deficit)	9,622,372	11,760,920	4,281,534	(26,053,053)	13,903,906	(14,292,133)
Total net position	\$ 675,414,357	\$ 593,795,945	\$ 23,816,343	\$ (5,367,435)	\$ 699,230,700	\$ 588,428,510

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Authority exceeds liabilities by \$699,230,700 as of June 30, 2022. The Authority's net position increased \$110,802,190 through operations. This compares to an increase of \$109,238,323 for the fiscal year ended June 30, 2021. The Authority's grant revenue from federal and State operating and capital grants was \$21,316,276. The contributions of the Durham, Orange, and Wake tax district funds are listed above. The Wake County Tax District is completing its sixth year of operation. The

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

planning for the first five years emphasized revenue accumulation. Increased spending in the tax district fund is expected.

Other impacts on the Authority's financial operations that influenced the total net position include:

- The Authority has long-term investments in certain federal government agencies with adjustable interest rates. Overall, adjusting the investments to market resulted in an unrealized loss of \$13,038,591. The Authority generally holds investments to maturity or when called by the issuer. These unrealized losses become detrimental if the Authority were selling and trading investments before maturity. Realized investment earnings were \$5,593,358.
- As previously noted, the Wake County Tax District began operations with a 5-year savings plan intentionally in place. The net revenue contributed by the Wake County Tax Districts decreased this year compared to the prior year by \$10,600,366. Wake Local Option Sales Tax revenue increased by \$17,394,909. This is an indication that planned transportation projects are moving forward. The interlocal agreement controlling the funds requires that certain amounts be reserved for future uses. Those amounts are shown as "Restricted – Interlocal Agreement."
- In March 2020, North Carolina government officials began taking actions to prevent the spread of COVID-19 (coronavirus). Because the Authority provides public transportation, it was classified as an essential service. While bus operations continued, many of the office staff began working from home. Bus service was reduced in some areas to weekend frequency. To minimize contact between the riders and the drivers, service was provided fare-free beginning in late March 2020. Passengers entered and exited the buses through the rear doors, away from the farebox. These actions (i) promoted physical distance between the drivers and the passengers, and (ii) provided a small economic relief to those passengers whose businesses closed or could only provide limited work. The Authority's Board of Trustees continued the no fare service during Fiscal Year 2022 and has committed to continuing it through the end of Fiscal Year 2023.
- During the fiscal year, records of underground utility lines, soil samples, and other subterranean information related to the former rail projects was deemed to be impaired. \$1,607,000 was charged against the Construction in Progress value. It is shown on the Statement of Activities as a Special Item. Once the feasibility studies for the Commuter Rail Line are complete, staff will evaluate the potential usefulness of the older records. Feasibility studies are estimated to be complete in Fiscal Year 2023.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Research Triangle Regional Public Transportation Authority's Changes in Net Position
 Figure 3

	Governmental Activities		Business-Type Activities		Total	Total
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1,486,345	\$ 95,329	\$ 4,973,509	\$ 6,555,584	\$ 6,459,854	\$ 6,650,913
Operating grants and contributions	4,976,154	8,584,787	15,660,783	4,994,666	20,636,937	13,579,453
Capital grants and contributions	-	176,873	679,339	27,682	679,339	204,555
General revenues:						
Vehicle registration taxes	19,379,365	20,049,483	-	-	19,379,365	20,049,483
Vehicle rental taxes	13,415,999	9,175,135	-	-	13,415,999	9,175,135
Special sales tax revenues	171,319,511	146,646,580	-	-	171,319,511	146,646,580
Miscellaneous revenues	1,155,705	3,755,750	2,080,016	2,955,602	3,235,721	6,711,352
Unrestricted investment earnings	(13,040,903)	(170,401)	2,316	(193,039)	(13,038,587)	(363,440)
Total revenues	198,692,176	188,313,536	23,395,963	14,340,495	222,088,139	202,654,031
Expenses:						
Board	105,638	116,718	-	-	105,638	116,718
Executive Office	718,895	688,709	-	-	718,895	688,709
Human Resources	651,443	738,138	-	-	651,443	738,138
Administration	416,589	504,977	-	-	416,589	504,977
Capital Development	339,671	429,840	-	-	339,671	429,840
Commuter Rail Development	122,548	87,861	-	-	122,548	87,861
EEO/DBE	150,568	141,647	-	-	150,568	141,647
GoDurham	1,033,597	1,052,601	-	-	1,033,597	1,052,601
Finance	3,159,355	3,085,490	-	-	3,159,355	3,085,490
General Counsel	838,703	1,473,670	-	-	838,703	1,473,670
Communication and Public Affairs	829,168	884,002	-	-	829,168	884,002
Transit Services	73,722,651	55,818,860	-	-	73,722,651	55,818,860
Miscellaneous	590,930	2,137	-	-	590,930	2,137
Regional bus service	-	-	25,056,724	24,765,636	25,056,724	24,765,636
Regional Services	-	-	1,942,469	1,882,422	1,942,469	1,882,422
Total expenses	82,679,756	65,024,650	26,999,193	26,648,058	109,678,949	91,672,708
Increase (Decrease) in net position before transfers & special items	116,012,420	123,288,886	(3,603,230)	(12,307,563)	112,409,190	110,981,323
Transfers	(32,787,008)	(12,430,760)	32,787,008	12,430,760	-	-
Special Item	(1,607,000)	(1,743,000)	-	-	(1,607,000)	(1,743,000)
Increase (Decrease) in net position	81,618,412	109,115,125	29,183,778	123,197	110,802,190	109,238,323
Net position, beginning	593,795,945	484,680,819	(5,367,435)	(5,490,632)	588,428,510	479,190,187
Net position, ending	\$ 675,414,357	\$ 593,795,945	\$ 23,816,343	\$ (5,367,435)	\$ 699,230,700	\$ 588,428,510

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities – Governmental activities increased the Authority's net position by \$81,618,412. Key elements of this significant change are as follows:

- General revenues increased from \$179,456,547 in Fiscal Year 2021 to \$192,229,677 in Fiscal Year 2022, a net increase of \$12,773,130. The Authority receives and administers local option sales tax, vehicle rental and vehicle registration taxes on behalf of the Durham, Orange and Wake County Tax District Funds. The proceeds may only be spent to support transportation in the respective counties and increased from Fiscal Year 2021 to Fiscal Year 2022 by \$28,243,677. Offsetting this positive trend was the investment loss reported by marking long-term investments to their market value, \$(13,040,903). The Authority invests in accordance with General Statute 159-30 and holds the investments until maturity or called by the issuer. Holding to maturity means that the full principal amount will be returned. If the Authority were actively trading investments before maturity, these losses would be realized.
- Many of the Authority's revenue streams have been impacted by the COVID-19 pandemic but are recovering. Revenue from Vehicle Rental Taxes is approaching pre-pandemic levels. The Authority's staff has looked for ways to cut costs and reduce expenses until full operations resume.
- The Authority uses a system of due to and due from accounts to balance entries that occur across funds, as the primary checking account makes payment for a majority of all fund expenses. Incoming revenues usually moderate the increased balances created by the on behalf payments. During the fiscal year, Authority staff looked closely at the behavior of the accounts and wrote down balances between the General Fund and all other funds. This was accomplished through the use of transfer entries. \$32,787,008 in amounts due from other funds was reduced in the governmental funds. This dropped the overall net increase in the governmental activities and increased the overall performance of the business-type activities.

Business-Type Activities – Business-type activities increased the Authority's net position by \$29,183,778. Key elements for this increase are as follows:

- Bus fares, ridership fees and transit service revenue increased by \$109,305.
- Intergovernmental revenues increased by \$10,717,057.
- Overall, the cost of providing bus and transit services decreased \$3,756,755.
- Overall, the Rideshare Fund stayed consistent, showing a net operating loss of \$481,075 for Fiscal Year 2022, compared to a loss of \$460,540 in Fiscal Year 2021.
- Funds were received from the General Fund to offset the operating deficit in the Bus Fund and the Rideshare Fund. Additionally, the transferred amounts were used to reduce the inter-fund amounts due to the General Fund.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Authority's Funds

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

Governmental Funds – The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Authority's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, the total fund balance was \$35,477,468, a decrease of \$4,995,512. Revenues declined \$4,462,592. \$7,946,987 was received last year as pandemic relief but only \$4,976,154 in Fiscal Year 2022, a drop of \$3,484,395. Expenditures increased by \$259,121. A net transfer out amount of \$9,132,855 also contributed to the net decrease in the General Fund

At June 30, 2022, the governmental funds of the Authority reported a combined fund balance of \$610,780,906, an increase of \$78,907,594 over last year. Factors contributing to this were:

- Cumulatively, the tax districts contributed \$96,792,161 to the overall financial position. In the prior year, the tax districts increased the financial position by \$113,382,217. This is the Wake Transit Plan's sixth fiscal year of revenue collection for transportation purposes in Wake County. The Authority and the transit partners are working on major capital improvements for the County, including a Bus Rapid Transit system in Raleigh. A commuter rail system proposed to run from western Johnston County to Durham is in the feasibility study stage. The drop in the overall contribution to financial position, while revenues remain strong, indicates that more projects are being funded and/or are reaching the construction spending stage. Similarly, it has been three years since the discontinuance of the Durham-Orange Light Rail Project. Independent projects from Durham and Orange County would also be entering the higher spending phase.
- Further, the Authority staff reviewed the interfund balances in the due to and the due from accounts. The growth of the Authority and the complexity of the transactions has resulted in some transactions that are not intended to be repaid being recorded in the due to and due from accounts. The elimination of these reduced the governmental funds' net position by \$32,787,008. While this reduced the position of the governmental funds, it also benefited the financial position of the enterprise funds.

General Fund Budgetary Highlights – During the fiscal year, the Authority made revisions to the budget. Generally, budget amendments fall into one of three categories: 1) amendments that are made to adjust the estimates when updated information is available, 2) amendments that are made to recognize new funding amounts from external sources, such as federal and state grants, and 3) any increases in appropriations necessary to maintain services.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In Fiscal Year 2022, there were two budgetary violations. The budget for the Commuter Rail Development department in the General fund was reduced from \$190,000 to \$172,110. Actual expenditures charged were \$178,242, for a budget overage of \$6,132. This is the second year of operation for this department. Authority staff will monitor the expenses more closely as the full needs of the department become clearer with time.

Also, the Authority staff supplied a financial template to Chapel Hill Transit (see the TTD-Orange Capital Fund) to assist Chapel Hill Transit's quarterly funding request. When the Authority received the third quarter request, one formula-based cell had been overwritten. The incorrect information led to an overpayment of \$195,567. Authority staff will work with Chapel Hill Transit staff in FY23 to address this overpayment. Additional controls have been put in place in the Authority.

Proprietary Funds – The Authority's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The Ridesharing Fund shows a positive net position of \$411,069 at the end of the current fiscal year. Net position for the Regional Bus Service Fund increased by \$28,899,162 to a net position of \$23,405,274 at the end of the current fiscal year. As discussed above, the General Fund makes payments on behalf of other funds. During the year, Authority staff reviewed the balances between the Regional Bus Service Fund and the General Fund. Adjustments were made for expenses not expected to be reimbursed. This was the primary factor in the increase in net position.

Capital Assets and Debt Administration

Capital Assets – The Authority's investment in capital assets for its governmental and business-type activities as of June 30, 2022 totaled \$86,892,028 (net of accumulated depreciation). This was an increase from the \$84,737,230 reported last year. These assets include buildings, land, machinery and equipment, leasehold improvements, vehicles, and construction in progress (CIP).

Major capital asset transactions during the year include the following additions and disposals:

- During the write down of Construction in Progress (CIP) value for the Wake Legacy project in 2016 and the Durham-Orange Light Rail Project in 2019, \$8,803,221 in subterranean designs, surveys, core samples, etc. were retained in the CIP balance. These values were carried over because this information could serve as starting points for future engineers. Following review this year, an impairment charge of \$1,607,000 was made. Feasibility studies on the proposed Commuter Rail Line are expected to be concluded in Fiscal Year 2023. At that time, the feasibility of using this prior years' information to reduce the need for further subterranean testing will be reviewed.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

- During the fiscal year, the Authority implemented GASB Statement 87, *Leases*. In an overall summary, the Authority recognizes the right to use assets owned by others, \$230,183 at the end of Fiscal Year 2022. A liability for the amounts payable under the leases is also recorded, \$235,401 at the end of the Fiscal Year. Some lease payments include payments for service-related components not related to the use of the asset. Maintenance charges on copier leases is a common example of this difference. The right to use leased assets are included in Figure 4.
- Approximately \$1.4M in “Bus Repowers” were done in the year. These were major overhauls intended to add an additional six years to the service life of the bus. Because these have been applied to the oldest fleet vehicles first, these amounts have been capitalized.
- The full listing of capital assets was reviewed during the year.

Figure 4

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2022	2021	2022	2021	2022	2021
Land	\$ 43,531,820	\$ 43,531,820	\$ 748,068	\$ 748,068	\$ 44,279,888	\$ 44,279,888
Buildings and Improvements	5,332,429	5,451,766	5,203,064	5,726,710	10,535,493	11,178,476
Equipment and Vehicles	1,532,997	613,788	13,583,677	14,210,840	15,116,674	14,824,628
Construction in Progress	16,959,972	14,454,238	-	-	16,959,972	14,454,238
Total	\$ 67,357,218	\$ 64,051,612	\$ 19,534,809	\$ 20,685,618	\$ 86,892,027	\$ 84,737,230

Additional information regarding capital assets can be found in Note 5 of the Notes to the Basic Financial Statements.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities – The total revenue budgeted in FY 2023 is \$424.5M. The major sources of revenue for these activities are the ½ cent sales tax, \$151.8M; 5% vehicle rental tax, \$11.2M; \$3, \$5, and \$7 vehicle registration taxes, \$20.3M; federal and state grants, \$662K and Wake Tax District Prior Year Carryover, \$234.8. Budgeted departmental expenditures in the General Fund are \$7.8M. Capital expenditures are budgeted at \$318.4 in the Durham, Orange and Wake Counties tax district funds.

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Business - Type Activities – The total revenue budgeted in FY 2023 is \$36.1M. The major sources of revenue for these activities are transit services and local subsidies, \$8.8M; federal and state grants, \$17.4M; and other revenue, \$9.9M. Budgeted departmental expenditures in the Bus Fund, the Rideshare Fund and the Regional Bus Capital Fund are \$23.3M, \$2.3M, and \$23.3M, respectively. Transfers from the General Fund of \$12.9M are budgeted to offset the difference between revenues and expenditures.

Requests for Information

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Department, Research Triangle Regional Public Transportation Authority, PO Box 13787, RTP, NC 27709.

BASIC FINANCIAL STATEMENTS

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 23,397,073	\$ -	\$ 23,397,073
Receivables	3,259,328	761,787	4,021,115
Due from other governments	57,399,690	12,907,693	70,307,383
Internal balances	6,054,250	(6,054,250)	-
Investments	538,652,734	1,565,201	540,217,935
Inventories	-	1,269,023	1,269,023
Prepaid items	173,300	-	173,300
Total current assets	<u>628,936,375</u>	<u>10,449,454</u>	<u>639,385,829</u>
Capital assets:			
Land	43,531,820	748,068	44,279,888
Construction in progress	16,959,972	-	16,959,972
Other capital assets, net of depreciation	6,635,243	18,786,741	25,421,984
Right to use leased assets, net of amortization	230,183	-	230,183
Total capital assets	<u>67,357,218</u>	<u>19,534,809</u>	<u>86,892,027</u>
 Total assets	 <u>696,293,593</u>	 <u>29,984,263</u>	 <u>726,277,856</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other Post Employment Benefit deferrals	<u>374,171</u>	<u>922,356</u>	<u>1,296,527</u>
LIABILITIES			
Current liabilities:			
Accounts payable	17,861,775	1,132,769	18,994,544
Accrued wages and benefits	293,691	424,428	718,119
Compensated absences	523,089	447,545	970,634
Lease liability	64,108	-	64,108
Total current liabilities	<u>18,742,663</u>	<u>2,004,742</u>	<u>20,747,405</u>
Due in more than a year:			
Compensated absences	420,040	662,711	1,082,751
Lease liability	171,293	-	171,293
Other post employment benefits	1,545,241	3,623,673	5,168,914
Total long-term liabilities	<u>2,136,574</u>	<u>4,286,384</u>	<u>6,422,958</u>
Total liabilities	<u>20,879,237</u>	<u>6,291,126</u>	<u>27,170,363</u>
DEFERRED INFLOWS OF RESOURCES			
Other Post Employment Benefit deferrals	<u>374,170</u>	<u>799,150</u>	<u>1,173,320</u>
NET POSITION			
Investment in capital assets	67,121,817	19,534,809	86,656,626
Restricted for:			
Stabilization by State statute	80,402,299	-	80,402,299
Public transportation	490,333,573	-	490,333,573
Interlocal agreement	26,875,000	-	26,875,000
Community Funding Area Program	1,059,296	-	1,059,296
Unrestricted (deficit)	9,622,372	4,281,534	13,903,906
Total net position	<u>\$ 675,414,357</u>	<u>\$ 23,816,343</u>	<u>\$ 699,230,700</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

Statement of Activities

For the Fiscal Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
Governmental activities			
General government	\$ 82,679,756	\$ 1,486,345	\$ 4,976,154
Total governmental activities	<u>82,679,756</u>	<u>1,486,345</u>	<u>4,976,154</u>
Business-type activities			
Regional bus service	25,056,724	4,973,509	15,141,051
Ridesharing	1,942,469	-	519,732
Total business-type activities	<u>26,999,193</u>	<u>4,973,509</u>	<u>15,660,783</u>
Total primary government	<u>\$ 109,678,949</u>	<u>\$ 6,459,854</u>	<u>\$ 20,636,937</u>

General revenues:

Taxes:

