

ATTACHMENT 2



RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

Prepared by:
Finance Department

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Pages</u>
<u>TABLE OF CONTENTS</u>	
	1-4
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	5-10
Board of Trustees	11
FY 2019 Senior Staff	12
Certificate of Achievement for Excellence in Financial Reporting	13
<u>FINANCIAL SECTION:</u>	
Report of Independent Auditor	15-16
Management's Discussion and Analysis	17-28
Basic Financial Statements:	
<u>Government-Wide Financial Statements:</u>	
Statement of Net Position	29
Statement of Activities	30-31
<u>Fund Financial Statements:</u>	
Balance Sheet-Governmental Funds	32-33
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	36-37
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	40
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Triangle Tax District – Durham/Orange	41
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Durham/Orange Special Tax District	42
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Triangle Tax District – Wake Operating Fund	43

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS (Continued)

	<u>Pages</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Triangle Tax District – Wake Capital Fund	44
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Wake Special Tax District	45
Statement of Net Position - Proprietary Funds	46
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Funds	47
Statement of Cash Flows - Proprietary Funds	48-49
 <u>Notes to the Basic Financial Statements</u>	 40-78
 <u>Required Supplementary Information:</u>	
Other Postemployment Benefits Required Supplementary Information	79
 <u>Individual Fund Statements and Schedules:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Major Capital Projects Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Technology Capital Project Fund	82
Schedule of Revenues and Expenditures - Proprietary Fund – Ridesharing - Budget and Actual (Non-GAAP)	83
Schedule of Revenues and Expenditures – Proprietary Fund – Regional Bus Fund – Budget and Actual (Non-GAAP)	84
Schedule of Revenues and Expenditures – Proprietary Fund – Regional Bus Capital Project Fund Budget and Actual (Non-GAAP)	85
 <u>STATISTICAL SECTION (Unaudited):</u>	
Statistical Section Table of Contents	87-88
Net Position by Component - Last Ten Fiscal Years	90-91
Change in Net Position - Last Ten Fiscal Years	92-93
Fund Balances, Governmental Funds - Last Ten Fiscal Years	94-95
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	96-97

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS (Continued)

	<u>Pages</u>
Governmental Fund Expenditures by Function - Last Ten Fiscal Years	98-99
Governmental Fund Revenues by Source - Last Ten Fiscal Years	100-101
Ratios of Outstanding Debt By Type - Last Ten Fiscal Years	102
Employee Position Authorization by Department - Last Ten Fiscal Years	103
Operating Indicators by Function/Program - Last Ten Fiscal Years	104-105
Capital Assets by Function/Program - Last Ten Fiscal Years	106-107
Insurance in Force - July 1, 2019 – June 30, 2020	109
 Durham County Demographics and Economic Statistics	 110
Durham County Principal Employers	111
Orange County Demographics and Economic Statistics	112
Orange County Principal Employers	113
Wake County Demographics and Economic Statistics	114
Wake County Principal Employers	115
Principal Auto Rental Agencies – Wake, Durham, and Orange Counties	116
Schedule of Cumulative Capital Project Effort	117

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 <i>Government Auditing Standards</i>	119-120
Report of Independent Auditor on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance in Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act	121-122

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS (Continued)

	<u>Pages</u>
Report of Independent Auditor on Compliance with Requirements Applicable to each Major State Program And on Internal Control over Compliance in Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act	123-124
Schedule of Findings and Questioned Costs	125-126
Schedule of Corrective Action	127
Schedule of Prior Year Audit Findings	128
Schedule of Expenditures of Federal and State Awards for the Year Ended June 30, 2019	129
Note to Schedule of Expenditures of Federal and State Awards	129

INTRODUCTORY SECTION

October 29, 2019

Board of Trustees

Research Triangle Regional Public Transportation Authority

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Research Triangle Regional Public Transportation Authority (GoTriangle) for the fiscal year ended June 30, 2019. 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, management of GoTriangle has established a comprehensive internal control framework that is designed both to protect the government'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 CAFR to gather a clear and in-depth understanding of its contents.

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.

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.

Board of Trustees

GoTriangle is governed by a thirteen-member Board of Trustees. Ten members are appointed by the region's cities and counties, and three 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

Total Full – Time Employees – 277

General Counsel	3
Communications & Public Affairs	17
Finance and Administrative Services	19
Human Resources	5
Capital Development	34
Regional Services	21
Regional Bus	178

2018 - 2019 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 1.59 million in July 2020, 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 1.73M by mid-2025, a growth rate of 32.2% since the last Census.

The spread out nature of 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. GoTriangle and Wake County, together with multiple partners, are developing a long-range plan for transit expansion and improvement for the Triangle’s eastern county. As noted in Management’s Discussion and Analysis, the Wake County revenue is significantly more than current spending. Over the next several years, as service expansion projects and new services come on line, the reserves accumulated in the early years will be drawn down.

Transit can help ensure that communities in the Triangle will 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:

- **Supporting the Employed** – In FY 2019, GoTriangle provided transit services to 1.65 million passengers. Regular route revenue miles increased by 13,184 miles to 2,822,999.
- **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 are demonstrating that they see this benefit by providing transit or vanpool subsidies for their employees.
- **Moving The Economy** – Transit moves people to school and training, allowing them to seek higher paying jobs and become self-sufficient. From the 2016 on-board customer survey, 30% of GoTriangle’s riders are full-time or part-time students, and 13% of all trips are for the purpose of traveling to or from college. Many customers use GoTriangle services to attend Duke University, Durham Technical Community College, Meredith College, NC Central University, NC State University, Shaw University and UNC-Chapel Hill and for travel to Duke University Medical Center and the UNC Hospitals.
- **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 593,229 compared to 599,410 in Fiscal Year 2018.

To promote the habit of public transit use as a life-long habit, GoTriangle and the Wake County Transit Partners initiated the Youth GoPass program. Enrolled participants between the ages of 13 to 18 may ride the buses for free.

Major Initiatives

Leading the way for more transportation alternatives, GoTriangle embarked on another history-making year in the fiscal year ending June 30, 2019. 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. The 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 Transit Governance Interlocal Agreement (ILA). This agreement is between GoTriangle, the Capital Area Metropolitan Planning Organization (CAMPO), and Wake County. A full year of revenue collection generated \$108,899,128. 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 Authority's debt rating, resulting in lower interest costs.