Vehicle registration taxes

Vehicle rental taxes

Special tax revenues

Miscellaneous revenues

Unrestricted investment earnings

Total general revenues excluding transfers

Special item - write down of records from discontinued projects

Transfers

Total general revenues, special item and transfer

Change in net position

Net position - beginning

Net position - ending

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

Net (Expenses) Revenue and Change in Net Position			
Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (76,217,257)	\$ -	\$ (76,217,257)
-	(76,217,257)	-	(76,217,257)
679,339	-	(4,262,825)	(4,262,825)
-	-	(1,422,737)	(1,422,737)
679,339	-	(5,685,562)	(5,685,562)
<u>\$ 679,339</u>	<u>(76,217,257)</u>	<u>(5,685,562)</u>	<u>(81,902,819)</u>
	19,379,365	-	19,379,365
	13,415,999	-	13,415,999
	171,319,511	-	171,319,511
	1,155,705	2,080,016	3,235,721
	(13,040,903)	2,316	(13,038,587)
	192,229,677	2,082,332	194,312,009
	(1,607,000)	-	(1,607,000)
	(32,787,008)	32,787,008	-
	157,835,669	34,869,340	192,705,009
	81,618,412	29,183,778	110,802,190
	593,795,945	(5,367,435)	588,428,510
	<u>\$ 675,414,357</u>	<u>\$ 23,816,343</u>	<u>\$ 699,230,700</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				
	General Fund	Triangle Tax District - Durham Operating	Durham Special Tax District	Triangle Tax District - Orange Operating	Orange Special Tax District
ASSETS					
Cash and cash equivalents	\$ 1,534,525	\$ 5,369,507	\$ 5,208,176	\$ 447,543	\$ 2,492,470
Taxes receivable, net:					
Vehicle registration taxes	1,667,935	430,976	184,704	200,312	85,851
Refundable sales tax	186,563	-	-	-	-
Local option sales tax	-	11,833,830	-	2,107,061	-
Governmental agencies	5,181,821	-	-	-	-
Rental tax	-	1,516,928	-	740,825	-
Accrued interest	44,490	84,808	-	-	-
Prepaid items	173,301	-	-	-	-
Due from other funds	13,040,147	-	-	-	-
Other Miscellaneous	1,840,647	2,761	-	672	-
Investments	12,307,389	62,828,021	-	3,721,710	-
Total assets	<u>\$ 35,976,818</u>	<u>\$ 82,066,831</u>	<u>\$ 5,392,880</u>	<u>\$ 7,218,123</u>	<u>\$ 2,578,321</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ 283,430	\$ 3,217,768	\$ -	\$ 2,710,274	\$ -
Due to other funds	-	2,180,171	-	373,488	-
Accrued wages and benefits	215,920	23,718	-	7,699	-
Total liabilities	<u>499,350</u>	<u>5,421,657</u>	<u>-</u>	<u>3,091,461</u>	<u>-</u>
Fund Balances:					
Nonspendable					
Prepaid items	173,301	-	-	-	-
Restricted - Stabilization by State Statute	21,961,603	13,869,303	184,704	3,048,870	85,851
Restricted - Enabling Legislation	-	62,775,871	5,208,176	1,077,792	2,492,470
Restricted - Interlocal Agreement	-	-	-	-	-
Restricted - Community Funding Area Program	-	-	-	-	-
Unassigned	13,342,564	-	-	-	-
Total fund balances	<u>35,477,468</u>	<u>76,645,174</u>	<u>5,392,880</u>	<u>4,126,662</u>	<u>2,578,321</u>
Total liabilities and fund balances	<u>\$ 35,976,818</u>	<u>\$ 82,066,831</u>	<u>\$ 5,392,880</u>	<u>\$ 7,218,123</u>	<u>\$ 2,578,321</u>

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

Major Funds							
Triangle Tax District - Wake Operating	Wake Special Tax District	Major Capital Projects Fund	Triangle Tax District - Durham Capital	Triangle Tax District - Orange Capital	Triangle Tax District - Wake Capital	Non-Major Governmental Fund	Total Governmental Funds
\$ 7,178,117	\$ -	\$ 1,166,735	\$ -	\$ -	\$ -	\$ -	\$ 23,397,073
1,705,032	729,738	-	-	-	-	-	5,004,548
-	-	-	-	-	-	-	186,563
33,085,867	-	-	-	-	-	-	47,026,758
-	-	-	-	-	-	-	5,181,821
4,797,727	-	352,346	-	-	-	-	7,407,826
481,871	-	95,187	-	-	-	-	706,356
-	-	-	-	-	-	-	173,301
-	-	-	-	-	-	-	13,040,147
4,200	-	-	-	-	-	-	1,848,280
39,805,092	-	33,023,562	25,934,880	4,228,963	356,803,114	-	538,652,731
<u>\$ 87,057,906</u>	<u>\$ 729,738</u>	<u>\$ 34,637,830</u>	<u>\$ 25,934,880</u>	<u>\$ 4,228,963</u>	<u>\$ 356,803,114</u>	<u>\$ -</u>	<u>\$ 642,625,404</u>
\$ 10,875,714	\$ 729,738	\$ 6,743,417	\$ -	\$ -	\$ -	\$ 4,568	\$ 24,564,909
3,352,112	-	409,306	-	-	-	670,821	6,985,898
46,354	-	-	-	-	-	-	293,691
<u>14,274,180</u>	<u>729,738</u>	<u>7,152,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,389</u>	<u>31,844,498</u>
-	-	-	-	-	-	-	173,301
40,074,697	729,738	447,533	-	-	-	-	80,402,299
27,752,112	-	27,037,574	25,934,880	4,228,963	333,825,735	-	490,333,573
3,897,621	-	-	-	-	22,977,379	-	26,875,000
1,059,296	-	-	-	-	-	-	1,059,296
-	(729,738)	-	-	-	-	(675,389)	11,937,437
<u>72,783,726</u>	<u>-</u>	<u>27,485,107</u>	<u>25,934,880</u>	<u>4,228,963</u>	<u>356,803,114</u>	<u>(675,389)</u>	<u>610,780,906</u>
<u>\$ 87,057,906</u>	<u>\$ 729,738</u>	<u>\$ 34,637,830</u>	<u>\$ 25,934,880</u>	<u>\$ 4,228,963</u>	<u>\$ 356,803,114</u>	<u>\$ -</u>	<u>\$ 642,625,404</u>

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

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2022

Fund Balances - Governmental Funds \$ 610,780,906

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 79,024,473	
Right to use assets	302,355	
Accumulated depreciation & amortization	<u>(11,969,610)</u>	
		67,357,218

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Other post-employment benefits	(1,545,241)
Compensated absences and other long-term liabilities	(943,129)
Lease payments	(235,398)
Deferred inflows of resources related to OPEB are not reported in the funds	(374,170)
Deferred outflows of resources related to OPEB are not reported in the funds	<u>374,171</u>
Net position of governmental activities	<u><u>\$ 675,414,357</u></u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Major Funds				
	General Fund	Triangle Tax District- Durham Operating	Durham Special Tax District	Triangle Tax District Orange Operating	Orange Special Tax District
REVENUES					
Restricted intergovernmental revenues:					
Federal grant revenues	\$ 4,976,154	\$ -	\$ -	\$ -	\$ -
Other revenue (expenses)	51,482	7,261	-	2,459	-
Vehicle registration taxes	6,467,120	1,678,607	719,398	786,250	336,979
Special tax revenue	-	9,269,316	-	3,146,600	-
Indirect cost credits	1,596,201	-	-	-	-
Vehicle rental tax	-	1,442,220	-	704,340	-
Investment income (loss)	(721,903)	(249,164)	-	18,708	-
Total revenues	<u>12,369,054</u>	<u>12,148,240</u>	<u>719,398</u>	<u>4,658,357</u>	<u>336,979</u>
EXPENDITURES					
Current:					
Board	99,292	-	-	-	-
Executive Office	718,537	-	-	-	-
Human Resources	651,130	-	-	-	-
Administration	401,596	-	-	-	-
Capital Development	270,740	-	-	-	-
Commuter Rail Development	122,503	-	-	-	-
EEO/DBE	150,479	-	-	-	-
GoDurham	1,335,281	-	-	-	-
Finance	2,293,472	-	-	-	-
General Counsel/Real Estate	820,179	-	-	-	-
Communication and Public Affairs	828,721	-	-	-	-
Transit Services	-	7,932,415	-	4,392,637	-
Capital outlay	557,394	-	-	-	-
Total expenditures	<u>8,249,324</u>	<u>7,932,415</u>	<u>-</u>	<u>4,392,637</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	4,119,730	4,215,825	719,398	265,720	336,979
Other Financing Sources (Uses)					
Transfers from other funds*	19,016,146	4,388,788	-	442,280	-
Transfers to other funds*	(28,149,001)	(11,509,191)	-	(2,028,950)	-
Lease liabilities issued	17,613	-	-	-	-
Total other financing sources (uses)	<u>(9,115,242)</u>	<u>(7,120,403)</u>	<u>-</u>	<u>(1,586,670)</u>	<u>-</u>
Net change in fund balances	(4,995,512)	(2,904,578)	719,398	(1,320,950)	336,979
Fund balances - beginning	40,472,980	79,549,752	4,673,482	5,447,612	2,241,342
Fund balances - ending	<u>\$ 35,477,468</u>	<u>\$ 76,645,174</u>	<u>\$ 5,392,880</u>	<u>\$ 4,126,662</u>	<u>\$ 2,578,321</u>

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

* See page 79

Major Funds							
Triangle Tax District - Wake Operating	Wake Special Tax District	Major Capital Projects Fund	Triangle Tax District - Durham Capital	Triangle Tax District - Orange Capital	Triangle Tax District - Wake Capital	Non-Major Governmental Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,976,154
4,200	-	95,329	-	-	-	867,507	1,028,238
6,576,286	2,814,725	-	-	-	-	-	19,379,365
12,264,040	-	-	31,032,057	6,429,560	109,177,938	-	171,319,511
-	-	-	-	-	-	-	1,596,201
4,561,440	-	6,707,999	-	-	-	-	13,415,999
(1,745,222)	-	(1,665,762)	(865,160)	-	(7,812,404)	-	(13,040,907)
<u>21,660,744</u>	<u>2,814,725</u>	<u>5,137,566</u>	<u>30,166,897</u>	<u>6,429,560</u>	<u>101,365,534</u>	<u>867,507</u>	<u>198,674,561</u>
-	-	-	-	-	-	-	99,292
-	-	-	-	-	-	-	718,537
-	-	-	-	-	-	-	651,130
-	-	-	-	-	-	-	401,596
-	-	-	-	-	-	-	270,740
-	-	-	-	-	-	-	122,503
-	-	-	-	-	-	-	150,479
-	-	-	-	-	-	-	1,335,281
-	-	-	-	-	-	-	2,293,472
-	-	272,983	-	-	-	-	1,093,162
-	-	-	-	-	-	-	828,721
18,964,241	-	-	4,992,583	4,310,256	32,227,503	345,696	73,165,331
-	-	-	62,514	23,031	4,027,189	1,197,200	5,867,328
<u>18,964,241</u>	<u>-</u>	<u>272,983</u>	<u>5,055,097</u>	<u>4,333,287</u>	<u>36,254,692</u>	<u>1,542,896</u>	<u>86,997,572</u>
<u>2,696,503</u>	<u>2,814,725</u>	<u>4,864,583</u>	<u>25,111,800</u>	<u>2,096,273</u>	<u>65,110,842</u>	<u>(675,389)</u>	<u>111,676,989</u>
4,945,894	-	10,124,972	-	-	-	-	38,918,080
-	(2,814,725)	(27,203,221)	-	-	-	-	(71,705,088)
-	-	-	-	-	-	-	17,613
<u>4,945,894</u>	<u>(2,814,725)</u>	<u>(17,078,249)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,769,395)</u>
7,642,397	-	(12,213,666)	25,111,800	2,096,273	65,110,842	(675,389)	78,907,594
65,141,329	-	39,698,773	823,080	2,132,690	291,692,272	-	531,873,312
<u>\$ 72,783,726</u>	<u>\$ -</u>	<u>\$ 27,485,107</u>	<u>\$ 25,934,880</u>	<u>\$ 4,228,963</u>	<u>\$ 356,803,114</u>	<u>\$ (675,389)</u>	<u>\$ 610,780,906</u>

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

* See page 79

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**
For the Fiscal Year Ended June 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds \$ 78,907,594

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlay	\$	5,867,328	
Less:			
Special item - write down of records from discontinued projects		(1,607,000)	
Depreciation expense		(954,723)	
Amortization of lease expense		(13,788)	
			3,291,817

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

Other post-employment benefits		(7,901)	
Compensated absences		(44,688)	
Deferred inflows		(224,689)	
Deferred outflows		(26,981)	
Miscellaneous other expenses		(41,339)	
Leases Payable		(235,401)	

Total changes in net position of governmental activities \$ 81,618,412

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
General Fund
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental revenues:				
Federal grant revenues	\$ 16,035,744	\$ 16,035,744	\$ 4,976,154	\$ (11,059,590)
Indirect cost credits	1,539,816	1,565,574	1,596,201	30,627
\$5 Vehicle registration tax	6,267,600	6,267,600	6,467,120	199,520
Other revenue	1,742,115	2,576,492	51,482	(2,525,010)
Investment income	400,000	400,000	(721,903)	(1,121,903)
Total revenues	<u>25,985,275</u>	<u>26,845,410</u>	<u>12,369,054</u>	<u>(14,476,356)</u>
EXPENDITURES				
Current:				
Board	155,555	171,455	155,031	16,424
Executive Office	829,588	829,588	774,276	55,312
Human Resources	773,903	855,103	706,869	148,234
Administration	470,363	472,163	457,335	14,828
Capital Development	368,551	444,028	326,479	117,549
Commuter Rail Development	190,000	172,110	178,242	(6,132)
EEO/DBE	206,027	226,526	150,479	76,047
GoDurham	1,552,115	1,552,114	1,391,020	161,094
Finance	2,307,150	2,887,765	2,349,215	538,550
General Counsel/Real Estate	943,426	981,276	875,918	105,358
Communications and Public Affairs	953,715	995,069	884,460	110,609
Total expenditures	<u>8,750,393</u>	<u>9,587,197</u>	<u>8,249,324</u>	<u>1,337,873</u>
Revenues over expenditures	<u>17,234,882</u>	<u>17,258,213</u>	<u>4,119,730</u>	<u>(13,138,483)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds*	-	-	19,016,146	19,016,146
Transfers to other funds*	(14,598,277)	(15,956,284)	(28,149,001)	(12,192,717)
Lease liabilities issued	-	-	17,613	17,613
Total other financing sources (uses)	<u>(14,598,277)</u>	<u>(15,956,284)</u>	<u>(9,115,242)</u>	<u>6,841,042</u>
Fund balance appropriated	(2,636,605)	(1,301,929)	-	1,301,929
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	(4,995,512)	<u>\$ (4,995,512)</u>
Fund balance, beginning			<u>40,472,980</u>	
Fund balance, ending			<u>\$ 35,477,468</u>	

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

* See page 79

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Durham Operating
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ 22,051,715	\$ 6,971,342	\$ 9,269,316	\$ 2,297,974
Vehicle rental tax	885,300	885,300	1,442,220	556,920
\$7 Vehicle registration tax	1,654,500	1,654,500	1,678,607	24,107
Investment income/Other	-	-	(249,162)	(249,162)
Miscellaneous revenue	-	-	7,261	7,261
Total revenues	<u>24,591,515</u>	<u>9,511,142</u>	<u>12,148,242</u>	<u>2,637,100</u>
EXPENDITURES				
Tax District Administration	415,800	415,800	241,390	174,410
Transit Plan Administration				
DCHC MPO	58,200	53,200	45,452	7,748
GoTriangle	1,607,500	1,607,500	1,010,270	597,230
Durham County	205,900	205,900	170,839	35,061
Bus Operations				
Durham County Access	196,100	196,100	144,640	51,460
GoDurham	5,914,300	5,742,842	4,809,967	932,875
GoTriangle	1,999,300	1,999,300	1,509,857	489,443
Allocation to Durham Capital Fund	<u>14,903,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>25,301,015</u>	<u>10,220,642</u>	<u>7,932,415</u>	<u>2,288,227</u>
Revenues over expenditures	<u>(709,500)</u>	<u>(709,500)</u>	<u>4,215,827</u>	<u>4,925,327</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds*	-	-	4,388,788	4,388,788
Transfers to other funds*	-	-	(11,509,191)	(11,509,191)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,120,403)</u>	<u>(7,120,403)</u>
Fund balance appropriated	709,500	709,500	-	(709,500)
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,904,576)	<u>\$ (2,904,576)</u>
Fund balance, beginning			<u>79,549,750</u>	
Fund balance, ending			<u>\$ 76,645,174</u>	

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

* = See page 79.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Durham Special Tax District Fund
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
\$3 Vehicle registration tax	\$ 709,500	\$ 709,500	\$ 719,398	\$ 9,898
Total revenues	<u>709,500</u>	<u>709,500</u>	<u>719,398</u>	<u>9,898</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>709,500</u>	<u>709,500</u>	<u>719,398</u>	<u>9,898</u>
OTHER FINANCING USES				
Transfers to other funds*	(709,500)	(709,500)	-	709,500
Total other financing uses	<u>(709,500)</u>	<u>(709,500)</u>	<u>-</u>	<u>709,500</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	719,398	<u>\$ 719,398</u>
Fund balance, beginning			<u>4,673,482</u>	
Fund balance, ending			<u>\$ 5,392,880</u>	

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

* See page 79.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Orange Operating
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ 4,411,600	\$ 3,465,195	\$ 3,146,600	\$ (318,595)
Vehicle rental tax	432,400	432,400	704,340	271,940
\$7 Vehicle registration tax	786,600	786,600	786,250	(350)
Investment income/Other	-	-	18,708	18,708
Miscellaneous revenue	-	-	2,459	2,459
Total revenues	<u>5,630,600</u>	<u>4,684,195</u>	<u>4,658,357</u>	<u>(25,838)</u>
EXPENDITURES				
Tax District Administration	251,800	251,800	96,543	155,257
Transit Administration				
DCHC MPO	58,200	58,200	56,363	1,837
GoTriangle	479,100	479,100	299,375	179,725
Bus Operations				
Chapel Hill Transit	2,377,565	2,425,028	2,377,564	47,464
Orange County Public Transit	759,935	756,367	718,766	37,601
GoTriangle	1,050,700	1,050,700	844,026	206,674
Allocation to Orange Capital Fund Balance	990,300	-	-	-
Total expenditures	<u>5,967,600</u>	<u>5,021,195</u>	<u>4,392,637</u>	<u>628,558</u>
Revenues over expenditures	<u>(337,000)</u>	<u>(337,000)</u>	<u>265,720</u>	<u>602,720</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds*	-	-	442,280	442,280
Transfers to other funds*	-	-	(2,028,950)	(2,028,950)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,586,670)</u>	<u>(1,586,670)</u>
Fund balance appropriated	337,000	337,000	-	(337,000)
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,320,950)</u>	<u>\$ (1,320,950)</u>
Fund balance, beginning			<u>5,447,612</u>	
Fund balance, ending			<u>\$ 4,126,662</u>	

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

* = See page 79.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Orange Special Tax District Fund
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
\$3 Vehicle registration tax	\$ 337,000	\$ 337,000	\$ 336,979	\$ (21)
Total revenues	<u>337,000</u>	<u>337,000</u>	<u>336,979</u>	<u>(21)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>337,000</u>	<u>337,000</u>	<u>336,979</u>	<u>(21)</u>
OTHER FINANCING USES				
Transfers to other funds*	<u>(337,000)</u>	<u>(337,000)</u>	<u>-</u>	<u>337,000</u>
Total other financing uses	<u>(337,000)</u>	<u>(337,000)</u>	<u>-</u>	<u>337,000</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	336,979	<u>\$ 336,979</u>
Fund balance, beginning			<u>2,241,342</u>	
Fund balance, ending			<u>\$ 2,578,321</u>	

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

* See page 79

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Wake Operating
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ 14,379,425	\$ 11,268,939	\$ 12,264,040	\$ 995,101
Vehicle rental tax	2,800,000	2,800,000	4,561,440	1,761,440
\$7 Vehicle registration tax	6,670,000	6,670,000	6,576,286	(93,714)
Investment income	-	-	(1,745,222)	(1,745,222)
Miscellaneous revenue	370,000	370,000	4,200	(365,800)
Total revenues	<u>24,219,425</u>	<u>21,108,939</u>	<u>21,660,744</u>	<u>551,805</u>
EXPENDITURES				
Tax District Administration (GoTriangle)	501,338	581,338	451,528	129,810
Transit Plan Administration				
GoTriangle	2,152,405	2,243,214	1,376,267	866,947
Capital Area Metropolitan Planning Organization	420,249	440,249	387,985	52,264
City of Raleigh	1,108,690	1,303,446	1,078,752	224,694
Town of Cary	984,311	984,311	562,757	421,554
Community Funding Area				
Town of Wake Forest	366,083	366,083	363,716	2,367
Town of Apex	379,770	224,770	20,036	204,734
Town of Morrisville	338,800	338,800	238,549	100,251
Reserve	352,570	352,570	-	352,570
Bus Operations				
GoTriangle	5,052,534	3,372,719	2,162,887	1,209,832
City of Raleigh	12,571,145	11,523,090	9,851,603	1,671,487
Town of Cary	2,161,481	2,146,481	2,033,325	113,156
Wake County	559,512	559,512	433,836	125,676
Town of Wendell	4,523	4,523	3,000	1,523
Town of Zebulon	6,089	6,089	-	6,089
Total expenditures	<u>27,079,425</u>	<u>24,447,195</u>	<u>18,964,241</u>	<u>5,482,954</u>
Revenues over expenditures	<u>(2,860,000)</u>	<u>(3,338,256)</u>	<u>2,696,503</u>	<u>6,034,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds*	-	-	4,945,894	4,945,894
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,945,894</u>	<u>4,945,894</u>
Appropriation from fund balance	2,860,000	3,338,256	-	(3,338,256)
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>7,642,397</u>	<u>\$ 7,642,397</u>
Fund balance, beginning			<u>65,141,329</u>	
Fund balance, ending			<u>\$ 72,783,726</u>	

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

* See page 79.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Wake Special Tax District
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
\$3 Vehicle registration tax	\$ 2,860,000	\$ 2,860,000	\$ 2,814,725	\$ (45,275)
Total revenues	<u>2,860,000</u>	<u>2,860,000</u>	<u>2,814,725</u>	<u>(45,275)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>2,860,000</u>	<u>2,860,000</u>	<u>2,814,725</u>	<u>(45,275)</u>
OTHER FINANCING USES				
Transfers to Wake Operating Fund*	<u>(2,860,000)</u>	<u>(2,860,000)</u>	<u>(2,814,725)</u>	<u>45,275</u>
Total other financing uses	<u>(2,860,000)</u>	<u>(2,860,000)</u>	<u>(2,814,725)</u>	<u>45,275</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

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

* See page 79.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Net Position
Proprietary Funds
June 30, 2022

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
ASSETS			
Current assets:			
Investments	\$ -	\$ 1,565,201	\$ 1,565,201
Inventories	-	1,269,023	1,269,023
Intergovernmental receivables	393,419	12,514,274	12,907,693
Other receivables	522,342	239,445	761,787
Total current assets	<u>915,761</u>	<u>15,587,943</u>	<u>16,503,704</u>
Non-current assets:			
Capital assets:			
Land	-	748,068	748,068
Other capital assets, net of depreciation	-	18,786,741	18,786,741
Total non-current assets	<u>-</u>	<u>19,534,809</u>	<u>19,534,809</u>
Total Assets	<u>915,761</u>	<u>35,122,752</u>	<u>36,038,513</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other post-employment benefit deferrals	<u>79,003</u>	<u>843,353</u>	<u>922,356</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	39,297	1,093,472	1,132,769
Due to other funds	10,228	6,044,022	6,054,250
Accrued wages and benefits	43,610	380,818	424,428
Compensated absences	30,993	416,552	447,545
Total current liabilities	<u>124,128</u>	<u>7,934,864</u>	<u>8,058,992</u>
Non-current liabilities:			
Compensated absences	104,485	558,226	662,711
Other post-employment benefits	288,773	3,334,900	3,623,673
Total non-current liabilities	<u>393,258</u>	<u>3,893,126</u>	<u>4,286,384</u>
Total liabilities	<u>517,386</u>	<u>11,827,990</u>	<u>12,345,376</u>
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefit deferrals	<u>66,309</u>	<u>732,841</u>	<u>799,150</u>
NET POSITION			
Investment in capital assets	-	19,534,809	19,534,809
Unrestricted	411,069	3,870,465	4,281,534
Total net position	<u>\$ 411,069</u>	<u>\$ 23,405,274</u>	<u>\$ 23,816,343</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Revenue, Expenses And Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
OPERATING REVENUES			
Bus fares	\$ -	\$ 495	\$ 495
Consignment	-	6,866	6,866
Paratransit services	-	500,633	500,633
Transit Services	-	4,465,515	4,465,515
Other revenues	941,662	1,138,354	2,080,016
Intergovernmental revenues:			
Federal grant revenues	-	1,455,680	1,455,680
COVID reimbursements	-	10,823,590	10,823,590
State grant revenues	-	2,822,173	2,822,173
Local grant revenues	519,732	39,608	559,340
Total operating revenues	<u>1,461,394</u>	<u>21,252,914</u>	<u>22,714,308</u>
OPERATING EXPENSES			
Bus Supervision	-	2,530,849	2,530,849
Bus Operations	-	12,407,031	12,407,031
Bus Maintenance	-	4,616,643	4,616,643
Vanpool	-	204,597	204,597
Paratransit Services	-	2,699,863	2,699,863
Regional Services	168,041	-	168,041
Sustainable Travel	629,005	-	629,005
Regional Call Center	1,046,739	-	1,046,739
Development Planning	98,684	-	98,684
Depreciation, Bus	-	2,597,741	2,597,741
Total operating expenses	<u>1,942,469</u>	<u>25,056,724</u>	<u>26,999,193</u>
Operating loss	<u>(481,075)</u>	<u>(3,803,810)</u>	<u>(4,284,885)</u>
NON-OPERATING REVENUES			
Investment earnings	-	2,316	2,316
Loss before contributions and transfers	<u>(481,075)</u>	<u>(3,801,494)</u>	<u>(4,282,569)</u>
Capital contributions	-	679,339	679,339
Transfers in from other funds*	765,691	32,021,317	32,787,008
Change in net position	284,616	28,899,162	29,183,778
Total net position - beginning	126,453	(5,493,888)	(5,367,435)
Total net position - ending	<u>\$ 411,069</u>	<u>\$ 23,405,274</u>	<u>\$ 23,816,343</u>

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

* See page 79.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 655,917	\$ 437,906	\$ 1,093,823
Payments to suppliers	(1,013,035)	(9,195,147)	(10,208,182)
Payments to employees	(1,026,508)	(8,911,623)	(9,938,131)
Other receipts	642,127	6,210,747	6,852,874
Net cash used in operating activities	<u>(741,499)</u>	<u>(11,458,117)</u>	<u>(12,199,616)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in due to General Fund	(24,192)	(19,934,033)	(19,958,225)
Transfers from General Fund	765,691	32,021,317	32,787,008
Net cash provided by noncapital financing activities	<u>741,499</u>	<u>12,087,284</u>	<u>12,828,783</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES			
Capital contributions	-	679,339	679,339
Purchase of capital assets	-	(1,446,933)	(1,446,933)
Net cash used in capital and financing activities	<u>-</u>	<u>(767,594)</u>	<u>(767,594)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	-	42,682	42,682
Proceeds from sale/maturity of investments	-	749,519	749,519
Purchase of investments	-	(653,774)	(653,774)
Net cash provided by investing activities	<u>-</u>	<u>138,427</u>	<u>138,427</u>
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Balances beginning	<u>-</u>	<u>-</u>	<u>-</u>
Balances ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (481,075)	\$ (3,803,810)	\$ (4,284,885)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	-	2,597,741	2,597,741
Changes in assets and liabilities:			
Receivables from governmental agencies	(24,374)	(11,270,556)	(11,294,930)
Inventories	-	(65,022)	(65,022)
Other receivables	(328,805)	(225,409)	(554,214)
Accrued payroll	11,830	89,181	101,011
Accrued compensated absences	20,864	(58,581)	(37,717)
Accounts payable & other liabilities	19,842	859,374	879,216
Other post employment benefits increases	40,219	418,965	459,184
Total adjustments	<u>(260,424)</u>	<u>(7,654,307)</u>	<u>(7,914,731)</u>
Net cash used in operating activities	<u>\$ (741,499)</u>	<u>\$ (11,458,117)</u>	<u>\$ (12,199,616)</u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Research Triangle Regional Public Transportation Authority (the "Authority") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The 1989 Session of the North Carolina General Assembly amended Chapter 160A of the General Statutes (G.S.) by adding Article 26 enabling the creation of regional public transportation authorities. The Boards of Commissioners in Durham, Orange, and Wake counties each held a public hearing, published articles of incorporation, and passed resolutions creating the Research Triangle Regional Public Transportation Authority. The unit of local government was chartered by the Secretary of State on December 1, 1989. The Authority was created to plan, finance, organize, and operate a public transportation system for the Research Triangle area. The Authority's operations began on July 1, 1990.

The Authority is governed by a thirteen member Board of Trustees, appointed as follows:

<u>Governing Body</u>	<u>Appointments</u>
Town of Cary	1
Town of Chapel Hill	1
City of Durham	1
Durham County and City of Durham	1
Durham County	1
Orange County	1
City of Raleigh	2
Wake County	2
NC Department of Transportation	3

The Authority has nine component units, the Triangle Tax District – Durham Operating, the Durham Special Tax District, the Triangle Tax District – Orange Operating, the Orange Special Tax District, the Triangle Tax District - Wake Operating, and the Wake Special Tax District. Additionally, each tax district has a capital fund, which would be the Triangle Tax District – Durham Capital Fund, the Triangle Tax District – Orange Capital Fund, and the Triangle Tax District – Wake Capital Fund.

Based upon current Government Accounting Standards Board (GASB) pronouncements, the funds meet the criteria for blended presentation. The component units' governing bodies are substantively the same as the governing body of the primary government, and the management of the primary government has operational responsibility for the component units.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities, leaving only the amounts needed for interfund support. These statements distinguish between the *governmental and business-type activities* of the Authority. Governmental activities are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Authority and for the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. Separate statements for each fund category – *governmental and proprietary* are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The Authority reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are vehicle registration taxes, state grants and various other revenues. The primary expenditures are for finance, human resources, general counsel, and communication and public affairs.
- Triangle Tax District – Durham Operating – The Triangle Tax District – Durham Operating receives a special sales tax collected in Durham County, as well as vehicle rental and registration taxes. Proceeds may only be used for Durham County Transportation purposes.
- Durham Special Tax District – This fund receives a vehicle registration tax *separate* from the one described above. The tax is levied within Durham County and may only be used for transportation needs in Durham County.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Triangle Tax District – Orange Operating – The Triangle Tax District – Orange Operating receives a special sales tax collected in Orange County, as well as vehicle rental and registration taxes. Proceeds may only be used for Orange County Transportation purposes.
- Orange Special Tax District – This fund receives a vehicle registration tax *separate* from the one described above. The tax is levied within Orange County and may only be used for transportation needs in Orange County.
- Triangle Tax District – Wake Operating – The Triangle Tax District – Wake Operating receives a special sales tax collected in Wake County, as well as vehicle rental and registration taxes. Proceeds may only be used for Wake County Transportation purposes.
- Wake Special Tax District – This fund collects a *separate* vehicle registration tax levied in Wake County. The proceeds are transferred to the Wake Operating Fund during the year, per an Interlocal agreement. The resources may only be used to fund transportation operational needs in Wake County.
- Major Capital Projects Fund – The Major Capital Projects Fund includes the Major Transit Investment Fund and the Regional Rail Capital Project Fund. Together, both account for property management of assets obtained for a prior rail project. These funds are not limited to use in any specific County.
- Triangle Tax District – Durham Capital – This fund is established to track the transportation capital projects in Durham County. Funding comes from the special sales tax collected in Durham County.
- Triangle Tax District – Orange Capital – This fund is established to track the transportation capital projects in Orange County. Funding comes from the special sales tax collected in Orange County.
- Triangle Tax District – Wake Capital – This fund is established to track the transportation capital projects in Wake County. Funding comes from the special sales tax collected in Wake County. *A multi-year compilation of capital spending may be found in the Statistical Section.*

The Authority reports the following non-major governmental fund:

- Technology Capital Project Fund – The Technology Capital Project Fund is used to account for the purchase of major information technology equipment.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority reports the following major enterprise funds:

- Ridesharing Fund – The Ridesharing Fund is used to account for operations of Commuter Resources, Regional Call Center, Regional Transportation Demand Services (TDM) services, and Development Planning. Financing is provided by intergovernmental revenues, sponsorships, employer fees, and General Fund revenues.

Regional Bus Service Fund – The Regional Bus Service Fund is used to account for the provision of regional commuter bus service and paratransit services. Financing is provided by paratransit fares, bus fares, consignments, subsidies, intergovernmental revenues, and General Fund revenues. The Regional Bus Capital Project Fund has been consolidated into the Regional Bus Service Fund for financial reporting purposes. During the COVID-19 pandemic, the buses have been operating fare free, as a social distancing safety measure.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Authority are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue, from grants and donations, is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating from non-operating revenues and expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Operating expenses include professional and other service costs, personnel, utilities, and maintenance and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Prepaid items are recorded on the purchases method.

The Authority considers all revenues available if they are collected within 90 days after year-end. Revenues collected soon after 90 days may be recognized as revenue if the amounts are to be used to pay liabilities of the current period.

Intergovernmental revenues and sales and services are accrued when earned in the fiscal year. Grant revenues that are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Authority funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is the Authority's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Control

The Authority's budgets are adopted as required by the North Carolina General Statutes. The Board of Trustees adopts an annual budget ordinance for the General, Special Revenue, Capital and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. All Budget Ordinances are prepared on the modified accrual basis of accounting. The Appropriations Ordinance is adopted at the departmental level for the General Fund, the Enterprise Funds and the Special Revenue Funds, and at the functional level for the Capital Projects Funds. Expenditures may not legally exceed these levels. The President and Chief Executive Officer is authorized to transfer appropriations within a fund up to \$10,000; however, any revisions that alter total expenditures of any fund or exceed \$10,000 must be approved by the Board of Trustees. The Authority does not use encumbrance accounting.

A budget calendar is included in the North Carolina General Statutes that prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 - Each department head shall transmit to the budget officer the budget request and revenue estimates for their department for the budget year. Budgets recommended by the Wake County Transit Planning Advisory Committee for

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- the Triangle Tax District – Wake Operating, the Wake Special Tax District, and the Triangle Tax District – Wake Capital funds, are also transmitted to the Authority by this date.
- June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 - The budget ordinance shall be adopted by the governing board or an interim budget that covers this time period shall be adopted by the governing board until an annual ordinance can be adopted.

E. Deposits and Investments

The deposits of the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate as an official depository any bank or savings and loan institution whose principal office is located in North Carolina. The Authority may also establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

The Authority's written investment policy states that the Authority shall remain 100% invested at all times with the exception of monies held for operations. State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality uses of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Authority's investments are reported at fair value. The NCCMT Government Portfolio, a SEC registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Authority has invested in securities that are callable, and that provide for periodic interest rate adjustments. These investments are reported at fair value as determined by broker information.

F. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Receivables

Receivables include amounts due from transportation services provided, rental income due, and certain governmental non-exchange transactions. Note 4, page 67 contains additional detail on the balance of Due from Other Agencies and Governments.

H. Inventory and Prepaid Items

Inventory is valued at cost using the weighted-average method. The inventory in the Regional Bus Fund consists of expendable supplies. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the purchases method and expensed as the items are used.

I. Capital Assets

Capital assets are defined by the government as assets with an initial individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 for all capital assets; including land, buildings, improvements, furniture and equipment, vehicles and software. Purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The Authority evaluates capital assets for other-than-temporary impairment when events or changes in circumstances affect a capital asset. The Authority employs a systematic methodology that considers available evidence in evaluating potential impairment of its capital assets. In the event that the cost of a capital asset is determined to be impaired, the Authority evaluates, among other factors, the magnitude and duration of the decline in fair value, evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological development or evidence of obsolescence, a change in the manner or expected duration of use of a capital asset, or construction stoppage. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the capital asset is established.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	10-30
Improvements	2-20
Vehicles	5-12
Furniture and equipment	3-10
Computer equipment and software	3-7

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Right to Use Assets

The Authority has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the leased asset into service. The right to use assets are amortized over the life of the related lease.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The Authority's deferred outflows represent changes in assumptions and differences in expected and actual experiences in the valuation of Other Post-Employment Benefits (OPEB). In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. The Authority's pension deferrals meet the criterion for this category.

L. Long-Term Liabilities

In the government-wide financial statements, other long-term obligations are reported as liabilities in the applicable governmental or business-type activities on the statement of net position.

M. Compensated Absences

The vacation policy of the Authority advances vacation hours for the calendar year. Terminated employees will be paid for accrued vacation hours, subject to policy maximums. Any advanced hours taken will be deducted from the final paycheck. The amount of vacation employees are allowed to rollover is capped; employees are encouraged to take vacation each calendar year to avoid forfeiting unused vacation hours. Employees may accrue unlimited sick leave hours. Upon termination, employees hired on or before 12/31/2021 will be paid, per a pre-set schedule, for a portion of their accumulated sick leave. Employees hired on or after 1/1/2022 are not paid for unused, accrued sick leave upon termination.

For the Authority's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Authority has assumed a first-in, first-out method of using accumulated compensated time. The

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

portion of this time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. The fund used to liquidate this liability is the fund to which an employee's salary is normally charged.

N. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund-types classify fund balances as follows:

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

Prepaid items – portion of fund balance that is not available for appropriation because it represents the year-end fund balance of ending prepaid items, which are not expendable, available resources.

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

Restricted for Stabilization by State Statute – portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. North Carolina G.S. 159-8 prohibits public authorities from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units and public authorities. Restricted by State Statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures*

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances (if any) are included with RSS. RSS is included as a component of Restricted Net Position and Restricted fund balance on the face of the balance sheet. No cash is set aside to fund this restriction.

Restricted by Enabling Legislation – portion of fund balance that is comprised of funds to be used for the specific purpose of mass transportation, not assigned to specific transit projects.

Restricted by Interlocal Agreement – portion of fund balance restricted for future transit service activities in Wake County, per the Transit Governance Interlocal Agreement.

Restricted for Community Funding Area Program -- portion of fund balance for the continuation of the area program as approved by the Capital Area Municipal Planning Organization and the Authority governing board.

Unassigned Fund Balance - The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may show an unassigned positive balance. Excess resources in other governmental funds should be classified as Restricted by Enabling Legislation, above.

The Authority has a revenue spending policy that provides for programs with multiple revenue sources. The Chief Finance Officer will use resources in the following hierarchy: federal funds, state funds, and funds generated by governmental and proprietary operations.

For purposes of fund balance classification, expenditures are to be spent from restricted funds balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Chief Finance Officer has the authority to deviate from this policy if it is in the best interest of the Authority.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance	<u>\$ 35,477,468</u>
Less:	
Prepaid expenses	173,301
Restricted for Stabilization by State Statute	<u>21,961,603</u>
Available for appropriation	<u>\$ 13,342,564</u>

O. Revenues and Interfund Transactions

Grant Revenue

The Authority recognizes revenues (net of estimated uncollectible amount, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the Authority before meeting the eligibility requirements (other than time requirements) are recorded and reported as unearned revenues.