Regional Bus Fund

- Fixed Route bus ridership for FY 2019 was 1,654,836 boardings, up by 1.1% compared to the previous year.
- The Vanpool program ended FY 2019 with 37 vehicles on the road. GoTriangle is currently in the process of outsourcing its vanpool operations to Enterprise car rental. Van riders will have newer vehicles, with updated technology such as wi-fi and electronic payment options.

Ridesharing Fund

- GoTriangle had GoPass agreements in place with 21 employers as of June 30, 2019.
- The GoTriangle Regional Transit Information Center answered 239,215 customer calls in Fiscal Year 2019. This is a decrease of 22,973, approximately 13.8%. More riders are using the Transloc application to predict when their bus will arrive at the stop, eliminated the need to call the Center. A new telephone software (Zendesk) was implemented in late 2018, allowing for better tracking of calls as well as replacing the customer comment system. Overall, the Information Center answered 94% of the calls initiated, with an average hold time of 11 seconds.

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 General Purpose Financial Statements is included in the Financial Section of this report. The auditor's reports are required as part of a single audit and are found in the Compliance Section of this report.

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. 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 Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles 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-four (24) 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,

A handwritten signature in cursive script that reads "Saundra Freeman".

Saundra Freeman
CFO/Director of Finance and Administrative Services

GoTriangle Board of Trustees

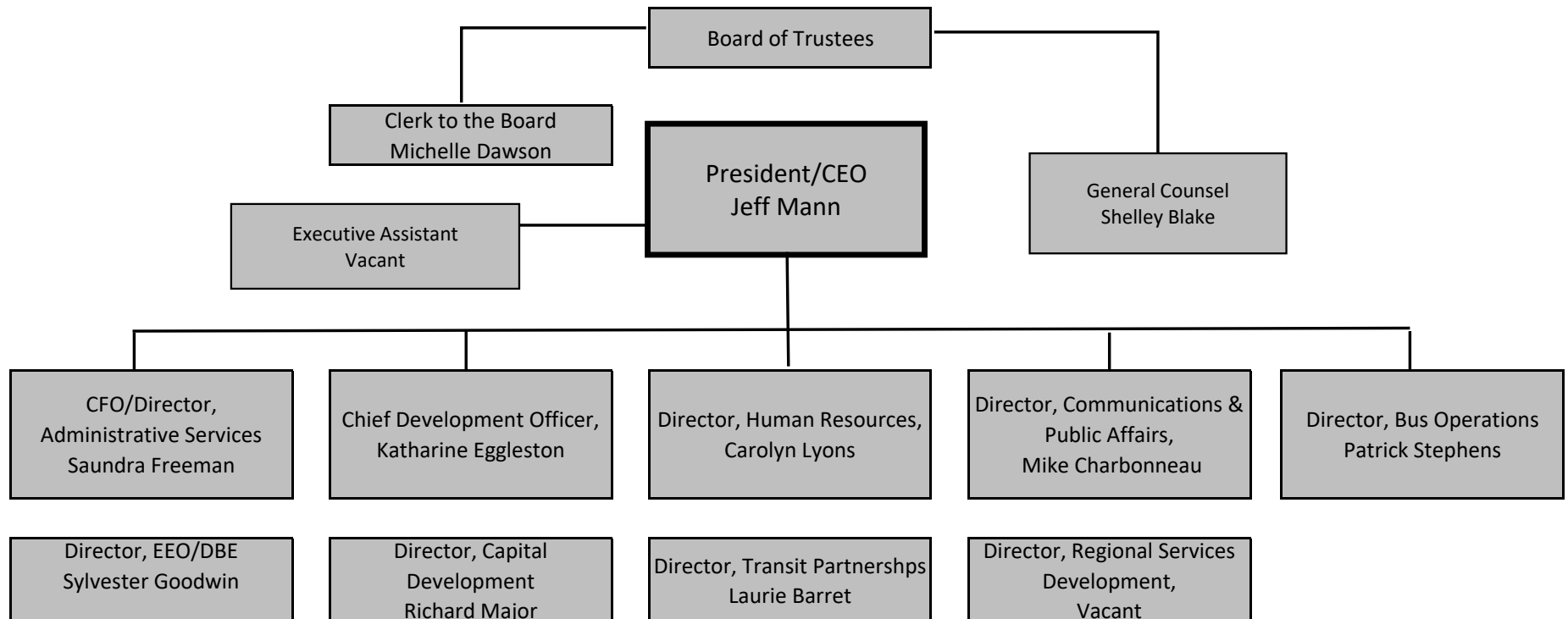
June 30, 2019

William A. Allen III, Vice Chair	City of Raleigh
Sig Hutchinson, Treasurer	Wake County
Mark Marcoplos	Orange County
Wendy Jacobs	Durham County
Vivian A. Jones	Wake County
Valerie Jordan	NCBOT
Michael Parker, Secretary	Town of Chapel Hill
Andrew Perkins, Jr.	NCBOT
Ellen Reckhow, Chair	Durham City/County
Jennifer Robinson	Town of Cary
Steve Schewel	City of Durham
Russ Stephenson	City of Raleigh
Nina Szlosberg-Landis	NCBOT

Special Tax Board

James Hill	Durham County
Sig Hutchinson, Treasurer	Wake County
Renee Price, Secretary	Orange County
Ellen Reckhow, Chair	Durham County
Penny Rich	Orange County
James West, Vice Chair	Wake County

GoTRIANGLE SENIOR STAFF





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the blended 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, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, the blended component units, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, Triangle Tax District – Durham/Orange fund, Durham/Orange Special Tax District Fund, Triangle Tax District – Wake Operating fund, Triangle Tax District – Wake Capital fund, and the Wake Special Tax District fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to Management's Discussion and Analysis and 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 and Other 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 introductory section, individual fund statements and schedules, and statistical section, as well as the accompanying 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.

The individual fund statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2019, 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, grant agreements, and other matters. The purpose of that report is 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 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.



Raleigh, North Carolina
October 29, 2019

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, 2019. 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. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of fiscal year 2019 by \$389,091,867 (*net position*).
- The Authority's total net position decreased by \$32,176,187. This includes a write down of the Construction in Progress value for the Durham-Orange Light Rail Project (D-O LRT) of \$146,801,453. The Wake Tax District Funds contributed \$89,983,122 of net revenue to the Authority's net position. Spending on Wake County transit initiatives has increased but is still below the level expected when plans are fully active.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$331,077,570 an increase of \$66,242,267 from operations.
- Fund balances at year-end, for funds fully under the control of the Authority totaled \$80,516,526; General Fund, \$41,795,360 and the Major Capital Project Fund, \$38,721,166. These funds should be reviewed together for an accurate view of the Authority's financial position. For Fiscal Year 2019, fund balance for these funds decreased by \$516,355.
- At the end of the current fiscal year, the fund balance of the blended component units, Triangle Tax District – Durham/Orange and the Durham/Orange Special Tax District, had a combined fund balance of \$48,062,788, a combined decrease of \$23,224,500. Though design efforts for the D-O LRT are discontinued, they did go forward for nearly 75 percent of the fiscal year.
- The Triangle Tax District – Wake Operating, Triangle Tax District – Wake Capital, and Wake Special Tax District had a combined fund balance of \$202,498,256, an \$89,983,122 increase from the prior year. The increase comes from the second full year of tax collections and increased/improved transit services not fully implemented. Reserves will be available in future years for improved transit services and preliminary planning and design of future capital projects.
- 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.

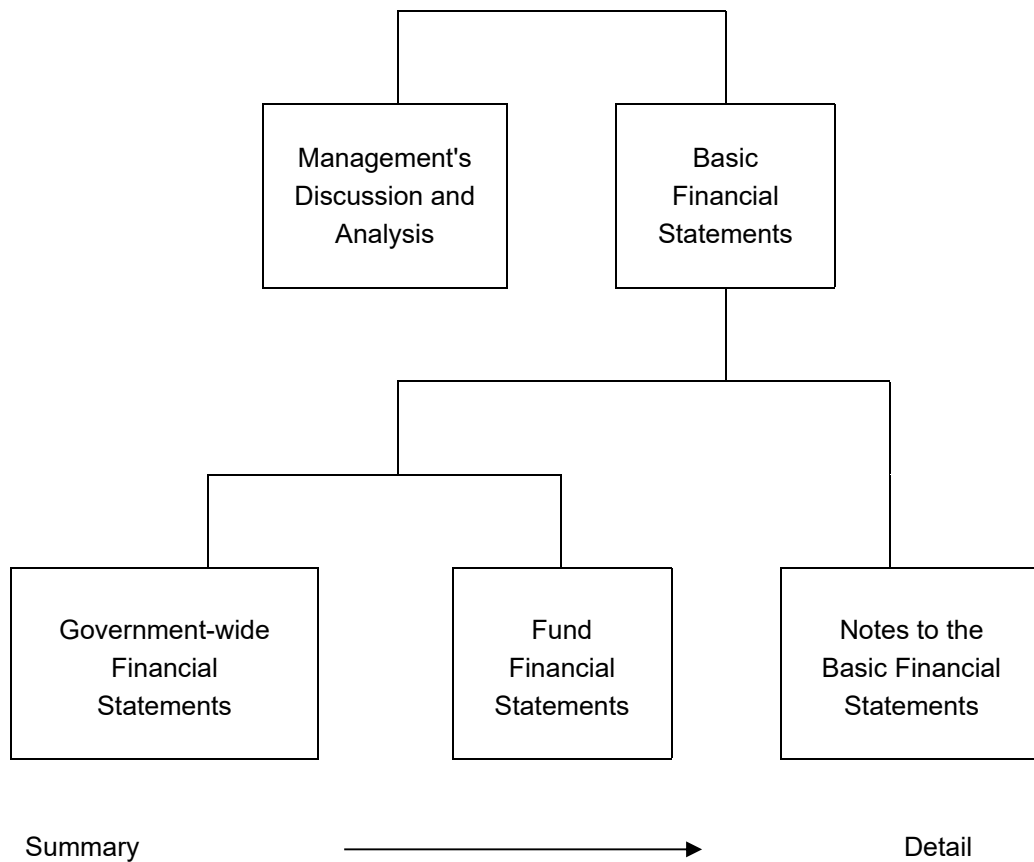
Overview of the Financial Statements

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 statements and fund financial statements. In addition to the basic financial statements, this

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

Required Components of Annual Financial Report

Figure 1



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 29 through 31) 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 32 through 49) 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 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**. 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 statements provide short-term and long-term information about the Authority's financial status as a whole.

The two government-wide 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 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. These include the ridesharing and bus services offered by the Authority. The government-wide financial statements are on pages 29 and 31 of this report.

Fund Financial Statements – The fund financial statements (see pages 32 through 49) 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 40 - 45 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 46 - 49 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 50 through 78 of this report.

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

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 79 of this report.

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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	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 345,044,639	\$ 291,862,391	\$ (16,944,417)	\$ (12,302,909)	\$ 328,100,222	\$ 279,559,482
Capital assets	65,628,903	157,716,647	15,057,257	16,752,677	80,686,160	174,469,324
Total assets	410,673,542	449,579,038	(1,887,160)	4,449,768	408,786,382	454,028,806
Long term liabilities outstanding	1,190,882	1,440,712	2,529,228	2,538,520	3,720,110	3,979,232
Other liabilities	14,495,240	27,269,083	932,758	1,141,326	15,427,998	28,410,409
Total liabilities	15,686,122	28,709,795	3,461,986	3,679,846	19,148,108	32,389,641
Deferred inflows of resources	170,670	115,156	375,737	255,955	546,407	371,111
Total liabilities and deferred revenues	15,856,792	28,824,951	3,837,723	3,935,801	19,694,515	32,760,752
Net position:						
Investment in capital assets	65,628,903	157,716,647	15,057,257	16,752,677	80,686,160	174,469,324
Restricted - Reserve by State Statute	76,822,273	110,095,745	-	-	76,822,273	110,095,745
Restricted - Enabling Legislation	201,501,984	159,952,779	-	-	201,501,984	159,952,779
Restricted - Interlocal Agreement	40,088,501	21,345,000	-	-	40,088,501	21,345,000
Unrestricted (deficit)	10,775,089	(28,356,084)	(20,782,140)	(16,238,710)	(10,007,051)	(44,594,794)
Total net position	\$ 394,816,750	\$ 420,754,087	\$ (5,724,883)	\$ 513,967	\$ 389,091,867	\$ 421,268,054

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 \$389,091,867 as of June 30, 2019. The Authority's net position decreased by \$32,176,187 through operations and the write down for the discontinued design of the Durham/Orange Light Rail Project. This compares to an increase of \$121,256,927 as of June 30, 2018. For the year ended June 30, 2019, the Wake Tax District Funds contributed \$89,983,122 of net revenue to the Authority's net position. Transit services spending for projects in Wake County continues to increase and significant capital spending is expected to begin over the next several years.