Vehicle Registration Tax

The North Carolina Department of Motor Vehicles transmits vehicle registration tax revenue to the Authority on a quarterly basis. The Authority recognizes and records vehicle registration tax revenue monthly in the General Fund and Tax District funds.

Vehicle Rental Tax

The Authority recognizes and records vehicle rental tax revenue upon receipt in the Major Capital Projects Fund and periodically transfers a portion to the appropriate Triangle Tax District county operating accounts. Revenue recognition varies according to the tax collection schedule for each vendor. Collection schedules are determined by sales volume. Large rental agencies make two payments per month; small rental agencies may remit their payments on a quarterly basis. The Authority accrues for vehicle rental tax revenue at year end.

Investment Income

The Authority recognizes investment income from cash and investments as revenues in the individual funds based on the fund's monthly investment in cash and investments. All investment

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

earnings are recorded monthly in each individual fund. Long-term investments are marked to market value each month.

Inter-fund Transactions

Interfund transactions are services provided, reimbursements or transfers. Services that are deemed to be reasonably equivalent in value are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs the cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement, if material. All other interfund transactions are presented as transfers. Transfers within governmental activities and business-type activities are eliminated upon consolidation.

Special Tax Revenues

The Triangle Tax Districts for Durham, Orange and Wake Counties receive vehicle registration tax from the North Carolina Department of Motor Vehicles on a quarterly basis (\$7 per vehicle). The Special Tax Districts for Durham, Orange and Wake also receive proceeds of a vehicle registration tax (\$3 per vehicle) from the NC Department of Motor Vehicles on a quarterly basis. The Tax Districts also receive a one-half cent sales tax (Article 43 of N.C. General Statute 105) levied by Durham, Orange, and Wake Counties respectively. Durham, Orange, and Wake Counties share in the vehicle rental taxes received by the Major Capital Project Fund.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Q. Consolidation of Funds

Some funds are budgeted and maintained separately through the year and are combined for reporting purposes. The management fund for GoDurham is budgeted with the General Fund. It is maintained as a separate fund for clearer accounting through the year. It is consolidated with the General Fund for annual reporting. Additionally, the Major Transit Investment Fund is combined with the Major Transit Investment Fund Capital Project Fund for reporting purposes. It is reported as a capital project fund.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

2. DEPOSITS

All of the Authority's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agent in the Authority'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 Authority or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Authority 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 enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Authority has no formal policy regarding custodial credit risk for deposits.

At June 30, 2022, the amount of the deposits on the Authority's books was \$23,397,073 and the bank balances were \$24,228,813. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$23,478,813 in deposits was covered by collateral held under the Pooling Method.

3. INVESTMENTS

As of June 30, 2022, the Authority had the following investments and maturities:

Investment Type	Fair Value	Less than 1 year	1-5 years	5-10 years	10+ years
Mortgage Backed Securities	\$ 77,300,263	\$ -	\$ 17,886,700	\$ 32,634,112	\$ 26,779,451
SBA Participation Securities	118,571,570	2,316	5,419,331	38,921,280	74,228,643
NC Local Gov't & State Bonds	888,381	-	888,381	-	-
NCCMT Government Portfolio	343,457,721	343,457,721	-	-	-
Total	\$ 540,217,935	\$ 343,460,037	\$ 24,194,412	\$ 71,555,392	\$ 101,008,094

Because the NC Capital Management Trust (NCCMT) – Government Portfolio has a weighted average maturity of less than 6 months, it is presented as an investment with a maturity of less than 1 year.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

The NCCMT-Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

Fair Value Measurements Using:

	Fair Value	Quoted Prices, in Active Markets for Identical Assets, Level 1	Significant Other Observable Inputs, Level 2	Significant Unobservable Inputs, Level 3
Mortgage Backed Securities	\$ 77,300,263	\$ 3,186,817	\$ 74,113,446	\$ -
SBA Participation Securities	118,571,570	-	118,571,570	-
NC Local Gov't & State Bonds	888,381	-	888,381	-
NCCMT Government Portfolio	343,457,721	343,457,721	-	-
Total	\$ 540,217,935	\$ 346,644,538	\$ 193,573,397	\$ -

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

Level of fair value hierarchy

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

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy indicates:

- Short-Term Portfolio: No less than \$500,000 of the total investment portfolio shall mature within seven days. No less than 25% shall mature in 90 days.
- Intermediate Term Portfolio: The average maturity shall not exceed five years.
- Long-Term Portfolio: The average maturities of the portfolio shall not exceed twenty years. Any exceptions must be approved by the Chief Financial Officer. Reasons for exceptions may include anticipated higher market yields.

Credit Risk

As a means of limiting its exposure to risk, the Authority will invest no more than 50% in any obligation that does not bear the full faith and credit of the United States of America. The Authority limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest

3. INVESTMENTS (Continued)

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

3. INVESTMENTS (Continued)

possible ratings whenever particular types of securities are rated. State law limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (“NRSROs”). The Authority’s investments in US Agencies and US Treasuries are rated AAA by Standard and Poor’s. The Authority’s investments in NC State and local government bonds are also rated AAA by Standard and Poor’s.

The NC Administrative Code states that all deposits shall be fully protected through deposit insurance and eligible collateral securities. The Chief Finance Officer of the Authority shall be responsible for obtaining custody and providing safekeeping of securities and deposit certificates according to G.S. 159-30(d). Further, the Finance and Accounting Systems Manager shall ensure proper diversification of the investment portfolio in order to minimize risks brought on by economic and market changes. Diversification is managed by limiting investments by type and institution and by class of securities. Maturity schedules are monitored by the Chief Financial Officer.

Custodial Credit Risk

For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s formal policy indicates the Authority shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina and who has an account with the Federal Reserve.

Concentration of Credit Risk

The Authority will invest no more than 50% in a single institution. The Authority has certain investments that exceed 5% of the Authority’s total investment portfolio. They are Small Business Administration Participation certificates (60.3%) and Mortgage Backed Securities (39.3%). The remainder of the Authority’s investments are in the NC Capital Management Trust –Government Portfolio, other governmental agencies, and local government bonds.

4. DUE FROM OTHER AGENCIES AND GOVERNMENTS

The following summarizes amounts due from other agencies and governments by source as of June 30, 2022:

<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>\$ 17,696,095</u>	<u>\$ 52,217,869</u>	<u>\$ 393,419</u>	<u>\$ 70,307,383</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 43,531,820	\$ -	\$ -	\$ 43,531,820
Construction in progress	14,454,238	4,112,734	1,607,000	16,959,972
Total capital assets not being depreciated:	<u>57,986,058</u>	<u>4,112,734</u>	<u>1,607,000</u>	<u>60,491,792</u>
Capital assets being depreciated:				
Buildings	6,248,871	-	-	6,248,871
Equipment and vehicles	6,809,634	1,499,555	-	8,309,189
Leasehold improvements	4,021,936	255,040	-	4,276,976
Total capital assets being depreciated	<u>17,080,441</u>	<u>1,754,595</u>	<u>-</u>	<u>18,835,036</u>
Less accumulated depreciation for:				
Buildings	2,575,694	208,287	-	2,783,981
Equipment and vehicles	6,195,846	580,346	-	6,776,192
Leasehold improvements	2,243,347	166,090	-	2,409,437
Total accumulated depreciation	<u>11,014,887</u>	<u>\$ 954,723</u>	<u>\$ -</u>	<u>11,969,610</u>
Total capital assets being depreciated, net	<u>6,065,554</u>			<u>6,865,426</u>
Governmental activities capital assets, net	<u><u>\$ 64,051,612</u></u>			<u><u>\$ 67,357,218</u></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Administration	\$ 14,770
Capital Development	68,931
Board	6,301
Finance	<u>864,721</u>
Total Depreciation expense	<u><u>\$ 954,723</u></u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS (Continued)

<u>Business-type activities:</u>	Beginning Balances as originally shown	Beginning Balances as restated	Increases	Decreases	Ending Balances
<i>Regional Bus Service Fund</i>					
Capital assets not being depreciated:					
Land	\$ 748,068	\$ 748,068	\$ -	\$ -	\$ 748,068
Capital assets being depreciated:					
Furniture, fixtures, and equipment	4,443,945	4,443,945	1,420,726	-	5,864,671
Vehicles	35,048,255	34,947,403	-	-	34,947,403
Leasehold improvements	1,789,643	1,789,643	26,207	-	1,815,850
Buildings	9,881,900	9,881,900	-	-	9,881,900
Total capital assets being depreciated	<u>51,163,743</u>	<u>51,062,891</u>	<u>1,446,933</u>	<u>-</u>	<u>52,509,824</u>
Less accumulated depreciation for:					
Furniture, fixtures, and equipment	1,756,931	1,756,931	649,859	-	2,406,790
Vehicles	23,524,430	23,423,578	1,398,029	-	24,821,607
Leasehold improvements	682,777	682,777	166,655	-	849,432
Buildings	5,262,056	5,262,056	383,198	-	5,645,254
Total accumulated depreciation	<u>31,226,194</u>	<u>31,125,342</u>	<u>\$ 2,597,741</u>	<u>-</u>	<u>33,723,083</u>
Total capital assets being depreciated, net	<u>19,937,549</u>	<u>19,937,549</u>			<u>18,786,741</u>
Reg. Bus Service fund capital assets, net	<u>20,685,617</u>	<u>20,685,617</u>			<u>19,534,809</u>
Business-type activities capital assets, net	<u>\$ 20,685,617</u>	<u>\$ 20,685,617</u>			<u>\$ 19,534,809</u>

During FY21, three (3) fully depreciated vans were disposed of, with a total cost of \$100,852. The accounting software's process for removing sold vehicles is to create an invoice for the sold asset. When the invoice is settled by the buyer's payment, the invoice is cancelled in the system and the asset is recorded as disposed. There was a change in responsibilities in staff during this period. Because the assets were fully depreciated, there is no impact on the net value of the assets. Management will monitor the disposal process more fully going forward.

Further, six (6) new buses were received by GoTriangle in the last days of the fiscal year. As is the usual procedure, the buses were undergoing the pre-acceptance inspection from the Authority maintenance staff. Because the buses had not been formally accepted nor put into service, they have not been capitalized. They will be capitalized as of the date of formal acceptance.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS (Continued)

Construction in Progress and Other Adjustments

In April of 2019, Research Triangle Regional Public Transportation Authority was not able to reach agreements with certain parties necessary to advance the Durham Orange Light Rail Project. Following this, the Authority's Board of Trustees, as well as the Boards of Commissioners for Durham County and Orange County voted to discontinue design efforts on the project. As part of the wrap up process, subterranean soil samples, surveys, maps etc. were deemed to have potential value as starting points for future work in the same areas. The records will not replace current or future underground testing, but are expected to reduce the amount of testing needed. GoTriangle Finance staff and Capital Development staff meet annually to determine what, if any, impairment there has been to the usefulness of these assets. The impairment charge has been estimated as \$1,607,000 for the fiscal year ended June 30, 2022. Once the feasibility study for the Commuter Rail project is complete, the Capital Development staff will be better able to assess the usefulness of the subterranean records.

During the fiscal year, the Authority recorded nine (9) right to use leased assets. The assets are right to use the assets owned by other parties. The assets are for the lease of the bus park/transfer facility at the Regional Transit Center, the Authority's central hub. The other leases are for copiers, postage machines and storage facilities. Additional information is included in the long-term obligation section of the notes.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Right to use assets				
Equipment	\$ -	\$ 159,098	\$ -	\$ 159,098
Leasehold improvements	-	143,257	-	143,257
Total capital assets being amortized	-	302,355	-	302,355
Less accumulated amortization for:				
Equipment	-	37,791	-	37,791
Leasehold improvements	-	34,381	-	34,381
Total accumulated amortization	-	72,172	-	72,172
Right to use assets, net	\$ -	\$ 230,183	\$ -	\$ 230,183

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS

Other Post Employment Benefits

Plan Description. The Authority administers a single employer defined benefit Healthcare Benefits Plan (the “HCB Plan”). This HCB Plan provides post employment healthcare benefits to retirees of the Authority, provided they have at least thirty years of creditable service with the Authority. The Board of Trustees may amend the HCB Plan by majority vote. A separate report was not issued for the HCB Plan.

The Authority offers full-time employees who resign at the age of retirement specified by Social Security the opportunity to continue in the group medical plan. The schedule below addresses the qualifying conditions for which retirees may receive medical benefit coverage.

- Employees who retire with more than three (3) years but less than 10 years of service may continue group health coverage at the Authority’s rate, but the employee must pay the full cost of the premium.
- Employees who have more than 10 years of service but less than 20 years must pay 75% of the monthly premium. The Authority will pay the remaining 25%.
- Employees who have 20 years of service but less than 30 years will pay 50% of the monthly premium. The Authority will pay the remaining 50%.
- Employees with more than 30 years of service can expect to receive 100% paid coverage.

Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive members entitled to but not yet receiving benefits	0
Active employees	<u>223</u>
Total	<u>223</u>

There are no assets accumulated in an irrevocable trust for the HCB plan. There are no authoritative requirements to pay OPEB as benefits are due.

Total Other Post-Employment Benefits (OPEB) Liability

The Authority’s total OPEB liability of \$5,168,914 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.41%
Municipal Bond Index Rate (discount rate)	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Healthcare cost trends	
Pre-Medicare and prescription drug	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031.
Medicare medical and prescription drug	5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024.

The Authority selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount tater used to measure the Total OPEB Liability.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2020	\$5,146,106
<i>Changes for the year:</i>	
Service Cost at the end of the year	488,114
Interest on Total OPEB Liability and Cash Flows	124,516
Change in benefit terms	-0-
Difference between expected and actual experience	(825,421)
Changes of assumptions or other inputs	235,599
Net benefit payments	-0-
Other	<u>-0-</u>
Net Changes	<u>\$ 22,808</u>
Total OPEB Liability as of June 30, 2021	<u>\$ 5,168,914</u>

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for Local Government Employee Retirement System (LGERS) experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 – December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	(1.16%)	(2.16%)	(3.16%)
Total OPEB Liability	\$6,617,079	\$5,168,914	\$4,076,629

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$3,895,744	\$5,168,914	\$6,948,079

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Authority recognized OPEB expense of \$593,557. At June 30, 2022, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 364
Changes of assumptions or other inputs	<u>1,296,163</u>
Total	<u><u>\$ 1,296,527</u></u>
	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ (760,185)
Changes of assumptions or other inputs	<u>(413,135)</u>
Total	<u><u>\$ (1,173,320)</u></u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB expense as follows:

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Measurement Period

Ending June 30:

2023	\$ (19,073)
2024	(19,073)
2025	(19,073)
2026	(16,272)
2027	29,343
Thereafter	<u>167,355</u>
Total	<u>\$ 123,207</u>

Funding Policy. The Board of Trustees established the contribution requirements of plan members, and they may be amended by the Board. Per an Authority resolution, the Authority is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board.

Summary of Significant Accounting Policies. Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid when due.

Retirement Plan

The Authority sponsors a defined contribution retirement plan covering all of its full-time employees as of June 30, 2022. Contributions and costs are determined as 8% of all full-time employees' salaries.

Employees are 100% vested in these benefits after 3 years of service. Forfeitures from employees who leave before they are 100% vested are used to reduce future contributions. The Authority's total payroll for fiscal year 2022 was \$16,374,980, of which \$16,337,055 relates to employees covered under the plan. The Authority's contributions to the plan for the year ended June 30, 2022, including forfeitures, totaled \$1,306,964 (8% of covered payroll). Total forfeitures for the year were \$37,926.

The assets of the plan are invested in various mutual funds, guaranteed interest contracts, and U.S. Treasury Bonds. The establishment of the plan was authorized by the Authority's Board of Trustees and may only be amended by the Authority's Board of Trustees.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation payout is not available to employees until termination, retirement, death, or unforeseeable emergency.

Deferred Outflows & Inflows of Resources.

The Authority has several deferred outflows and inflows of resources. Deferred outflows and inflows of resources, as appearing on the Statement of Net Position, are comprised of the following.

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 364	\$760,185
Changes of assumptions or other inputs	<u>1,296,163</u>	<u>413,135</u>
Total	<u>\$ 1,296,527</u>	<u>\$1,173,320</u>

7. CHANGES IN LONG – TERM LIABILITIES

Long term debt activity for the fiscal year ended June 30, 2022 is as follows:

	July 1, 2021	Increases	Decreases	June 30, 2022	Long Term Portion	Current Portion of Balance
<u>Governmental activities:</u>						
Compensated Absences	\$ 898,441	\$ 449,853	\$ 405,165	\$ 943,129	\$ 420,040	\$ 523,089
Leases	-	302,355	66,954	235,401	171,293	64,108
Accrued OPEB	1,537,340	7,901	-	1,545,241	1,545,241	-
Total Government activity						
long-term liabilities	<u>\$ 2,435,781</u>	<u>\$ 760,109</u>	<u>\$ 472,119</u>	<u>\$ 2,723,771</u>	<u>\$ 2,136,574</u>	<u>\$ 587,197</u>
<u>Business-type activities</u>						
Compensated Absences	\$ 1,147,973	\$ 556,541	\$ 594,258	\$ 1,110,256	\$ 662,711	\$ 447,545
Accrued OPEB	3,608,766	14,907	-	3,623,673	3,623,673	-
Total Business-type activity						
long-term liabilities	<u>\$ 4,756,739</u>	<u>\$ 571,448</u>	<u>\$ 594,258</u>	<u>\$ 4,733,929</u>	<u>\$ 4,286,384</u>	<u>\$ 447,545</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

7. CHANGES IN LONG – TERM LIABILITIES (Continued)

Leases

The Authority has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement 87 and, therefore, have been recorded at the present value of the future minimum lease payments.

The Authority entered into an agreement in May 2022 to lease a copier. The lease requires 36 monthly payments of \$579. There is a variable component for maintenance, but the value of that is not explicitly disclosed in the lease. A 10% estimate has been used for the maintenance portion. The lease liability is measured at an estimated discount rate of 4.00%, which was the prime interest rate at the time of the lease inception. Because the Authority has no bonded debt, nor installment purchase debt, this rate was used, subject to more detailed information. As of year end, the Authority recorded a right to use asset with a value, net of amortization, of \$16,606.

The other leases are for various equipment including postage machines, copiers, and two storage facilities. Several of the leases expire in Fiscal Year 2023. Summary information for the right to use leases included in the table on the following page.