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. In the prior year, marking the investments to market value enhanced the positive investment earnings showed. In the current year, the adjustment to market value was comparable to the interest earnings. The Authority is moving more funds into the North Carolina Capital Management Trust for more stable earnings.

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

- As has been noted above, the Wake County revenue sources were fully collected throughout the fiscal year, but the projects to be supported by these funds are not yet fully active and operational. As spending increases in the short-term, the increases in net position and fund balance will return to a more stable rate. Any revenue surpluses are, of course, available for future use in Wake County. The interlocal agreement controlling the funds requires that certain amounts be reserved for future uses. Those amounts are shown as “Restricted – Interlocal Agreement.”
- Leaders in Durham and Orange counties voted to discontinue the counties’ light-rail project in April following the GoTriangle Board of Trustees’ recommendation in March. The difficult decision came after months of coordination and creative problem-solving to maintain the project’s viability.

In fiscal year 2019, as GoTriangle advanced the light-rail project toward 90 percent design, the project ran into significant obstacles. They included an additional reduction in state funding, shortfalls in private fundraising, increases in contingency funds required by the Federal Transit Administration, design and liability concerns from critical third-party stakeholders and design challenges and associated cost increases to prevent conflicts with at-grade railroad crossings in downtown Durham. Together, these challenges increased the likelihood that the project would miss deadlines set by the North Carolina General Assembly to remain eligible for state funding.

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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
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 896,576	\$ 1,165,852	\$ 2,652,653	\$ 3,288,406	\$ 3,549,229	\$ 4,454,258
Operating grants and contributions	89,070	4,943,910	1,956,549	3,121,654	2,045,619	8,065,564
Capital grants and contributions	87,427	902,105	126,497	3,715,112	213,924	4,617,217
General revenues:						
Vehicle registration taxes	19,015,982	18,516,428	-	-	19,015,982	18,516,428
Vehicle rental taxes	12,524,361	11,671,976	-	-	12,524,361	11,671,976
Special sales tax revenues	129,911,500	122,793,936	-	-	129,911,500	122,793,936
Miscellaneous revenues	1,426,098	886,790	6,222,460	6,142,719	7,648,558	7,029,509
Unrestricted investment earnings	5,205,925	1,908,742	1,978	14,156	5,207,903	1,922,898
Total revenues	169,156,939	162,789,739	10,960,137	16,282,047	180,117,076	179,071,786
Expenses:						
Administration	302,630	738,842	-	-	302,630	738,842
Board	103,946	146,958	-	-	103,946	146,958
Capital Development	3,918,149	4,580,967	-	-	3,918,149	4,580,967
Communications & Public Affairs	1,083,796	2,408,427	-	-	1,083,796	2,408,427
Executive Office	552,067	-	-	-	552,067	-
Finance	2,634,018	2,806,896	-	-	2,634,018	2,806,896
General Counsel	1,782,291	971,652	-	-	1,782,291	971,652
Human Resources	676,820	687,057	-	-	676,820	687,057
EEO/DBE	144,575	141,254	-	-	144,575	141,254
GoDurham	1,011,581	881,430	-	-	1,011,581	881,430
Transit Services	25,376,819	17,584,858	-	-	25,376,819	17,584,858
Miscellaneous	462,124	188,583	-	-	462,124	188,583
Regional bus service	-	-	24,755,050	23,889,251	24,755,050	23,889,251
Regional Services	663,938	-	2,024,007	2,365,159	2,687,945	2,365,159
Total expenses	38,712,754	31,136,924	26,779,057	26,254,410	65,491,811	57,391,334
Increase (Decrease) in net position before transfers	130,444,185	131,652,815	(15,818,920)	(9,972,363)	114,625,265	121,680,452
Transfers	(9,580,069)	(10,453,969)	9,580,069	10,453,969	-	-
Special Item	(146,801,453)	-	-	-	(146,801,453)	-
Increase (Decrease) in net position	(25,937,337)	121,198,846	(6,238,851)	481,606	(32,176,188)	121,680,452
Net position, beginning as previously reported	420,754,087	299,340,614	513,967	670,513	421,268,054	300,011,127
Prior period adjustment	-	214,627	-	(638,152)	-	(423,525)
Net position, beginning	420,754,087	299,555,241	513,967	32,361	421,268,054	299,587,602
Net position, ending	\$ 394,816,750	420,754,087	\$ (5,724,884)	\$ 513,967	\$ 389,091,867	\$ 421,268,054

Governmental Activities – Governmental activities decreased the Authority’s net position by \$25,937,337. Key elements of this significant change are as follows:

- General revenues increased from \$155,777,872 in Fiscal Year 2018 to \$168,083,866 in Fiscal Year 2019, a net increase of \$12,305,994. Wake County fund balance increases of \$89,983,122 contributed to the positive trend. Other revenues, such as grants, were lower than expected.
- Spending in the Triangle Tax District – Durham/Orange Fund decreased from \$72,561,784 to \$67,652,059 due to the cessation of Durham-Orange Light Rail project. The \$146,801,453 write down for the discontinued Durham-Orange Light Rail Project is also included here.

Business-Type Activities – Business-type activities decreased the Authority’s net position by \$6,238,850. Key elements for this decrease are as follows:

- Operations resulted in a decrease to net position of \$15,997,255
 - Spending in bus operations and transit services increased by \$524,647.
 - Capital Contributions decreased \$3,588,615.