Fiscal Year Ending June 30	<u>Debt Payments</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 71,642	\$ 7,534	\$ 79,176
2024	49,812	5,620	55,432
2025	48,771	3,959	52,730
2026	12,980	2,760	15,740
2027	6,862	2,413	9,275
2028-32	32,772	6,454	39,226
2033-37	10,576	1,623	12,199
2038	1,986	54	2,040
	<u>\$ 235,401</u>	<u>\$ 30,417</u>	<u>\$ 265,818</u>

The General Fund liquidates compensated absence and OPEB obligations for governmental activities. The Rideshare Fund and the Regional Bus Fund liquidate compensated absence and OPEB obligations for business-type activities.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

8. INTERFUND BALANCES AND ACTIVITY

The following summarizes amounts due from and to other funds as of June 30, 2022. Interfund balances result from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

<u>Receivable Fund</u>	<u>Payable Proprietary Fund</u>	<u>Amount</u>
General Fund	Enterprise - Rideshare	\$ 10,228
General Fund	Enterprise - Regional Bus	<u>6,044,022</u>
Total Due from and Due to Proprietary Funds		<u>6,054,250</u>
<u>Receivable Fund</u>	<u>Payable</u>	
General Fund	TTD-Durham Operating	2,180,171
General Fund	TTD-Orange Operating	373,488
General Fund	TTD-Wake Operating	3,352,111
General Fund	Major Capital Projects Fund	409,306
General Fund	Advanced Technology Fund	<u>670,821</u>
Total Due from and Due to Governmental Funds		<u>6,985,897</u>
Totals		<u>\$ 13,040,147</u>

The Authority uses the General Fund checking account to pay most obligations. Funds paid on behalf of other funds are tracked by automatic due to- due from accounts. The amounts due to the General Fund from the Proprietary Funds are the amounts paid on their behalf, not yet reimbursed. The amounts owed by the Triangle Tax District – Wake Operating are obligations paid by the General Fund, not yet reimbursed.

Transfers

Transfers are used to move unrestricted revenues to finance various programs that the Authority must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

8. INTERFUND BALANCES AND ACTIVITY...(Continued)

	Transfers From:					Total
	General Fund	Major Capital Projects Fund	TTD Durham Operating	TTD Orange Operating	Wake Special District	
Transfers To:						
General Fund	\$ -	\$ 19,016,146	\$ -	\$ -	\$ -	\$ 19,016,146
Major Capital Projects Fund	(297)	-	8,263,107	1,862,162	-	10,124,972
Regional Bus Fund	28,599,474	8,971	3,246,084	166,788	-	32,021,317
Ridesharing Fund	765,691	-	-	-	-	765,691
TTD-Durham Operating	(755,588)	5,144,376	-	-	-	4,388,788
TTD-Orange Operating	(460,279)	902,559	-	-	-	442,280
Wake Operating	-	2,131,169	-	-	2,814,725	4,945,894
Total	\$ 28,149,001	\$ 27,203,221	\$ 11,509,191	\$ 2,028,950	\$ 2,814,725	\$ 71,705,088

The purpose of the transferred monies is as follows:

The Authority’s Major Capital Projects Fund transferred \$18,950,000 to the General Fund during fiscal year 2022 to fund payroll obligations and the General Fund’s payment on behalf of other funds’ operation expenses.

The Triangle Tax District - Wake Special District Fund receives the \$3 Vehicle Registration Tax. By Wake County Inter-Local Agreement, the Wake Special District Fund transfers the proceeds (\$2,814,725 for FY22) at year end to the Triangle Tax District - Wake Operating Fund. The Triangle Tax District - Durham Special District Fund and the Triangle Tax District - Orange Special District Fund are not subject to any mandatory transfer requirement.

The Authority uses one checking account to pay many of the obligations of the other funds. The accounting system tracks this through due to and due from entries. Authority staff addressed the growing balances in certain funds for transactions not expected to be repaid in the coming year. The Authority’s chart of accounts does not have lines for *Amounts paid on behalf of others* and *Amounts paid by others*. Certain transfer entries have been made as a “Clearinghouse for non-cash transactions.” The intent is to bring the inter-fund payables and receivables to approximate the estimated future cash reimbursements to the General Fund.

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority reduces its risk of loss by carrying commercial insurance coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. All of the insurance companies from whom the Authority has purchased insurance have A.M. Best ratings of A- or better. In accordance with G.S. 159-29, the Authority’s

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

9. RISK MANAGEMENT (continued)

employees that have access to \$100 or more at any given time of the Authority's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000.

The insurance companies used by the Authority are:

- Berkley National Insurance Company
- RLI Insurance Company
- Hartford Fire Insurance Company
- General Star Indemnity Company
- RSUI Indemnity Company
- National Union Fire Insurance Company of Pittsburg
- Homeland Insurance Co. of New York
- ICO
- Lloyd's
- Carolina Casualty Insurance Company

Not including health insurance, the Authority has the following types and limits of coverage:

• Public Officials Professional Liability	\$ 5,000,000
• Commercial General Liability	5,000,000
• Public Employee Bond	50,000
• Real and personal property	
Buildings	20,386,170
Contents	2,628,219
Business income	4,819,146
• Flood Insurance	1,000,000
• Business Auto Liability	5,000,000
• Employee Dishonesty	50,000
• Excess liability	10,000,000
• Workers' compensation	Statutory limits
• Employee benefits liability	1,000,000
• Catastrophic (Auto)	10,000,000
• Inland Marine	8,505,038

Insurance coverage for health claims in excess of \$100,000 is also carried. No settlements have exceeded insurance coverage in the past four fiscal years.

The Authority has a limited risk management program for unemployment claims. Premiums were paid at the rate of 3% of each employee's salary into the fund by all other funds until June 2001. Management has determined that an adequate fund balance existed and premium payments could

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

9. RISK MANAGEMENT (continued)

be suspended. It is anticipated that investment earnings on this fund will be sufficient to pay future unemployment claims.

Flood Insurance

The Authority is not located inside a flood zone according to FEMA flood maps. However, in consultation with the Authority's insurance brokers, \$1,000,000 of flood insurance is in place.

10. COMMITMENTS AND CONTINGENCIES

The Authority leases easements and parking and building spaces to various tenants. As of fiscal year end, three (3) tenants remained generating monthly rental income of \$7,250 per month, or approximately \$87,000 annually. The contractual arrangements are now on a month to month basis. With no definite, non-cancelable end date, these arrangements do not qualify as a right to use lease that the Authority would recognize as a long-term receivable.

Pending or Threatened Lawsuits

At year end, the Authority's General Counsel department was not aware of any pending, threatened or unasserted claims that could have a material impact upon the Authority's financial statements.

Federal and State Assisted Programs

The Authority 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant money.

Considerations related to COVID-19 for 2022 Year-End

During Fiscal Year 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the Authority, COVID-19 is expected to impact various parts of the Fiscal Year 2022 operations and financial results. The Authority has continued the fare free policy through June 30, 2022. Management believes the Authority is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Subsequent event

During the year, the Authority was named as one of multiple defendants in a wrongful death suit stemming from a vehicle accident. The suit was settled in September 2022. The Authority was not

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

10. COMMITMENTS AND CONTINGENCIES (Continued)

required to make any financial contributions to the settlement. The case was dismissed with prejudice, meaning that the plaintiff cannot bring the same suit again against the Authority.

11. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Wake Transit Plan

The Transit Governance Interlocal Agreement requires certain restrictions be imposed on resources for future use in Wake County. These are shown as Restricted – Interlocal Agreement. \$1,059,296 is restricted in the Triangle Tax District – Wake Operating Fund to fund expenditures budgeted for the Community Area Funding Program. \$22,977,379 in the Triangle Tax District – Wake Capital Fund is a restriction of 25% of the estimated local option sales tax revenue budgeted for Fiscal Year 2023. The Triangle Tax District-Wake Operating Fund has the same 25% restriction, in the amount of \$3,897,621.

GoTransit Partners

To facilitate fund raising for the Durham-Orange Light Rail Project, the Authority organized a separate 501(c)(3) corporation, GoTransit Partners, to assist with fund raising for the project. Potential donors cited governing bylaws, which required them to make significant contributions, like what the Authority was soliciting, to a non-profit corporation. GoTransit Partners began fundraising and solicitation efforts in FY19. Less than \$1,700 was received. There has been no fund raising efforts since efforts stopped on the Light Rail Project. Prior service charges were returned by the bank. The current bank balance at June 30, 2022 is \$1,646.

Expenditures Exceeding Appropriations

<u>Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expend.</u>	<u>Variance</u>
<u>General Fund</u>				
Commuter Rail				
Development	\$ 190,000	\$ 172,110	\$ 178,242	\$ (6,132)
TTD – Orange Capital				
Chapel Hill Transit,				
NS Bus Rapid Transit		\$ 2,874,296	\$ 3,096,863	\$(195,567)

The Commuter Rail Development department is a new department. During the year, a budget amendment was made to reduce appropriations to the department. With additional operation experience, the Authority staff will better estimate the operational cost of Commuter Rail Development.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

11. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

Authority staff supplied Chapel Hill Transit (CHT) with a template to track amounts reimbursed. CHT staff overwrote a formula, skewing the information conveyed. This resulted in CHT being reimbursed more than was budgeted. The Authority is adding procedures to ensure ending balances from one quarter flow properly to the opening balances of the next quarter.

Deficit Fund Balance

The Advanced Technology Fund ended the year with a deficit balance of \$675,389. Authority staff did not make the budgeted transfer of \$1,513,098, which would have been sufficient to cover the shortfall. The FY23 budget includes an appropriation for a transfer from the General Fund of \$1,199,045. Authority staff has used this authorization to make a transfer to erase the deficit early in Fiscal Year 2023.

Special item

As discussed in Note 5. Capital Assets, the Construction in Progress balance includes certain records from prior rail projects that did not reach the construction stage. These are the subterranean maps showing utility lines, soil samples, and similar records. Capital Development staff and Finance staff are of the opinion that these records can be a “jump start” for future projects in the area. New surveying would be done, but less than if the current records and samples were not available. During the year, these records were shared with officials from a transit partner County for use on an unrelated project. The records did allow the County officials to arrange for confirmation testing instead of completely new testing.

As time passes, staff members will review the viability of these records and record an impairment of the asset value as appropriate. For the Fiscal Year Ended June 30, 2022, an impairment of \$1,607,000 has been recorded.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

Schedule 1

Required Supplementary Information
 Schedule of Changes in the Total OPEB Liability and Related Ratios
 June 30, 2022

Total OPEB Liability	2022	2021	2020	2019	2018
Service cost at end of year	\$ 488,114	\$ 313,498	\$ 287,956	\$ 308,045	\$ 353,555
Differences between expected and actual experience	(825,421)	454	(29,706)	(268)	(254)
Changes of assumptions or other inputs	235,599	1,351,222	(129,268)	(249,791)	(417,596)
Other	124,516	6,974	-	-	-
Net change in total OPEB liability	\$ 22,808	\$ 1,792,877	\$ 249,711	\$ 162,680	\$ 23,516
Total OPEB liability - beginning	\$ 5,146,106	\$ 3,353,229	\$ 3,103,518	\$ 2,940,838	\$ 2,917,322
Total OPEB liability - ending	\$ 5,168,914	\$ 5,146,106	\$ 3,353,229	\$ 3,103,518	\$ 2,940,838
Covered-employee payroll	\$ 13,550,638	\$ 15,430,910	\$ 15,430,910	\$ 13,415,896	\$ 13,415,896
Total OPEB liability as a percentage of covered payroll	38.15%	33.35%	21.73%	23.13%	21.92%

Notes to Schedule

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period.

Fiscal Year	Discount Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%

There are no assets accumulated in an irrevocable trust to pay the related benefits.

Ultimately, 10-years of information will be presented. Additional information will be displayed as it becomes available.

INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Technology Capital Project Fund
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Annual Budget</u>	<u>Current Year</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Restricted intergovernmental revenues:			
State grant revenues	\$ 43,840	\$ -	\$ (43,840)
Reimbursement form others	1,497,532	867,507	(630,025)
Total revenues	<u>1,541,372</u>	<u>867,507</u>	<u>(673,865)</u>
EXPENDITURES:			
Capital outlay:			
Equipment	3,054,470	1,542,896	1,511,574
Revenues over (under) expenditures	<u>(1,513,098)</u>	<u>(675,389)</u>	<u>837,709</u>
OTHER FINANCING SOURCES:			
Transfers from other funds	1,513,098	-	(1,513,098)
Change in fund balance	<u>\$ -</u>	<u>(675,389)</u>	<u>\$ (675,389)</u>
Fund Balance, beginning		-	
Fund Balance, ending		<u>\$ (675,389)</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Major Capital Projects Fund
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Vehicle rental tax	\$ 4,117,647	\$ 6,707,999	\$ 2,590,352
Other revenue	100,000	95,329	(4,671)
Investment income	745,000	(1,665,762)	(2,410,762)
Total revenues	<u>4,962,647</u>	<u>5,137,566</u>	<u>174,919</u>
EXPENDITURES			
Property management	<u>898,500</u>	<u>272,983</u>	<u>625,517</u>
Total expenditures	<u>898,500</u>	<u>272,983</u>	<u>625,517</u>
Revenues over expenditures	<u>4,064,147</u>	<u>4,864,583</u>	<u>800,436</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	798,500	10,124,972	9,326,472
Transfers to other funds	<u>(798,500)</u>	<u>(27,203,221)</u>	<u>(26,404,721)</u>
Total other financing sources (uses)	<u>-</u>	<u>(17,078,249)</u>	<u>(17,078,249)</u>
Fund balance appropriated	<u>(4,064,147)</u>	<u>-</u>	<u>4,064,147</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>(12,213,666)</u>	<u>(12,213,666)</u>
Fund balance, beginning		<u>39,698,773</u>	
Fund balance, ending		<u>\$ 27,485,107</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Durham Capital
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Special sales tax revenue	\$ 24,210,058	\$ 31,032,057	\$ 6,821,999
Investment income	-	(865,160)	(865,160)
Total revenues	<u>24,210,058</u>	<u>30,166,897</u>	<u>5,956,839</u>
EXPENDITURES			
Transit Infrastructure			
GoTriangle	8,825,275	747,999	8,077,276
City of Durham / GoDurham	11,284,487	1,335,066	9,949,421
Vehicle Purchase			
GoTriangle	1,821,912	1,182,492	639,420
City of Durham / GoDurham	6,103,255	-	6,103,255
Capital - Planning			
GoTriangle	2,839,954	685,844	2,154,110
DCHC-MPO	484,333	86,074	398,259
Durham County ACCESS	75,000	41,577	33,423
Commuter Rail Project			
GoTriangle	1,740,248	976,045	764,203
Allocation to Durham Capital Fund Balance	<u>14,471,373</u>	<u>-</u>	<u>14,471,373</u>
Total expenditures	<u>47,645,837</u>	<u>5,055,097</u>	<u>42,590,740</u>
Revenues over expenditures	<u>(23,435,779)</u>	<u>25,111,800</u>	<u>48,547,579</u>
Fund balance appropriated	23,435,779	-	(23,435,779)
Excess of revenues over expenditures	<u>\$ -</u>	<u>25,111,800</u>	<u>\$ 25,111,800</u>
Fund balance, beginning		<u>823,080</u>	
Fund balance, ending		<u>\$ 25,934,880</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Orange Capital
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Special sales tax revenue	\$ 3,936,905	\$ 6,429,560	\$ 2,492,655
Total revenues	<u>3,936,905</u>	<u>6,429,560</u>	<u>2,492,655</u>
EXPENDITURES			
Transit Infrastructure			
Town of Carrboro	1,370,085	24,632	1,345,453
Chapel Hill Transit / Town of Chapel Hill	586,705	-	586,705
GoTriangle	379,633	37,110	342,523
Town of Hillsborough	50,000	-	50,000
Orange County Public Transportation	924,458	91,105	833,353
Vehicle Acquisition			
GoTriangle	1,117,968	759,955	358,013
Bus Rapid Transit			
Chapel Hill Transit - NS- BRT	2,874,296	3,069,863	(195,567)
Capital - Planning			
GoTriangle	686,849	117,867	568,982
Orange County Public Transit	543,073	232,755	310,318
Allocation to Orange Capital Fund Balance	661,405	-	661,405
Total expenditures	<u>9,194,472</u>	<u>4,333,287</u>	<u>4,861,185</u>
Revenues over expenditures	<u>(5,257,567)</u>	<u>2,096,273</u>	<u>7,353,840</u>
Fund balance appropriated	5,257,567	-	(5,257,567)
Excess of revenues over expenditures	<u>\$ -</u>	<u>2,096,273</u>	<u>\$ 2,096,273</u>
Fund balance, beginning		<u>2,132,690</u>	
Fund balance, ending		<u>\$ 4,228,963</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Wake Capital
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2022

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES			
Special sales tax revenue	\$ 86,731,064	\$ 109,177,938	\$ 22,446,874
Investment income	-	(7,812,404)	(7,812,404)
Total revenues	<u>86,731,064</u>	<u>101,365,534</u>	<u>14,634,470</u>
EXPENDITURES			
Capital Planning			
GoTriangle	2,145,823	753,562	1,392,261
Capital Area Metro Planning Organization	481,816	223,890	257,926
City of Raleigh	70,474	68,417	2,057
Community Funding Area			
Town of Apex	207,000	9,513	197,487
Town of Fuquay-Varina	4,750	-	4,750
Town of Garner	2,218	-	2,218
Town of Knightdale	50,000	26,448	23,552
Town of Morrisville	202,807	49,053	153,754
Town of Rolesville	4,983	-	4,983
Research Triangle Foundation	263,463	20,724	242,739
Bus Infrastructure			
GoTriangle	20,896,434	2,255,716	18,640,718
City of Raleigh	17,495,432	335,067	17,160,365
Town of Cary	56,111,753	537,877	55,573,876
Town of Holly Springs	38,727	30,362	8,365
Reserve	4,080,000	-	4,080,000
Commuter Rail			
GoTriangle	3,979,818	2,078,877	1,900,941
Reserve	38,260,371	-	38,260,371
Bus Acquisition			
City of Raleigh	24,430,764	22,185,646	2,245,118
GoTriangle	4,828,523	2,325,477	2,503,046
Bus Rapid Transit			
City of Raleigh	69,368,027	5,354,063	64,013,964
Allocation to Wake Capital Fund Balance	<u>47,136,412</u>	<u>-</u>	<u>47,136,412</u>
Total expenditures	<u>290,059,595</u>	<u>36,254,692</u>	<u>253,804,903</u>
Revenues over expenditures	<u>(203,328,531)</u>	<u>65,110,842</u>	<u>(239,170,433)</u>
Appropriated fund balance	203,328,531	-	(203,328,531)
Excess of revenues over expenditures	<u>\$ -</u>	65,110,842	<u>\$ 65,110,842</u>
Fund balance, beginning		<u>291,692,272</u>	
Fund balance, ending		<u>\$ 356,803,114</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures
Proprietary Fund - Ridesharing
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues:			
Local grants	\$ 711,874	\$ 519,732	\$ (192,142)
Reimbursement from others	850,668	887,147	36,479
Sponsorships and miscellaneous revenue	55,010	54,515	(495)
Total revenues	<u>1,617,552</u>	<u>1,461,394</u>	<u>(156,158)</u>
EXPENDITURES			
Regional services	215,864	164,343	51,521
Sustainable travel	788,793	615,229	173,564
Regional call center	1,115,384	1,031,284	84,100
Development planning	387,537	96,060	291,477
Total expenditures	<u>2,507,578</u>	<u>1,906,916</u>	<u>600,662</u>
Revenue under expenditures	<u>(890,026)</u>	<u>(445,522)</u>	<u>444,504</u>
Other financing sources:			
Transfers from general fund	<u>890,026</u>	<u>765,691</u>	<u>(124,335)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>320,169</u>	<u>\$ 320,169</u>
Reconciling items:			
Other post employment benefits		<u>(35,553)</u>	
Change in net position		<u>\$ 284,616</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures
Proprietary Fund - Regional Bus Service Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Rider fares			
Bus fares	\$ -	\$ 495	\$ 495
Consignment	-	6,866	6,866
Paratransit services	396,143	500,633	104,490
Transit services	7,551,853	4,465,515	(3,086,338)
Other revenues	117,000	103,381	(13,619)
Intergovernmental revenues:			
Federal Transit Administration	3,200,000	1,455,680	(1,744,320)
COVID reimbursements	-	10,823,590	10,823,590
NC Department of Transportation	-	2,822,173	2,822,173
Total revenues	<u>11,264,996</u>	<u>20,178,333</u>	<u>8,913,337</u>
EXPENDITURES			
Supervision	2,570,879	2,472,316	98,563
Operations	11,602,423	9,634,367	1,968,056
Maintenance	5,625,392	4,557,084	1,068,308
Vanpool	252,066	202,060	50,006
Paratransit services	2,998,842	2,639,850	358,992
Unemployment claims	77,000	-	77,000
Total expenditures	<u>23,126,602</u>	<u>19,505,677</u>	<u>3,620,925</u>
Revenue under expenditures	<u>(11,861,606)</u>	<u>672,656</u>	<u>12,534,262</u>
Other financing sources:			
Transfers from other fund(s)	11,861,606	32,198,273	20,336,667
Investment interest	-	2,316	2,316
Total other financing sources	<u>11,861,606</u>	<u>32,200,589</u>	<u>20,338,983</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>32,873,245</u>	<u>\$ 32,873,245</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(2,597,741)	
Gain on fixed assets disposals			
Capital outlay		1,446,932	
From Bus Capital Project:			
Federal and state grants		718,947	
Other revenue		1,034,973	
Transfer from (to) other funds		(176,956)	
Spending recorded in bus capital project fund		(4,047,843)	
Other post employment benefites		(352,395)	
Change in net position		<u>\$ 28,899,162</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual (Non-GAAP)
Regional Bus Capital Project Fund
From Inception and For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>	<u>Current Year</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Restricted intergovernmental revenues:			
Local grant revenues	\$ -	\$ 39,608	\$ 39,608
Federal grant revenues	13,959,570	679,339	(13,280,231)
Other revenue	17,636,914	1,034,973	(16,601,941)
Total revenues	<u>31,596,484</u>	<u>1,753,920</u>	<u>(29,842,564)</u>
EXPENDITURES:			
Capital outlay:			
Buildings & Transit Amenities	33,288,038	4,047,843	29,240,195
Revenues over (under) expenditures	<u>(1,691,554)</u>	<u>(2,293,923)</u>	<u>(602,369)</u>
OTHER FINANCING SOURCES (USES):			
Transfers to other funds	646,475	(176,956)	(823,431)
Fund balance appropriated	<u>1,045,079</u>	<u>-</u>	<u>(1,045,079)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ (2,470,879)</u>	<u>\$ (2,470,879)</u>