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 \$41,795,360, an increase of \$41,486,812. The General Fund is the only check writing fund. As payments are made on behalf of other funds, interfund payables and receivables, “due to” and “due from” amounts are recorded by the system. During the year, Authority staff members reviewed and settled a great many of the amounts owed to the General Fund. Settling these receivable amounts increased the fund balance of the General Fund. Other funds saw a moderate decrease in fund balance. The Major Capital Projects Fund decreased \$42,003,167, in large part to the settlement of amounts owed to the General Fund.

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

At June 30, 2019, the governmental funds of the Authority reported a combined fund balance of \$331,077,570, an increase of \$66,242,267 over last year. Factors contributing to this were:

- A decrease of \$516,355 in funds unrestricted for the Authority's use,
- A decrease of \$23,224,500 in Durham/Orange funds, and
- An increase of \$89,983,122 in Wake funds.

As noted above, the Durham-Orange Light Rail Project was in the engineering phase until the Spring of 2019. The Authority was not able to secure crucial support agreements necessary to meet the federal schedule to receive federal funding. Allowing for this timing difference, the engineering costs in Fiscal Year 2019 were comparable to the engineering costs in Fiscal Year 2019.

This is the Wake Transit Plan's second full 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 and a commuter rail system running from central Wake County to Durham. Once these projects begin, the growth in fund balance is expected to stabilize. The Authority is establishing reserves to fund the projects as they move into engineering and construction phases.

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.

Proprietary Funds – The Authority's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The Ridesharing Fund shows a deficit net position of \$2,907 at the end of the current fiscal year. Net position for the Regional Bus Service Fund decreased to a deficit position of \$5,721,976 at the end of the current fiscal year. As discussed above, the General Fund makes payments on behalf of other funds. As this happens those funds have a payable amount due to the General Fund. The amount due to the General Fund from the Proprietary Funds increased \$5,008,438 to \$22,256,033 during the year. Other funds have been used to support these funds as needed. This support is expected to continue in the future.

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

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, 2019 totaled \$80,686,160 (net of accumulated depreciation). This was a decrease from the \$174,469,324 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:

- The Governmental Activities recognized a write down of \$146,801,453 in the value of the Durham-Orange Light Rail project, as recorded in Construction in Progress. Management felt that this was prudent based upon the short time frame that current engineering and design work could sit idle before the plans would not be acceptable to subsequent engineers. Management believes this best conveys to the users the financial condition of the Durham-Orange Light Rail Project.
- For several years, the Rideshare Fund carried \$175,275 in fully depreciated assets on its books. As part of the capital asset review for the coming year, it was determined that removing those assets from the records would be a better representation of the fund's financial condition. These were written off during the year.

Figure 4

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2019	2018	2019	2018	2019	2018
Land	\$ 43,047,720	\$ 40,581,850	\$ 748,068	\$ 748,068	\$ 43,795,788	\$ 41,329,918
Buildings and Improvements	6,200,329	6,513,769	6,384,622	6,588,594	12,584,951	13,102,363
Equipment and Vehicles	1,326,979	604,191	7,924,567	9,416,015	9,251,546	10,020,205
Construction in Progress	15,053,875	110,016,837	-	-	15,053,875	110,016,837
Total	\$ 65,628,903	\$ 157,716,647	\$ 15,057,257	\$ 16,752,677	\$ 80,686,160	\$ 174,469,324

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

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

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities – The total revenue budgeted in FY 2020 is \$225.9M. The major sources of revenue for these activities are the ½ cent sales tax, \$132.6M; 5% vehicle rental tax, \$13.0M; \$3, \$5, and \$7 vehicle registration taxes, \$19.8M; federal and state grants, \$3.5M; and Wake Tax District Prior Year Carryover, \$47.0M. Budgeted departmental expenditures in the General Fund are \$6.2M. Capital expenditures are budgeted at \$159.4M in Durham, Orange and Wake Counties.

Business - Type Activities – The total revenue budgeted in FY 2020 is \$9.8M. The major sources of revenue for these activities are rider fares and local subsidies, \$2.9M; federal and state grants, \$5.0M; and other revenue, \$1.9M. Budgeted departmental expenditures in the Bus and Rideshare funds are \$21.8M and \$2.4M, respectively. Transfers from the General Fund of \$9.4M 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, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,421,136	\$ -	\$ 24,421,136
Cash and cash equivalents, restricted	6,006,985	-	6,006,985
Receivables	7,696,565	1,145,988	8,842,553
Due from other governments	43,314,892	1,643,575	44,958,467
Internal balances	22,256,033	(22,256,033)	-
Investments	241,301,408	1,425,649	242,727,057
Inventories	-	1,096,404	1,096,404
Prepaid items	47,620	-	47,620
Total current assets	<u>345,044,639</u>	<u>(16,944,417)</u>	<u>328,100,222</u>
Capital assets:			
Land	43,047,720	748,068	43,795,788
Construction in progress	15,053,875	-	15,053,875
Other capital assets, net of depreciation	<u>7,527,308</u>	<u>14,309,189</u>	<u>21,836,497</u>
Total capital assets	<u>65,628,903</u>	<u>15,057,257</u>	<u>80,686,160</u>
Total assets	<u>410,673,542</u>	<u>(1,887,160)</u>	<u>408,786,382</u>
LIABILITIES			
Current liabilities:			
Accounts payable	13,302,942	122,342	13,425,284
Accrued wages and benefits	664,128	300,192	964,320
Current portion of long-term liabilities:			
Compensated absences	528,170	510,224	1,038,394
Total current liabilities	<u>14,495,240</u>	<u>932,758</u>	<u>15,427,998</u>
Due in more than a year:			
Compensated absences	227,597	388,995	616,592
Other post employment benefits	963,285	2,140,233	3,103,518
Total long-term liabilities	<u>1,190,882</u>	<u>2,529,228</u>	<u>3,720,110</u>
Total liabilities	<u>15,686,122</u>	<u>3,461,986</u>	<u>19,148,108</u>
DEFERRED INFLOWS OF RESOURCES			
Other Post Employment Benefit deferrals	<u>170,670</u>	<u>375,737</u>	<u>546,407</u>
NET POSITION			
Investment in capital assets	65,628,903	15,057,257	80,686,160
Restricted for:			
Stabilization by State statute	76,822,273	-	76,822,273
Public transportation	201,501,984	-	201,501,984
Intelocal agreement	40,088,501	-	40,088,501
Unrestricted (deficit)	10,775,089	(20,782,140)	(10,007,051)
Total net position	<u>\$ 394,816,750</u>	<u>\$ (5,724,883)</u>	<u>\$ 389,091,867</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, 2019