STATISTICAL SECTION

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
YEAR ENDED JUNE 30, 2022**

This page explains the purpose of each schedule in the Statistical Section. This is intended to make the Statistical Section easier to understand.

Net Position by Component Last Ten Fiscal Years, Table 1 (p.96-97)

This table helps the reader gauge the Authority's financial progress.

Change in Net Position, Table 2 (p.98-99)

This schedule is a summary of the changes in net position for the last ten fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

Fund Balances, Governmental Fund, Table 3 (p.100-101)

This table gives a comparative view of the governmental fund balances over the past ten fiscal years.

Changes in Fund Balances, Governmental Fund, Table 4 (p.102-103)

This table shows the various factors which caused the changes in fund balances for the last ten years.

Changes in Governmental Fund Expenditures by Function, Table 5 (p.104-105)

This schedule is a summary of the governmental fund expenditures by function for the last ten fiscal years. Information can be obtained from the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds sheet in the financial statements for each of the fiscal years.

Governmental Fund Revenues by Source, Table 6 (p.106-107)

This schedule is a summary of the governmental fund revenues by source for the last ten fiscal years. Information can be obtained from the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds sheet in the financial statements for each of the fiscal years.

Ratios of Outstanding Debt by Type Last Ten Fiscal Years, Table 7 (p.108)

This table shows the ratio of primary government indebtedness per capita.

Employee Position Authorization by Department, Table 8 (p.109)

This table compares positions authorized by department for comparative purposes.

Operating Indicators by Function/Program, Table 9 (p.110-111)

This schedule shows various operating indicators of the district by function. It includes service information including initiatives to increase ridership.

STATISTICAL SECTION TABLE OF CONTENTS (continued)

Capital Assets by Function/Program, Table 10 (p.112-113)

This schedule is a summary of the rolling stock capital assets for the last ten fiscal years.

Insurance in Force- July 1, 2021- June 30, 2022, Table 11 (p.115)

This table shows the Authority's insurance by type of coverage and amount.

Demographics and Economic Statistics for Durham County, Table 12-Durham, (p.116)

This schedule shows U.S. Census data for the past 10 years. This is the latest information available.

Principal Employers for Durham County, Table 13-Durham (p.117)

This schedule ranks top employers in Durham County comparatively for 2022 and 2013. Both Durham County tables provided by the Durham County Finance Department. This is the latest information currently available.

Demographics and Economic Statistics for Orange County, Table 12-Orange (p.118)

This schedule shows the latest available U.S. Census data for the past 10 years. This is the latest information currently available.

Principal Employers for Orange County, Table 13-Orange (p.119)

This schedule ranks top employers in Orange County comparatively for 2022 and 2013. Both Orange County tables provided by the Orange County Finance Department. This is the latest information currently available.

Demographics and Economic Statistics for Wake County, Table 12-Wake (p.120)

This schedule shows U.S. Census data for the past 10 years.

Principal Employers for Wake County, Table 13-Wake (p.121)

This schedule ranks top employers in Wake County comparatively for 2022 and 2013. Both Wake County tables provided by the Wake County Finance Department.

Principal Auto Rental Agencies, Table 14 (p.122)

This schedule ranks top auto rental agencies by rental taxes generated for 2022 and 2014. 2014 is the earliest year with available information.

Compilation of Wake County Capital Projects, Table 15 (p.123)

The Triangle Tax District –Wake Capital Fund is annually budgeted. This schedule provides a compilation of capital projects undertaken by Wake County Transit Partners since Fiscal Year 2018.

Analysis, Wake County Operating Fund against Benchmarks, Table 16 (p.124)

The Triangle Tax District –Wake Operating Fund has certain financial benchmarks that it is expected to meet. This provides the reader an analysis of how well the fund is meeting those expectations.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Net Position by Component
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities				
Invested in capital assets	\$ 128,918,272	\$ 138,677,090	\$ 139,651,572	\$ 96,128,688
Restricted	79,168,752	108,138,826	138,340,712	158,458,155
Unrestricted	<u>(4,031,859)</u>	<u>(10,866,442)</u>	<u>(18,175,568)</u>	<u>(12,848,313)</u>
Total governmental activities net position	<u>204,055,165</u>	<u>235,949,474</u>	<u>259,816,716</u>	<u>241,738,530</u>
Business-Type Activities				
Invested in capital assets	19,584,746	17,637,793	17,983,482	15,870,236
Unrestricted	<u>(12,387,471)</u>	<u>(12,757,822)</u>	<u>(13,739,176)</u>	<u>(13,579,941)</u>
Total business-type activities net position	<u>7,197,275</u>	<u>4,879,971</u>	<u>4,244,306</u>	<u>2,290,295</u>
Primary Government				
Invested in capital assets	148,503,018	156,314,883	157,635,054	111,998,924
Restricted	79,168,752	108,138,826	138,340,712	158,458,155
Unrestricted	<u>(16,419,330)</u>	<u>(23,624,264)</u>	<u>(31,914,744)</u>	<u>(26,428,254)</u>
Total primary government net position	<u>\$ 211,252,440</u>	<u>\$ 240,829,445</u>	<u>\$ 264,061,022</u>	<u>\$ 244,028,825</u>

Notes:

This table was prepared using the accrual basis of accounting

Table 1

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 102,252,715	\$ 157,716,647	\$ 65,628,903	\$ 65,446,000	\$ 64,051,612	\$ 67,121,817
217,882,446	291,393,524	318,412,758	406,217,942	517,983,413	598,670,168
(20,794,546)	(28,356,084)	10,775,089	13,016,877	11,760,920	9,622,372
<u>299,340,615</u>	<u>420,754,087</u>	<u>394,816,750</u>	<u>484,680,819</u>	<u>593,795,945</u>	<u>675,414,357</u>
14,148,121	16,752,677	15,057,257	18,564,037	20,685,618	19,534,809
(13,477,608)	(16,238,710)	(20,782,140)	(24,054,669)	(26,053,053)	4,281,534
<u>670,513</u>	<u>513,967</u>	<u>(5,724,883)</u>	<u>(5,490,632)</u>	<u>(5,367,435)</u>	<u>23,816,343</u>
116,400,836	174,469,324	80,686,160	84,010,037	84,737,230	86,656,626
217,882,446	291,393,524	318,412,758	406,217,942	517,983,413	598,670,168
(34,272,154)	(44,594,794)	(10,007,051)	(11,037,792)	(14,292,133)	13,903,906
<u>\$ 300,011,128</u>	<u>\$ 421,268,054</u>	<u>\$ 389,091,867</u>	<u>\$ 479,190,187</u>	<u>\$ 588,428,510</u>	<u>\$ 699,230,700</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
CHANGE IN NET POSITION
Last Ten Fiscal Years

	2013	2014	2015	2016
Expenses				
Governmental activities:				
Administration	\$ 224,474	\$ 230,773	\$ 445,968	\$ 395,813
Capital Development	80,869	206,471	4,378,573	3,135,490
Communications and Public Affairs	882,207	1,058,663	2,128,808	792,256
Finance	3,320,881	4,633,963	2,742,430	3,593,377
General Counsel	291,030	428,521	1,307,863	206,367
Human Resources	418,166	428,364	487,517	603,459
EEO/DBE	114,567	116,539	130,349	141,040
GoDurham	484,200	669,303	695,624	934,349
Board	95,339	84,522	84,306	95,629
FORTIFY	-	662,597	2,010,101	2,578,066
Transit services	-	-	-	5,710,000
Nondepartmental	-	-	-	-
Regional Services	-	-	-	-
Commuter Rail	-	-	-	-
Executive Office	-	-	-	-
Total governmental activities expense	<u>5,911,733</u>	<u>8,519,716</u>	<u>14,411,539</u>	<u>18,185,846</u>
Business-type activities:				
Regional bus service	17,196,139	18,084,542	19,629,795	19,582,301
Ridesharing	1,836,275	1,935,617	1,991,903	2,049,457
Total business-type activities expense	<u>19,032,414</u>	<u>20,020,159</u>	<u>21,621,698</u>	<u>21,631,758</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>24,944,147</u>	<u>28,539,875</u>	<u>36,033,237</u>	<u>39,817,604</u>
Program Revenues				
Governmental activities:				
Charges for service	-	-	-	-
Operating grants and contributions:				
Capital development	554,148	980,983	3,446,914	2,529,679
Capital grants and contributions:				
Regional rail capital project	927,651	1,071,944	751,906	1,023,625
Technology capital project	86,452	66,474	203,994	135,004
Total governmental activities revenue	<u>2,499,159</u>	<u>2,200,986</u>	<u>5,191,620</u>	<u>4,179,034</u>
Business-type activities:				
Regional bus service				
Charges for services	2,682,390	2,714,489	2,790,366	2,479,761
Grant revenue	4,601,231	3,720,512	4,079,320	3,415,833
Ridesharing				
Charges for services	-	1,000	-	-
Grant revenue	641,835	569,369	670,787	660,395
Total business-type activities revenues	<u>6,994,548</u>	<u>6,923,785</u>	<u>6,751,667</u>	<u>6,065,263</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>9,493,707</u>	<u>9,124,771</u>	<u>11,943,287</u>	<u>10,244,297</u>
Net revenue (Expense)				
Governmental activities	(3,412,574)	(6,318,730)	(18,733,079)	(63,803,549)
Business-type activities	(12,037,866)	(13,096,374)	(14,870,031)	(15,566,495)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>(15,450,440)</u>	<u>(19,415,104)</u>	<u>(33,603,110)</u>	<u>(79,370,044)</u>
General revenues and other changes in net position				
Governmental activities:				
Vehicle registration taxes	5,607,530	5,737,329	10,662,625	9,413,400
Special tax revenue	4,700,299	28,516,774	30,561,753	31,536,121
Vehicle rental taxes	9,016,305	9,586,666	9,924,456	10,665,172
Miscellaneous revenues	2,959,061	3,232,682	2,625,210	3,327,995
Unrestricted investment earnings	300,381	333,698	422,560	1,427,905
Transfers	(9,102,995)	(9,194,110)	(11,596,283)	(10,645,230)
Total governmental activities	<u>13,480,581</u>	<u>38,213,039</u>	<u>42,600,321</u>	<u>45,725,363</u>
Business-type activity:				
Miscellaneous	1,389,271	1,572,129	2,577,715	2,942,154
Unrestricted investment earnings	11,686	12,831	63,014	25,100
Transfers	9,102,995	9,194,110	11,596,283	10,645,230
Total business-type activities	<u>10,503,952</u>	<u>10,779,070</u>	<u>14,237,012</u>	<u>13,612,484</u>
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>23,984,533</u>	<u>48,992,109</u>	<u>56,837,333</u>	<u>59,337,847</u>
Change in net position				
Governmental activities	10,068,007	31,894,309	33,380,402	31,718,551
Business-type activity	(1,533,914)	(2,317,304)	(633,019)	(1,954,011)
Prior period adjustments/restatements	-	-	-	-
Special Items	-	-	(9,513,160)	(49,796,737)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	<u>\$ 8,534,093</u>	<u>\$ 29,577,005</u>	<u>\$ 23,234,223</u>	<u>\$ (20,032,197)</u>

TABLE 2

2017	2018	2019	2020	2021	2022
\$ 240,533	\$ 738,842	\$ 302,630	\$ 465,215	\$ 504,977	\$ 416,589
2,215,088	4,580,967	3,918,149	417,191	429,840	339,671
1,572,138	2,408,427	1,083,796	860,176	883,088	829,168
3,537,718	2,806,896	2,634,018	2,817,699	3,085,490	3,159,355
757,937	971,652	1,782,291	7,524,707	1,472,755	838,703
595,683	687,057	676,820	546,051	738,138	651,443
113,956	141,254	144,575	120,457	141,647	150,568
795,369	881,430	1,011,581	1,054,106	1,052,601	1,033,597
133,670	146,958	103,946	123,919	116,718	105,638
2,195,690	-	-	-	-	-
5,530,960	17,584,859	25,376,819	53,404,609	55,820,548	73,722,651
614,678	-	462,124	-	-	590,932
89,572	188,583	663,938	-	-	-
-	-	-	-	-	122,548
-	-	552,067	841,365	688,709	718,895
<u>18,392,992</u>	<u>31,136,925</u>	<u>38,712,754</u>	<u>68,175,495</u>	<u>64,934,511</u>	<u>82,679,758</u>
19,809,386	23,889,251	24,755,050	23,236,978	24,765,636	25,056,724
2,181,925	2,365,159	2,024,007	2,211,787	1,882,422	1,942,469
<u>21,991,311</u>	<u>26,254,410</u>	<u>26,779,057</u>	<u>25,448,765</u>	<u>26,648,058</u>	<u>26,999,193</u>
<u>40,384,303</u>	<u>57,391,335</u>	<u>65,491,811</u>	<u>93,624,260</u>	<u>91,582,569</u>	<u>109,678,951</u>
1,066,222	1,165,852	896,576	112,795	95,329	1,486,345
2,475,198	4,943,910	89,070	87,397	8,584,787	4,976,154
723,751	-	-	-	-	-
99,000	149,994	87,427	-	176,873	-
<u>5,415,825</u>	<u>6,259,756</u>	<u>1,073,073</u>	<u>200,192</u>	<u>8,856,989</u>	<u>6,462,499</u>
4,953,704	3,288,406	2,652,653	1,826,029	6,555,584	4,973,509
3,981,607	6,923,338	1,332,613	2,781,273	4,451,676	15,820,390
-	-	-	-	-	-
426,261	665,539	750,433	465,151	570,672	519,732
<u>8,309,918</u>	<u>10,877,283</u>	<u>4,735,699</u>	<u>5,072,453</u>	<u>11,577,932</u>	<u>21,313,631</u>
<u>13,725,743</u>	<u>17,137,039</u>	<u>5,808,772</u>	<u>5,272,645</u>	<u>20,434,921</u>	<u>27,776,130</u>
(12,977,167)	(24,125,058)	(184,441,134)	(68,855,625)	(57,820,522)	(76,217,259)
<u>(13,681,393)</u>	<u>(16,129,238)</u>	<u>(22,043,358)</u>	<u>(20,376,312)</u>	<u>(15,070,126)</u>	<u>(5,685,562)</u>
<u>(26,658,560)</u>	<u>(40,254,296)</u>	<u>(206,484,492)</u>	<u>(89,231,937)</u>	<u>(72,890,648)</u>	<u>(81,902,821)</u>
9,671,756	18,516,428	19,015,982	18,560,212	20,049,483	19,379,365
54,179,262	122,793,936	129,911,500	130,876,707	146,646,580	171,319,511
11,378,047	11,671,976	12,524,361	11,144,224	9,175,135	13,415,999
2,155,082	886,790	1,426,098	3,235,331	3,755,750	1,155,705
859,364	1,908,742	5,205,925	5,462,717	(170,401)	(13,040,903)
<u>(10,905,887)</u>	<u>(10,453,969)</u>	<u>(9,580,069)</u>	<u>(10,559,497)</u>	<u>(12,430,760)</u>	<u>(32,787,008)</u>
<u>67,337,624</u>	<u>145,323,903</u>	<u>158,503,797</u>	<u>158,719,694</u>	<u>167,025,787</u>	<u>159,442,669</u>
1,427,356	6,142,719	6,222,461	10,000,760	2,955,602	2,080,016
(105,885)	14,156	1,978	50,314	(193,039)	2,316
10,905,887	10,453,969	9,580,069	10,559,497	12,430,760	32,787,008
<u>12,227,358</u>	<u>16,610,844</u>	<u>15,804,508</u>	<u>20,610,571</u>	<u>15,193,323</u>	<u>34,869,340</u>
<u>79,564,982</u>	<u>161,934,747</u>	<u>174,308,305</u>	<u>179,330,265</u>	<u>182,219,110</u>	<u>194,312,009</u>
51,284,576	121,622,370	120,864,116	90,744,391	110,858,126	83,225,412
(1,454,035)	481,606	(6,238,850)	234,259	123,197	29,183,778
3,075,881	(423,525)	-	-	-	-
-	-	(146,801,453)	(880,322)	(1,743,000)	(1,607,000)
<u>\$ 52,906,422</u>	<u>\$ 121,680,451</u>	<u>\$ (32,176,187)</u>	<u>\$ 90,098,328</u>	<u>\$ 109,238,323</u>	<u>\$ 110,802,190</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
 FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 1,578,729	\$ 1,672,481	\$ 1,549,072	\$ 1,800,234
Restricted	18,626,014	21,650,712	25,972,080	18,681,070
Unassigned	<u>(4,880,300)</u>	<u>(11,658,559)</u>	<u>(18,482,290)</u>	<u>(13,663,617)</u>
Total General Fund	<u>\$ 15,324,443</u>	<u>\$ 11,664,634</u>	<u>\$ 9,038,862</u>	<u>\$ 6,817,687</u>
All other governmental funds				
Restricted - reserve by state statute	\$ 19,329,379	\$ 26,634,089	\$ 41,094,919	\$ -
Restricted - enabling legislation	41,098,509	59,854,025	71,273,713	139,777,085
Restricted - interlocal agreement	-	-	-	-
Restricted- community funding area program	-	-	-	-
Unassigned	-	(32,624)	(356,728)	(45,885)
Total all other governmental funds	<u>\$ 60,427,888</u>	<u>\$ 86,455,490</u>	<u>\$ 112,011,904</u>	<u>\$ 139,731,200</u>

Table 3

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,671,179	\$ 2,035,951	\$ 47,620	\$ 1,223,469	\$ 140,030	\$ 173,301
20,324,751	25,304,010	28,421,731	28,513,232	26,314,599	21,961,603
(20,842,811)	(27,031,415)	13,326,009	14,458,841	14,018,351	13,342,564
<u>\$ 1,153,119</u>	<u>\$ 308,546</u>	<u>\$ 41,795,360</u>	<u>\$ 44,195,542</u>	<u>\$ 40,472,980</u>	<u>\$ 35,477,468</u>
\$ 69,922,702	\$ 84,791,735	\$ 48,400,542	\$ 39,300,157	\$ 54,511,077	\$ 58,440,696
127,634,993	159,952,779	201,501,984	278,852,605	354,264,277	490,333,573
-	21,345,000	40,088,501	59,551,948	82,893,460	26,875,000
-	-	24,821	144,111	470,808	1,059,296
(606,700)	(1,562,759)	(733,638)	(808,313)	(739,291)	(1,405,127)
<u>\$ 196,950,995</u>	<u>\$ 264,526,755</u>	<u>\$ 289,282,210</u>	<u>\$ 377,040,508</u>	<u>\$ 491,400,331</u>	<u>\$ 575,303,438</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

REVENUES	2013	2014	2015	2016
Restricted intergovernmental revenues:				
NC Department of Transportation	\$ 273,562	\$ 297,032	\$ 748,813	\$ 605,838
Federal Transit Administration	1,962,812	1,585,087	4,304,010	3,292,902
Other revenue	2,290,074	2,495,399	1,770,486	2,904,313
Vehicle registration tax	5,607,530	5,737,329	10,662,625	9,413,400
Special tax revenue	4,700,299	28,516,774	30,561,753	31,536,121
Indirect cost credits	931,772	1,056,150	993,524	1,072,250
Vehicle rental tax	9,016,305	9,586,666	9,924,456	10,665,172
Farebox	-	-	-	-
Investment income	300,381	333,698	422,560	1,427,905
Total revenues	<u>25,082,735</u>	<u>49,608,135</u>	<u>59,388,227</u>	<u>60,917,901</u>
EXPENDITURES				
Current:				
Governing board	95,339	84,522	79,376	76,289
Executive office	-	-	-	-
Regional services	-	-	-	-
Human resources	414,168	420,839	481,672	532,354
Administration	212,179	207,070	431,683	455,097
Capital development	148,599	119,210	882,981	2,138,408
Commuter rail development	-	-	-	-
EEO/DBE	113,083	103,090	125,894	124,459
DATA/GoDurham	876,172	958,996	691,853	820,649
Finance	1,836,632	2,782,260	2,064,382	2,137,074
General counsel	285,655	454,961	1,314,534	482,388
Communications and public affairs	485,016	657,384	2,219,011	2,513,220
FORTIFY	-	662,597	2,010,101	2,226,520
Transit services	-	1,236,447	3,325,255	5,710,000
Capital outlay	4,292,866	10,358,856	17,112,045	7,558,101
Total expenditures	<u>8,759,709</u>	<u>18,046,232</u>	<u>30,738,787</u>	<u>24,774,559</u>
Excess of revenues over expenditures	<u>16,323,026</u>	<u>31,561,903</u>	<u>28,649,440</u>	<u>36,143,342</u>
OTHER FINANCING SOURCES (USES)				
Sale of land	3,274,548	-	3,076,624	-
Transfers from other funds	503,942	3,484,105	1,370,688	3,626,565
Transfers to other funds	(9,606,939)	(12,678,215)	(10,166,110)	(14,271,795)
Lease liabilities issued	-	-	-	-
Total other financing sources (uses)	<u>(5,828,449)</u>	<u>(9,194,110)</u>	<u>(5,718,798)</u>	<u>(10,645,230)</u>
Net change in fund balance	10,494,577	22,367,793	22,930,642	25,498,112
Fund balances-beginning	65,257,754	75,752,331	98,120,124	121,050,766
Prior period adjustment	-	-	-	-
Fund balances-ending	<u>\$ 75,752,331</u>	<u>\$ 98,120,124</u>	<u>\$ 121,050,766</u>	<u>\$ 146,548,878</u>

Note:

The 2018 Fund Balance-beginning is shown in italics to disclose it is lower by \$566,283. Beginning in FY18, the Regional Bus Capital Project Fund is shown as a proprietary capital project fund rather than a governmental fund.

Table 4

2017	2018	2019	2020	2021	2022
\$ 607,457	\$ 189,492	\$ 181,995	\$ -	\$ -	\$ -
3,496,814	2,752,624	87,428	-	8,835,845	4,976,154
2,173,533	3,830,146	806,054	1,914,824	2,247,538	1,028,236
9,671,756	18,516,428	19,015,982	18,560,212	20,049,483	19,379,365
54,179,262	122,793,936	129,911,500	130,876,707	146,646,580	171,319,511
1,098,951	1,126,395	1,408,673	1,520,695	1,529,356	1,596,201
11,378,047	11,671,976	12,524,361	11,144,224	9,175,135	13,415,999
-	-	15,022	-	-	-
859,364	1,908,742	5,205,925	5,462,717	(170,403)	(13,040,907)
<u>83,465,184</u>	<u>162,789,739</u>	<u>169,156,940</u>	<u>169,479,379</u>	<u>188,313,534</u>	<u>198,674,559</u>
127,035	105,915	100,086	118,423	113,092	99,292
-	-	552,067	841,003	698,763	718,537
89,572	-	663,161	-	-	-
595,683	647,858	676,028	545,810	748,192	651,130
224,981	482,692	293,507	452,262	499,503	401,596
2,738,464	6,009,825	3,872,649	357,573	375,657	270,740
-	-	-	-	88,775	122,503
113,956	133,195	144,402	120,397	143,475	150,479
795,369	881,430	1,011,581	1,053,653	1,067,224	1,335,281
2,406,551	2,602,435	2,117,649	2,070,791	2,369,880	2,293,472
757,937	865,899	1,780,203	7,521,418	1,493,776	1,093,162
1,707,372	1,829,418	1,082,529	859,784	895,883	828,721
2,204,191	-	-	-	-	-
5,530,960	16,754,925	28,711,722	53,676,933	55,467,172	73,165,331
8,833,421	56,095,168	52,329,020	1,143,358	1,284,123	5,867,328
<u>26,125,492</u>	<u>86,408,760</u>	<u>93,334,604</u>	<u>68,761,405</u>	<u>65,245,515</u>	<u>86,997,572</u>
<u>57,339,692</u>	<u>76,380,979</u>	<u>75,822,336</u>	<u>100,717,974</u>	<u>123,068,019</u>	<u>111,676,987</u>
1,879,804	-	-	-	-	-
1,681,905	5,796,009	215,720,384	77,307,418	3,047,637	38,918,080
(12,587,792)	(16,249,978)	(225,300,453)	(87,866,915)	(15,478,397)	(71,705,088)
-	-	-	-	-	17,613
<u>(9,026,083)</u>	<u>(10,453,969)</u>	<u>(9,580,069)</u>	<u>(10,559,497)</u>	<u>(12,430,760)</u>	<u>(32,769,395)</u>
48,313,609	65,927,010	66,242,269	90,158,478	110,637,261	78,907,592
146,548,878	197,537,832	264,835,301	331,077,570	421,236,050	531,873,311
3,241,628	1,370,459	-	-	-	-
<u>\$ 198,104,115</u>	<u>\$ 264,835,301</u>	<u>\$ 331,077,570</u>	<u>\$ 421,236,050</u>	<u>\$ 531,873,311</u>	<u>\$ 610,780,903</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governing board	\$ 95,339	\$ 84,522	\$ 79,376	\$ 76,289
Executive office	-	-	-	-
Regional Services	-	-	-	-
Human resources	414,168	420,839	481,672	532,354
Administration	212,179	207,070	431,683	453,265
Capital development	148,599	119,210	882,981	2,141,315
Commuter rail development	-	-	-	-
Equal employ. opport./disadv. bus. enter.	113,083	103,090	125,894	124,459
DATA/GoDurham	876,172	958,996	691,853	820,649
Finance	1,836,632	2,782,260	2,064,382	2,137,074
General counsel	285,655	454,961	1,314,534	479,762
Communications and public affairs	485,016	657,384	2,219,011	2,514,771
FORTIFY	-	662,597	2,010,101	2,226,520
Transit services	-	1,236,447	3,325,255	5,710,000
Capital outlay and debt payments	<u>4,292,866</u>	<u>10,358,856</u>	<u>17,112,045</u>	<u>7,558,101</u>
Totals	<u>\$ 8,759,709</u>	<u>\$ 18,046,232</u>	<u>\$ 30,738,787</u>	<u>\$ 24,774,559</u>

Table 5

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 127,035	\$ 105,915	\$ 100,086	\$ 118,423	\$ 113,092	\$ 99,292
-	-	552,067	841,003	698,763	718,537
89,572	-	663,161	-	-	-
595,683	647,858	676,028	545,810	748,192	651,130
224,981	482,692	293,507	452,262	499,503	401,596
2,738,465	6,009,825	3,872,649	357,573	375,657	270,740
-	-	-	-	88,775	122,503
113,956	133,195	144,402	120,397	143,475	150,479
795,369	881,430	1,011,581	1,053,653	1,067,224	1,335,281
2,406,551	2,602,435	2,117,649	2,070,791	2,369,880	2,293,472
757,937	865,899	1,780,203	7,521,418	1,493,776	1,093,162
1,707,372	1,829,418	1,082,529	859,784	895,883	828,721
2,204,191	-	-	-	-	-
5,530,960	16,754,925	28,711,722	53,676,933	55,467,172	73,165,331
8,833,421	56,095,168	52,329,020	1,143,358	1,284,123	5,867,328
<u>\$ 26,125,493</u>	<u>\$ 86,408,760</u>	<u>\$ 93,334,604</u>	<u>\$ 68,761,405</u>	<u>\$ 65,245,515</u>	<u>\$ 86,997,572</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
GOVERNMENTAL FUND REVENUES BY SOURCE
Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Vehicle registration taxes	\$ 5,607,530	\$ 5,737,329	\$ 10,662,625	\$ 9,413,400
Vehicle rental taxes	9,016,305	9,586,666	9,924,456	10,665,172
Special revenue taxes	4,700,299	28,516,774	30,561,753	31,536,121
Intergovernmental revenues:				
Federal Transit Administration	1,962,812	1,585,087	4,304,010	3,292,902
NC Department of Transportation	273,562	297,032	748,813	605,838
Indirect cost credits	931,772	1,056,150	993,524	1,072,250
Farebox	-	-	-	-
Investment income	300,381	333,698	422,560	1,427,905
Other	2,290,074	2,495,399	1,770,486	2,904,313
	<u>2,290,074</u>	<u>2,495,399</u>	<u>1,770,486</u>	<u>2,904,313</u>
Totals	<u>\$ 25,082,735</u>	<u>\$ 49,608,135</u>	<u>\$ 59,388,227</u>	<u>\$ 60,917,901</u>

Table 6

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 9,671,756	\$ 18,516,428	\$ 19,015,982	\$ 19,015,982	\$ 18,560,212	\$ 19,379,365
11,378,047	11,671,976	12,524,361	12,524,361	11,144,224	13,415,999
54,179,262	122,793,936	129,911,500	129,911,500	130,876,707	171,319,511
3,496,814	2,752,624	87,428	87,428	-	4,976,154
607,457	189,492	181,995	181,995	-	-
1,098,951	1,126,395	1,408,673	1,408,673	1,520,695	1,596,201
-	-	15,022	-	-	-
859,364	1,908,742	5,205,925	5,205,925	5,462,717	(13,040,907)
2,173,533	3,830,146	806,054	806,054	1,914,824	1,028,238
<u>\$ 83,465,184</u>	<u>\$ 162,789,739</u>	<u>\$ 169,156,940</u>	<u>\$ 169,141,918</u>	<u>\$ 169,479,379</u>	<u>\$ 198,674,561</u>

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

Table 7

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Per Capita
	General Obligation Bonds	COPS & Installment Financing	Leases	General Obligation Bonds	Revenue Bonds	Leases	State Revolving Loan		
2022	\$ -	\$ -	\$ 235,401	\$ -	\$ -	\$ -	\$ -	\$ 235,401	\$ 0.15
2021	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-

Note:
"Leases" indicate the lease obligation recorded under GASB Statement 87

"Per Capita" is based on the most recent population data for
from NC Dept. of Revenue records

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
 EMPLOYEE POSITION AUTHORIZATION BY DEPARTMENT
 Last Ten Fiscal Years

Table 8

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Executive Office/COO	-	-	-	-	-	-	-	3	4	4
General counsel/Real Estate	2	3	4	3	6	6	3	7	8	8
Communications and public affairs	9	10	11	11	15	20	17	11	13	15
Finance	16	13	14	13	14	15	15	15	19	20
Human resources	3	4	4	4	4	5	5	4	5	5
Administration	2	2	2	2	2	3	3	5	5	5
EEO/DBE	1	1	1	1	1	1	1	1	1	2
Capital development	9	13	13	20	27	26	34	12	13	13
Regional bus	152	167	177	174	173	168	178	166	180	186
Ridesharing	25	23	34	33	22	18	21	21	22	22
Totals	<u>219</u>	<u>236</u>	<u>260</u>	<u>261</u>	<u>264</u>	<u>262</u>	<u>277</u>	<u>245</u>	<u>270</u>	<u>280</u>

This table indicates the number of the Authority's authorized positions by department at the end of the fiscal year.

Source: Budget and Financial Reporting Supervisor

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Services consumed:			
Fare paid boardings	<u>1,769,200</u>	<u>1,822,853</u>	<u>1,843,735</u>
Services supplied:			
Regular route revenue miles	2,242,560	2,383,071	2,630,942
Paratransit miles	██████████	██████████	██████████
Deadhead, training and maintenance miles	<u>680,659</u>	<u>719,696</u>	<u>805,479</u>
Total miles driven	<u>2,923,219</u>	<u>3,102,767</u>	<u>3,436,421</u>
Regular route revenue hours	109,576	115,369	128,510
Paratransit miles	██████████	██████████	██████████
Deadhead, training and maintenance hours	<u>21,860</u>	<u>22,912</u>	<u>25,791</u>
Total bus hours	<u>131,436</u>	<u>138,281</u>	<u>154,301</u>

Note; Grey highlights indicate that the selected information is not available for that particular year.

* This is the number of passengers boarding during the year. No fees were collected from late March 2020 through June 2021. The Fiscal Year Ended 6-30-2022 was also fare free. This is a response to the COVID-19 pandemic. The fare free policy allows riders to enter & exit buses through the rear doors, promoting social distancing.

Table 9

2016	2017	2018	2019	2020	2021	2022
<u>1,784,408</u>	<u>1,662,758</u>	<u>1,636,072</u>	<u>1,654,836</u>	<u>1,346,709</u>	<u>1,167,033</u> *	<u>1,464,724</u> *
2,819,804	2,831,146	2,809,815	2,822,999	2,418,443	2,634,259	2,265,597
868,384	505,190	599,410	593,229	406,543	315,509	393,436
<u>3,688,188</u>	<u>3,641,727</u>	<u>3,904,627</u>	<u>4,242,250</u>	<u>3,615,206</u>	<u>3,713,358</u>	<u>3,352,550</u>
137,348	140,448	143,057	143,627	123,173	132,770	110,236
27,811	23,686	27,816	27,554	18,167	13,082	17,189
<u>165,159</u>	<u>192,265</u>	<u>202,105</u>	<u>197,642</u>	<u>166,501</u>	<u>169,777</u>	<u>149,789</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
CAPITAL ASSETS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-type activities:			
39 - Passenger buses	-	-	-
38 - Passenger buses	-	-	-
37 - Passenger buses	-	-	-
36 - Passenger buses	36	36	42
30 - Passenger buses	23	23	30
16 - Passenger buses	5	5	5
16 - Passenger handicap accessible vans	-	-	-
15 - Passenger vans	12	3	2
14 - Passenger handicap accessible vans	-	-	-
12 - Passenger handicap accessible van	47	47	58
12 - Passenger vans	-	-	-
10 - Passenger handicap accessible van	14	16	15
8 - Passenger handicap accessible vans	2	2	-
8 - Passenger vans	-	-	-
7 - Passenger vans	14	14	16
7 - Passenger handicap accessible van	-	-	-
Service truck	4	4	4
Supervisor vehicles	3	2	2
	<u>160</u>	<u>152</u>	<u>174</u>
Total Vehicles	<u>160</u>	<u>152</u>	<u>174</u>

Source: Information provided by Authority Bus Operations.

- * At the end of Fiscal Year 2022, six buses had been received. They were undergoing pre-acceptance inspection and were not in service.
At the time of ACFR preparation, seven 30 passenger buses were in the process of being decommissioned.
This table has been prepared, including those transactions, in order to give readers in Fiscal Year 2023 the most complete information possible

Table 10

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
-	-	3	-	-	-	-
-	-	-	3	3	13	19 *
6	6	-	-	-	-	-
36	36	36	46	51	45	45
20	20	20	20	20	20	13 *
5	5	5	4	-	-	-
6	6	6	10	6	11	7
2	2	-	-	-	-	-
-	-	5	6	9	8	7
55	55	3	-	2	-	2
-	-	54	46	16	13	14
7	12	6	9	7	-	9
1	1	-	-	1	7	-
2	2	2	-	-	1	-
14	14	14	14	8	6	6
3	3	-	-	-	3	4
4	4	4	4	4	4	4
4	4	6	7	7	8	8
<u>165</u>	<u>170</u>	<u>164</u>	<u>169</u>	<u>134</u>	<u>139</u>	<u>138</u>

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**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
INSURANCE IN FORCE
JULY 1, 2022 - JUNE 30, 2023**

Table 11

	Limits
<u>Real and Personal Property</u>	
Real Property	\$ 24,759,510
Personal Property	1,578,219
Inland Marine	9,334,154
Business Income	5,163,616
 <u>Commercial General Liability</u>	
General Liability Each Occurrence/General Aggregate	5,000,000
 <u>Automobile Liability</u>	
Each Occurrence	5,000,000
Owned & Nonowned Auto Physical Damage	
Comprehensive - \$10,000 Deductible for Buses/\$1,000 All Others	
Collision - \$10,000 Deductible for Buses/\$1,000 All Others	
Uninsured Motorist Liability	85,000
 Excess Liability (over General Liability and Auto Liability)	
Each Occurrence	5,000,000
Aggregate	5,000,000
 <u>Excess Liability (over General Liability and Auto Liability & Employer's Liability)</u>	
Each Occurrence	10,000,000
Aggregate	10,000,000
 <u>Workers' Compensation</u>	Statutory
 <u>Employer's Liability</u>	
Bodily Injury by Each Accident	1,000,000
Bodily Injury by Disease/Each Employee	1,000,000
Bodily Injury by Disease/Aggregate Limit	1,000,000
 <u>Public Officials</u>	5,000,000
 <u>Employee Dishonesty</u>	50,000

DURHAM COUNTY, NORTH CAROLINA

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ³	School Enrollment ⁴	Unemployment Rate ⁵
2022	327,306	\$ 17,692,950	\$ 54,093	31,124	3.40%
2021	321,488	16,624,991	51,713	31,603	4.30%
2020	331,807	*	*	32,928	7.60%
2019	320,639	*	*	32,343	4.00%
2018	308,941	16,058,004	50,698	32,629	3.80%
2017	301,243	14,904,230	47,825	32,907	3.80%
2016	293,647	14,064,619	45,931	33,144	4.70%
2015	290,874	13,394,612	44,507	33,626	5.40%
2014	284,437	12,611,613	42,830	33,296	5.30%
2013	277,588	11,921,155	41,376	32,484	7.60%

* Information was not available in prior audit years and not updated.