<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	\$ 38,712,754	\$ 896,576	\$ 89,070
Total governmental activities	<u>38,712,754</u>	<u>896,576</u>	<u>89,070</u>
Business-type activities			
Regional bus service	24,755,050	2,652,653	1,206,116
Ridesharing	2,024,007	-	750,433
Total business-type activities	<u>26,779,057</u>	<u>2,652,653</u>	<u>1,956,549</u>
Total primary government	<u>\$ 65,491,811</u>	<u>\$ 3,549,229</u>	<u>\$ 2,045,619</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 discontinued project

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
\$ 87,427	\$ (37,639,681)	\$ -	\$ (37,639,681)
87,427	(37,639,681)	-	(37,639,681)
126,497	-	(20,769,784)	(20,769,784)
-	-	(1,273,574)	(1,273,574)
126,497	-	(22,043,358)	(22,043,358)
\$ 213,924	(37,639,681)	(22,043,358)	(59,683,039)
	19,015,982	-	19,015,982
	12,524,361	-	12,524,361
	129,911,500	-	129,911,500
	1,426,098	6,222,461	7,648,559
	5,205,925	1,978	5,207,903
	168,083,866	6,224,439	174,308,305
	(146,801,453)	-	(146,801,453)
	(9,580,069)	9,580,069	-
	11,702,344	15,804,508	27,506,852
	(25,937,337)	(6,238,850)	(32,176,187)
	420,754,087	513,967	421,268,054
\$	394,816,750	\$ (5,724,883)	\$ 389,091,867

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds			
	General Fund	Major Capital Projects Fund	Triangle Tax District - Durham/Orange	Durham/ Orange Special Tax District
ASSETS				
Cash and cash equivalents	\$ 3,557,524	\$ 4,181,627	\$ 2,622,938	\$ 4,535,608
Cash and cash equivalents - restricted	-	6,006,985	-	-
Taxes receivable, net:				
Vehicle registration taxes	1,674,345	-	633,598	271,542
Refundable sales tax	195,843	-	-	-
Local option sales tax	-	-	11,415,497	-
Governmental agencies	44,162	297	1,215,867	-
Rental tax	-	383,903	2,003,898	-
Accrued interest	68,938	169,045	176,021	-
Prepaid items	47,620	-	-	-
Due from other funds	25,810,816	-	-	-
Other Miscellaneous	627,627	8,850	-	-
Investments	11,334,178	34,246,885	28,292,259	-
Total assets	<u>\$ 43,361,053</u>	<u>\$ 44,997,592</u>	<u>\$ 46,360,078</u>	<u>\$ 4,807,150</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 939,118	\$ 6,276,426	\$ 3,078,189	\$ -
Due to other funds	-	-	-	-
Accrued wages and benefits	626,575	-	26,251	-
Total liabilities	<u>1,565,693</u>	<u>6,276,426</u>	<u>3,104,440</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Prepaid items	47,620	-	-	-
Restricted - Reserved by State Statute	28,421,731	562,095	15,444,881	271,542
Restricted - Enabling Legislation	-	38,159,071	27,810,757	4,535,608
Restricted - Interlocal Agreement	-	-	-	-
Committed - Community Funding Area Program	-	-	-	-
Unassigned	13,326,009	-	-	-
Total fund balances	<u>41,795,360</u>	<u>38,721,166</u>	<u>43,255,638</u>	<u>4,807,150</u>
Total liabilities and fund balances	<u>\$ 43,361,053</u>	<u>\$ 44,997,592</u>	<u>\$ 46,360,078</u>	<u>\$ 4,807,150</u>

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

Major Funds				
Triangle Tax District - Wake Operating	Triangle Tax District - Wake Capital	Wake Special Tax District	Non-Major Governmental Fund	Total Governmental Funds
\$ 9,523,439	\$ -	\$ -	\$ -	\$ 24,421,136
-	-	-	-	6,006,985
1,712,585	-	733,638	-	5,025,708
-	-	-	-	195,843
25,417,518	-	-	-	36,833,015
-	-	-	-	1,260,326
4,258,283	-	-	-	6,646,084
-	-	-	-	414,004
-	-	-	-	47,620
-	-	-	-	25,810,816
-	-	-	-	636,477
6,710,805	160,717,281	-	-	241,301,408
<u>\$ 47,622,630</u>	<u>\$ 160,717,281</u>	<u>\$ 733,638</u>	<u>\$ -</u>	<u>\$ 348,599,422</u>
\$ 2,275,571	\$ -	\$ 733,638	\$ -	\$ 13,302,942
3,554,782	-	-	-	3,554,782
11,302	-	-	-	664,128
<u>5,841,655</u>	<u>-</u>	<u>733,638</u>	<u>-</u>	<u>17,521,852</u>
-	-	-	-	47,620
31,388,386	-	733,638	-	76,822,273
9,327,267	121,669,281	-	-	201,501,984
1,040,501	39,048,000	-	-	40,088,501
24,821	-	-	-	24,821
-	-	(733,638)	-	12,592,371
<u>41,780,975</u>	<u>160,717,281</u>	<u>-</u>	<u>-</u>	<u>331,077,570</u>
<u>\$ 47,622,630</u>	<u>\$ 160,717,281</u>	<u>\$ 733,638</u>	<u>\$ -</u>	<u>\$ 348,599,422</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, 2019

Fund Balances - Governmental Funds	\$ 331,077,570
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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	\$ 77,144,646	
Accumulated depreciation	<u>(11,515,743)</u>	
		65,628,903

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

Other post-employment benefits	(963,285)
Compensated absences and other long-term liabilities	(755,767)

Deferred inflows of resources related to OPEB are not reported in the funds	(170,670)
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Net position of governmental activities	<u><u>\$ 394,816,750</u></u>
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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, 2019

	Major Funds			
	General Fund	Major Capital Projects Fund	Triangle Tax District - Durham/Orange	Durham/Orange Special Tax District
REVENUES				
Restricted intergovernmental revenues:				
Federal grant revenues	\$ 3,533	\$ -	\$ 83,895	\$ -
State grant revenues	8,489	-	92,602	-
Local grant revenues	-	-	-	-
Other revenue (expenses)	1,771,641	164,164	(1,129,751)	-
Vehicle registration taxes	6,337,440	-	2,405,088	1,030,731
Special tax revenue	-	-	37,415,198	-
Indirect cost credits	1,408,673	-	-	-
Vehicle rental tax	-	6,262,180	2,003,898	-
Farebox	-	-	-	-
Investment income (loss)	(700)	352,883	1,966,944	-
Total revenues	<u>9,529,076</u>	<u>6,779,227</u>	<u>42,837,874</u>	<u>1,030,731</u>
EXPENDITURES				
Current:				
Board	76,933	-	23,153	-
Executive Office	552,067	-	-	-
Human Resources	676,028	-	-	-
Administration	293,507	-	-	-
Regional Services	-	-	663,161	-
Capital Development	233,798	-	3,638,851	-
EEO/DBE	144,402	-	-	-
GoDurham	1,011,581	-	-	-
Finance	2,117,649	-	-	-
General Counsel	459,259	161,066	1,159,878	-
Communication and Public Affairs	578,125	-	504,404	-
Transit Services	-	-	10,493,132	-
Capital outlay	-	-	51,169,480	-
Total expenditures	<u>6,143,349</u>	<u>161,066</u>	<u>67,652,059</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,385,727</u>	<u>6,618,161</u>	<u>(24,814,185)</u>	<u>1,030,731</u>
Other Financing Sources (Uses)				
Transfers from other funds	101,414,078	9,177,382	16,766,435	-
Transfers to other funds	(63,312,993)	(57,798,710)	(16,207,481)	-
Total other financing sources (uses)	<u>38,101,085</u>	<u>(48,621,328)</u>	<u>558,954</u>	<u>-</u>
Net change in fund balances	41,486,812	(42,003,167)	(24,255,231)	1,030,731
Fund balances - beginning	308,546	80,724,333	67,510,869	3,776,419
Fund balances - ending	<u>\$ 41,795,360</u>	<u>\$ 38,721,166</u>	<u>\$ 43,255,638</u>	<u>\$ 4,807,150</u>

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

Major Funds				
Triangle Tax District - Wake Operating	Triangle Tax District - Wake Capital	Wake Special Tax District	Non-Major Governmental Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 87,428
-	-	-	80,904	181,995
-	-	-	-	-
-	-	-	-	806,054
6,470,828	-	2,771,895	-	19,015,982
92,496,302	-	-	-	129,911,500
-	-	-	-	1,408,673
4,258,283	-	-	-	12,524,361
15,022	-	-	-	15,022
2,886,798	-	-	-	5,205,925
<u>106,127,233</u>	<u>-</u>	<u>2,771,895</u>	<u>80,904</u>	<u>169,156,940</u>
-	-	-	-	100,086
-	-	-	-	552,067
-	-	-	-	676,028
-	-	-	-	293,507
-	-	-	-	663,161
-	-	-	-	3,872,649
-	-	-	-	144,402
-	-	-	-	1,011,581
-	-	-	-	2,117,649
-	-	-	-	1,780,203
-	-	-	-	1,082,529
12,205,202	6,013,388	-	-	28,711,722
-	697,416	-	462,124	52,329,020
<u>12,205,202</u>	<u>6,710,804</u>	<u>-</u>	<u>462,124</u>	<u>93,334,604</u>
<u>93,922,031</u>	<u>(6,710,804)</u>	<u>2,771,895</u>	<u>(381,220)</u>	<u>75,822,336</u>
2,771,895	85,209,374	-	381,220	215,720,384
(85,209,374)	-	(2,771,895)	-	(225,300,453)
<u>(82,437,479)</u>	<u>85,209,374</u>	<u>(2,771,895)</u>	<u>381,220</u>	<u>(9,580,069)</u>
11,484,552	78,498,570	-	-	66,242,267
30,296,423	82,218,711	-	-	264,835,301
<u>\$ 41,780,975</u>	<u>\$ 160,717,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,077,570</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 Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**
For the Fiscal Year Ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ 66,242,267
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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 expense.

Capital outlay	\$ 58,599,299	
Less:		
Items transferred from CIP to service	(3,318,209)	
Write down of discontinued CIP project	(146,801,453)	
Depreciation expense	<u>(567,380)</u>	(92,087,743)

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	(49,323)
Compensated absences	14,397
Deferred inflows	<u>(56,935)</u>

Total changes in net position of governmental activities	<u><u>\$ (25,937,337)</u></u>
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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, 2019

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental revenues:				
Federal grant revenues	\$ 684,000	\$ 684,000	\$ 3,533	\$ (680,467)
State grant revenues	-	-	8,489	8,489
Local grant revenue	-	-	-	-
Indirect cost credits	1,504,164	1,504,164	1,408,673	(95,491)
Vehicle registration tax	6,348,769	6,348,769	6,337,440	(11,329)
Other revenue	1,537,415	1,537,415	1,771,641	234,226
Investment income (loss)	392,700	392,700	(700)	(393,400)
Total revenues	10,467,048	10,467,048	9,529,076	(937,972)
EXPENDITURES				
Current:				
Board	99,206	99,206	76,933	22,273
Executive Office	725,276	725,276	552,067	173,209
Human Resources	692,844	692,844	676,028	16,816
Administration	316,545	316,545	293,507	23,038
Capital Development	193,732	243,732	233,798	9,934
EEO/DBE	138,812	143,812	144,402	(590)
GoDurham	1,042,988	1,042,988	1,011,581	31,407
Finance	2,423,581	2,368,581	2,117,649	250,932
General Counsel	484,883	484,883	459,259	25,624
Communications and Public Affairs	638,790	638,790	578,125	60,665
Total expenditures	6,756,657	6,756,657	6,143,349	613,308
Revenues over expenditures	3,710,391	3,710,391	3,385,727	(324,664)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,900,281	2,900,281	101,414,078	98,513,797
Transfers to other funds	(7,900,044)	(7,900,044)	(63,312,993)	(55,412,949)
Total other financing sources (uses)	(4,999,763)	(4,999,763)	38,101,085	43,100,848
Fund balance appropriated	1,289,372	1,289,372	-	(1,289,372)
Excess (deficiency) of revenues over expenditures and other uses	\$ -	\$ -	\$ 41,486,812	\$ 41,486,812
Fund balance, beginning			308,546	
Fund balance, ending			\$ 41,795,360	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Durham/Orange
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2019