(1) U.S. Census Bureau, Population Estimates, last updated 2020.

(2) All personal income data are estimates for the calendar year ended in each fiscal year are provided by Bureau of Economic Analysis, last updated 2020.

(3) All per capita income data is for the calendar year ended in each fiscal year.

2011-2018 is actual per capita income provided by Bureau of Economic Analysis, last update November 14, 2020.

(4) Durham County Public Schools

(5) North Carolina Department of Commerce.

Information provided by Durham County Finance Department

DURHAM COUNTY, NORTH CAROLINA

Principal Employers Current Year and Nine Years Ago

Employer	2022			2013		
	Employees ¹	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	43,108	1	27.96%	34,366	1	18.93%
International Business Machines (IBM)	8,000	2	5.19%	10,000	2	5.51%
Durham Public Schools	7,696	3	4.99%	4,600	3	2.53%
Cisco	5,000	4	3.24%			0.00%
Blue Cross and Blue Shield North Carolina	3,930	5	2.55%	2,401	5	1.32%
Fidelity Investments	3,900	6	2.53%	2,200	9	1.21%
US Department of Veterans Affairs	3,900	7	2.53%	2,162	10	1.19%
Pfizer	3,620	8	2.35%			
IQVIA (formerly Quintiles)	2,700	9	1.75%			
Wolfspeed	2,500	10	1.62%			
GlaxoSmithKline				3,700	4	2.04%
Durham City Government				2,401	6	1.32%
Cree, Inc.				2,304	7	1.27%
Research Triangle Institute (RTI)				2,300	8	1.27%
	<u>84,354</u>		<u>54.71%</u>	<u>66,434</u>		<u>36.59%</u>

Source: Durham Chamber of Commerce and Bureau of Labor Statistics

¹As of fiscal year-ended 2022, the Durham Chamber of Commerce (DCC) no longer provides exact employment numbers for principal employers. Instead, DCC provides significantly more rounded employment numbers gathered from a number of different sources.

Information provided by Durham County Finance Department

ORANGE COUNTY, NORTH CAROLINA

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Year	Population (1)	Personal Income (2) (Thousands of Dollars)	Per Capita Personal Income (2)	Median Age	Public Schools Enrollment (3)	Unemployment Rate (4)	Number of Building Permits Performed (5)
2013	138,330	\$ 7,131,776	\$ 48,683	33.49	19,553	6.2%	1,769
2014	139,694	7,345,876	51,702	33.49	20,051	5.7%	1,791
2015	141,596	7,557,466	52,339	34.57	20,202	4.8%	1,852
2016	141,704	7,822,229	55,201	35.05	20,040	4.4%	3,026
2017	143,264	8,884,312	62,014	35.05	19,959	4.6%	1,793
2018	143,873	8,884,312	61,751	33.60	20,232	3.5%	2,937
2019	144,372	9,728,507	67,385	33.60	20,398	4.0%	2,087
2020	146,521	9,840,004	67,158	34.70	20,408	5.4%	4,853
2021	148,696	9,975,866	67,089	34.90	19,491	5.5%	4,085
2022	149,013	9,997,133	67,089	35.10	20,461	3.5%	4,838

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year. 2022 personal income not yet available, prior year figures are repeated.
- (3) Orange County Finance and Administrative Services budget student numbers
- (4) N.C. Employment Security Commission, Annual Average for prior calendar year.
- (5) Total number of building permits issued by Orange County Inspections Department.
Includes inspections by municipalities.

Provided by the Orange County Finance Department

ORANGE COUNTY, NORTH CAROLINA

Table 13-Orange

**Principal Employers
(Unaudited)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC-Health Care	13,536	1	18.64%	9,335	2	13.42%
UNC Chapel Hill	12,961	2	17.85%	15,964	1	22.95%
Chapel Hill-Carrboro City Schools	1,787	3	2.46%	1,686	3	2.42%
Orange County Government	1,280	4	1.76%	964	5	1.38%
Orange County Schools	1,272	5	1.75%	1,329	4	1.90%
Town of Chapel Hill	690	6	0.95%	879	6	1.26%
Industrial Connections & Solutions (ABB)	655	7	0.90%	---	---	---
AKG of America	430	8	0.59%	---	---	---
Wegmans	374	9	0.52%	---	---	---
Armacell	312	10	0.43%	---	---	---
Blue Cross Blue Shield	---	---	---	788	7	1.13%
UNC Physicians Network LLC	---	---	---	533	8	0.76%
Aramark Services	---	---	---	444	9	0.63%
Harris Teeter	---	---	---	407	10	0.59%

Source: Orange County Economic Development Commission, Employment Security Commission

Information provided by the Orange County Finance Department

WAKE COUNTY, NORTH CAROLINA

TABLE 12-Wake

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ³	School Enrollment ⁴	Unemployment Rate ⁵
2013	952,143	47,064,181	48,285	149,508	6.0%
2014	974,289	50,257,552	50,835	153,039	4.9%
2015	998,691	53,028,913	53,625	155,000	4.7%
2016	1,024,198	56,592,270	54,549	156,644	4.2%
2017	1,046,791	60,216,950	56,162	158,374	3.6%
2018	1,072,203	64,461,643	59,014	160,429	3.6%
2019	1,092,305	69,222,569	62,264	160,471	3.9%
2020	1,111,761	74,107,214	65,450	161,907	7.1%
2021	1,129,410	*	*	157,673	4.1%
2022	1,150,204	*	*	158,761	3.4%

* Information not yet available

(1) U.S. Census Bureau, previous calendar year

(2) Bureau of Economic Analysis Regional, Economic Information System - Bureau of Economic Analysis March 2021.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2021.

(4) North Carolina Department of Public Instruction. 2021-2022 Wake County Public Schools District Facts.

(5) Employment Security Commission of North Carolina; 2021-2022 - North Carolina Department of Commerce-Labor & Economic Analytics Division.

Information provided by Wake County Finance Department

WAKE COUNTY, NORTH CAROLINA

TABLE 13 - Wake

Employer	Principal Employers Current Year and Nine Years Ago					
	2022*			2013*		
	Employees ¹	Rank	Percentage of Total County Employment ²	Employees ¹	Rank	Percentage of Total County Employment
State of North Carolina	24,083	1	4.02%	24,739	1	5.86%
Wake County Public School System	17,000	2	2.84%	17,572	2	4.16%
Wal-Mart	16,200	3	2.70%			
WakeMed Health & Hospitals	9,773	4	1.63%	7,607	5	1.80%
North Carolina State University	9,019	5	1.50%	7,730	4	1.83%
Food Lion	8,600	6	1.43%			
Target	8,000	7	1.33%			
UNC Rex Healthcare	6,900	8	1.15%	4,800	7	1.14%
SAS Institute, Inc.	5,567	9	0.93%	4,742	8	1.12%
Harris Teeter	5,346	10	0.89%			
IBM Corporation				10,500	3	2.49%
GlaxoSmithKline, Inc				4,900	6	1.16%
Wake County Government				4,272	9	1.01%
Cisco Systems				3,800	10	0.90%
	<u>110,488</u>		<u>18.42%</u>	<u>90,662</u>		<u>21.47%</u>

(1) Source: Wake County Economic Development / Greater Raleigh Chamber of Commerce

(2) Source: North Carolina Department of Commerce

*Data unavailable for current year. Data from 2 years' previous has been used and restated to include only Wake County based employers. FY17-FY20: Top 10 Employers included the Triangle Regional Area

Information provided by Wake County Finance Department

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY**

**For Wake, Durham and Orange Counties
Principal Auto Rental Agencies
For the Current Fiscal Year and Earliest Available Fiscal Year**

Table 14

Vendors	2022			2014		
	Vehicle Rental Tax	Rank	Percentage of Total Sales	Vehicle Rental Tax	Rank	Percentage of Total Sales
Enterprise Rent a Car	\$ 6,067,662	1	47.44%	\$ 4,548,059	1	47.50%
Hertz Corporation	2,069,649	2	16.18%	1,826,887	2	19.08%
Avis Rent a Car System	1,610,231	3	12.59%	1,056,760	3	11.04%
Budget Rent a Car	1,496,011	4	11.70%	739,793	4	7.73%
DTG Operations, Inc.	872,185	5	6.82%	548,735	5	5.73%
U-Haul	441,462	6	3.45%	216,800	7	2.26%
Payless Car Rental, Inc.	75,867	7	0.59%	-	-	0.00%
University Ford Isuzu	33,506	8	0.26%	23,913	9	0.25%
Van Products	24,909	9	0.19%	-	-	-
Capital Ford	24,816	10	0.19%	-	-	-
Home Depot	19,900	11	0.16%	-	-	-
Fred Anderson Toyota	-	-	-	12,045	11	0.13%
Triangle Rent A Car	-	-	-	272,433	6	2.85%
Simply Wheelz, LLC	-	-	-	91,672	8	0.96%
ZipCar, Inc	-	-	-	13,338	10	0.14%
Other	54,124	N/A	0.42%	224,640	N/A	2.33%
Total	\$ 12,790,322		100.00%	\$ 9,575,075		100.00%

Notes: The 1997 session of the General Assembly enacted legislation permitting a regional public transportation authority to levy a 5% tax on motor vehicle rental receipts in its multi-county service area. Following a public hearing, a tax levy of 5% on motor vehicle rental receipts was approved by the Special Tax Board, the Boards of County Commissioners of Wake, Durham, and Orange counties; and the Triangle Transit Board of Trustees. Triangle Transit began collection of the tax on January 1, 1998.

Information by agency for nine years ago not available.

This table is prepared based on actual cash receipts.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Wake Capital
Schedule of Cumulative Capital Project Effort
From Inception to the Fiscal Year Ended June 30, 2022

	Cumulative Amounts of All Projects	Prior Year	Actual Amount FY22	Total	Variance From Cumulative Amount Positive (Negative)
REVENUES					
Special Sales Tax	\$ 28,745,886	\$ 171,889,803	\$ 109,177,938	\$ 281,067,741	\$ (252,321,855)
Investment Income	-	751,450	(7,812,404)	(7,060,954)	7,060,954
Total revenues	<u>28,745,886</u>	<u>172,641,253</u>	<u>101,365,534</u>	<u>274,006,787</u>	<u>(245,260,901)</u>
EXPENDITURES					
Capital Planning					
GoTriangle	3,655,999	1,432,843	753,562	2,186,405	1,469,594
City of Raleigh	425,000	354,526	68,417	422,943	2,057
CAMPO	740,000	258,184	223,890	482,074	257,926
Wake County	30,000	30,000	-	30,000	-
Community Funding Area					
Town of Apex	207,000	-	9,513	9,513	197,487
Town of Fuquay-Varina	13,750	9,000	-	9,000	4,750
Town of Garner	50,000	47,782	-	47,782	2,218
Town of Knightdale	-	-	26,448	26,448	(26,448)
Town of Morrisville	248,000	45,193	49,053	94,246	153,754
Town of Rolesville	16,500	11,517	-	11,517	4,983
Research Triangle Foundation	-	-	20,724	20,724	(20,724)
Commuter Rail					
GoTriangle	7,100,000	3,120,182	2,078,877	5,199,059	1,900,941
Reserve	38,260,371	-	-	-	38,260,371
Bus Rapid Transit					
City of Raleigh	54,035,545	10,347,518	5,354,063	15,701,581	38,333,964
Bus Infrastructure					
GoTriangle	15,713,624	4,130,257	2,255,713	6,385,970	9,327,654
City of Raleigh	14,364,382	3,752,486	335,067	4,087,553	10,276,829
Town of Cary	7,553,110	1,775,183	537,877	2,313,060	5,240,050
Town of Holly Springs	55,000	16,273	30,362	46,635	8,365
Reserve	-	-	-	-	-
Bus Acquisition					
GoTriangle	9,000,000	4,171,477	2,325,477	6,496,954	2,503,046
City of Raleigh	32,006,386	20,348,934	22,185,646	42,534,580	(10,528,194)
Reserve	-	-	-	-	-
Allocation to Wake Capital Fund	<u>152,554,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,554,243</u>
Total expenditures	<u>336,028,910</u>	<u>49,851,355</u>	<u>36,254,689</u>	<u>86,106,044</u>	<u>249,922,866</u>
Revenues over expenditures	<u>(307,283,024)</u>	<u>122,789,898</u>	<u>65,110,845</u>	<u>187,900,743</u>	<u>(495,183,767)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	<u>307,283,024</u>	<u>168,902,374</u>	<u>-</u>	<u>168,902,374</u>	<u>138,380,650</u>
Total other financing sources	<u>307,283,024</u>	<u>168,902,374</u>	<u>-</u>	<u>168,902,374</u>	<u>138,380,650</u>
Excess of revenues over expenditures	<u>-</u>	<u>\$ 291,692,272</u>	<u>\$ 65,110,845</u>	<u>\$ 356,803,117</u>	<u>\$ (356,803,117)</u>

Note:

This informational schedule compiles the totals of all capital projects authorized by the Wake Transit Plan governing board, the Transit Planning Advisory Committee.

Both open and closed projects are included, giving the reader the full breadth of the capital projects funded by the public money.

An annual capital budget is adopted by the Research Triangle Regional Public Transportation Authority and is presented in the individual statement and schedule section following the notes.

Funding is provided from the Article 43 Local Option Sales Tax and investment income.

This schedule is to give the reader an overview of the various projects by general class and by transit partner.

No multi-year project ordinance is adopted at this time by the Authority.

This schedule includes all adopted project ordinance amounts since inception. Project adjustments adopted by the Wake Transit Governing Boards have been included in the Cumulative Amounts of All Projects.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Wake Funds
Fund Balance Against Inter-local Agreement Benchmarks
June 30, 2022

	TTD - Wake Operating	TTD - Wake Capital
Fund Balances:		
Restricted - Stabilization by State Statute	\$ 40,074,697	\$ -
Restricted - Enabling Legislation	27,752,112	333,825,735
Restricted - Interlocal Agreement	3,897,621	22,977,379
Restricted - Community Funding Area Program	1,059,296	-
Total fund balances	<u>\$ 72,783,726</u>	<u>\$ 356,803,114</u>
Article 43, Local Option Sales Tax budgeted in FY 2023	\$ 15,590,485	\$ 91,909,514
At 25%	3,897,621	22,977,379
Excess / (Deficit) Coverage	<u>\$ 68,886,105</u>	<u>\$ 333,825,735</u>
FY 2022 Operating Expenditures	\$ 18,964,241	NA
90 Days Operating Cash Requirement	4,676,114	NA
Excess / (Deficit) Coverage	<u>\$ 68,107,612</u>	<u>NA</u>

COMPLIANCE SECTION

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Research Triangle Regional Public Transportation Authority
Research Triangle Park, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Research Triangle Regional Public Transportation Authority (the "Authority"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated November 11, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
November 11, 2022

Report of Independent Auditor on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

To the Board of Trustees
Research Triangle Regional Public Transportation Authority
Research Triangle Park, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Research Triangle Regional Public Transportation Authority's (the "Authority"), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in *Auditor's Responsibilities for the Audit of Compliance* section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
November 11, 2022

**Report of Independent Auditor on Compliance for the Major State Program and on
Internal Control over Compliance Required by Uniform Guidance and
the State Single Audit Implementation Act**

Board of Trustees
Research Triangle Regional Public Transportation Authority
Research Triangle Park, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Research Triangle Regional Public Transportation Authority's (the "Authority"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Authority's major state programs for the year ended June 30, 2022. The Authority's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and State Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in *Auditor's Responsibilities for the Audit of Compliance* section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
November 11, 2022

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section I—Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant Deficiency(s) identified ___ yes X none reported

Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant Deficiency(s) identified ___ yes X no

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes X no

Identification of major federal programs:

<u>Assistance Listing Number#</u>	Names of Federal Program or Cluster
20.500	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? X yes ___ no

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

Section I—Summary of Auditor’s Results

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant Deficiency(s) identified ___ yes X none reported

Type of auditor’s report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with the State
Single Audit Implementation Act ___ yes X no

Identification of major State programs:

Program Name
State Maintenance Assistance for Urban and Small Urban Program

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

Section IV – State Award Findings and Questioned Costs

None noted.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

Schedule of Prior Year Audit Findings

None.

Research Triangle Regional Public Transportation Authority
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year ended
June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Grant Number	Current Year Expenditures			
				Total	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:							
<u>Direct Programs:</u>							
<u>U.S. Department of Transportation</u>							
<u>Federal Transit Cluster</u>							
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2020-053	\$ 1,822,600	\$ 1,455,680	\$ -	\$ 366,920
	20.507		5527-2022-4	10,823,590	\$ 10,823,590	-	-
	20.507		5527-2021-4	4,976,154	\$ 4,976,154	-	-
		36231.5.12.3 47244.1.1					
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	36231.5.12.4	NC-2017-064	238,882	191,106	-	47,776
Passed through the Town of Burlington	20.507		0601201	49,509	39,607	-	9,902
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2016-027	29,685	23,748	-	5,937
Total Federal Cluster				17,940,420	17,509,885	-	430,535
National Infrastructure Investment	20.933		NC-2020-037	881,377	464,485	-	416,892
Total Federal assistance:				18,821,797	17,974,370	-	847,427
State Grants:							
<u>Direct Programs:</u>							
<u>North Carolina Department of Transportation</u>							
State Maintenance Assistance Program	DOT-9	36234.76.2.1		20,642,981	-	2,822,173	17,820,808
<u>Passed through the Triangle J Council of Governments:</u>							
Rideshare	DOT-11		TDMGOTRI22	688,769	-	519,732	169,038
Total State assistance:				21,331,750	-	3,341,905	17,989,846
				Total Assistance: \$ 40,153,547	\$ 17,974,370	\$ 3,341,905	\$ 18,837,273

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Research Triangle Regional Public Transportation Authority under the programs of the federal government and the State of North Carolina for the fiscal year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Research Triangle Regional Public Transportation Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Research Triangle Regional Public Transportation Authority.

Note 2 -- Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Research Triangle Regional Public Transportation Authority has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