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Federal grant revenues	\$ 445,410	\$ 445,410	\$ 83,895	\$ (361,515)
State/local grant revenue	-	-	92,602	92,602
Vehicle registration tax	2,552,635	2,552,635	2,405,088	(147,547)
Special sales tax revenue	38,064,437	38,064,437	37,415,198	(649,239)
Vehicle rental tax	1,942,705	1,942,705	2,003,898	61,193
Other revenue (expense)	-	-	(1,129,751)	(1,129,751)
Investment income	-	-	1,966,944	1,966,944
Total revenues	43,005,187	43,005,187	42,837,874	(167,313)
EXPENDITURES				
Current:				
Board	33,069	33,069	23,153	9,916
Regional Services	761,235	761,235	663,161	98,074
Finance & Administration	1,531,833	1,531,833	-	1,531,833
General Counsel	8,781,165	8,829,729	1,159,878	7,669,851
Communications and Public Affairs	1,041,354	1,041,354	504,404	536,950
GoTransit Partners	544,252	544,252	-	544,252
Transit Services	8,572,413	8,620,977	10,493,132	(1,872,155)
Capital Outlay	70,323,779	70,323,779	54,808,331	15,515,448
Total expenditures	91,589,100	91,686,228	67,652,059	24,034,169
Revenues over expenditures	(48,583,913)	(48,681,041)	(24,814,185)	23,866,856
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	16,766,435	16,766,435
Transfers to other funds	(7,297,254)	(7,297,254)	(16,207,481)	(8,910,227)
Total other financing sources (uses)	(7,297,254)	(7,297,254)	558,954	7,856,208
Fund balance appropriated	55,881,167	55,978,295	-	(55,978,295)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	(24,255,231)	\$ (24,255,231)
Fund balance, beginning			67,510,869	
Fund balance, ending			\$ 43,255,638	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Durham/Orange Special Tax District
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2019

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration tax	\$ 1,093,970	\$ 1,093,970	\$ 1,030,731	\$ (63,239)
Total revenues	1,093,970	1,093,970	1,030,731	(63,239)
EXPENDITURES	1,093,970	1,093,970	-	1,093,970
Total expenditures	1,093,970	1,093,970	-	1,093,970
Excess of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	1,030,731	<u>\$ 1,030,731</u>
Fund balance, beginning			3,776,419	
Fund balance, ending			<u>\$ 4,807,150</u>	

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

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, 2019

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amount	
REVENUES				
Special sales tax revenue	\$ 86,684,000	\$ 86,684,000	\$ 92,496,302	\$ 5,812,302
Vehicle rental tax	4,147,000	4,147,000	4,258,283	111,283
Vehicle registration tax	6,197,000	6,197,000	6,470,828	273,828
Farebox	942,000	942,000	15,022	(926,978)
Investment income	-	-	2,886,798	2,886,798
Total revenues	97,970,000	97,970,000	106,127,233	8,157,233
EXPENDITURES				
Tax District Administration (GoTriangle)	411,094	411,094	248,981	162,113
Transit Plan Administration				
GoTriangle	1,739,983	2,042,033	1,545,473	496,560
Capital Area Metropolitan Planning Organization	553,750	553,750	308,496	245,254
City of Raleigh	966,250	966,250	939,873	26,377
Town of Cary	597,379	597,379	407,610	189,769
Bus Operations				
GoTriangle	2,226,419	2,226,419	1,984,471	241,948
City of Raleigh	7,477,875	7,477,875	5,754,968	1,722,907
Town of Cary	1,549,546	1,549,546	735,396	814,150
Wake County	283,280	283,280	276,934	6,346
Town of Wendell	4,200	4,200	3,000	1,200
Town of Zebulon	5,654	5,654	-	5,654
Allocation to Wake Operating Fund	1,825,000	1,825,000	-	1,825,000
Total expenditures	17,640,430	17,942,480	12,205,202	5,737,278
Revenues over expenditures	80,329,570	80,027,520	93,922,031	13,894,511
OTHER FINANCING SOURCES (USES)				
Fund Balance Appropriation	-	302,050	-	(302,050)
Transfers from other funds	2,604,000	2,604,000	2,771,895	167,895
Transfers to other funds	(82,933,570)	(82,933,570)	(85,209,374)	(2,275,804)
Total other financing sources (uses)	(80,329,570)	(80,027,520)	(82,437,479)	(2,409,959)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	11,484,552	\$ 11,484,552
Fund balance, beginning			30,296,423	
Fund balance, ending			\$ 41,780,975	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Wake Capital
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2019

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amount	
EXPENDITURES				
Capital Planning				
GoTriangle	597,333	597,333	285,796	311,537
City of Raleigh	350,000	350,000	-	350,000
Commuter Rail				
GoTriangle	333,333	333,333	-	333,333
Reserve	1,363,038	1,363,038	-	1,363,038
Bus Rapid Transit				
City of Raleigh	-	2,955,545	60,000	2,895,545
Reserve	2,955,545	-	-	-
Bus Infrastructure				
GoTriangle	2,930,624	2,930,624	351,620	2,579,004
City of Raleigh	1,905,000	1,905,000	1,562,632	342,368
Town of Cary	3,316,000	3,316,000	491,893	2,824,107
Bus Acquisition				
GoTriangle	5,000,000	5,000,000	-	5,000,000
City of Raleigh	13,642,136	13,642,136	3,958,863	9,683,273
Reserve	1,200,000	1,200,000	-	1,200,000
Allocation to Wake Capital Fund	49,340,561	49,340,561	-	49,340,561
Total expenditures	82,933,570	82,933,570	6,710,804	76,222,766
Revenues over expenditures	(82,933,570)	(82,933,570)	(6,710,804)	(76,222,766)
OTHER FINANCING SOURCES				
Transfers from other funds	82,933,570	82,933,570	85,209,374	2,275,804
Total other financing sources	82,933,570	82,933,570	85,209,374	2,275,804
Excess of revenues over expenditures	\$ -	\$ -	\$ 78,498,570	\$ 78,498,570
Fund balance, beginning			82,218,711	
Fund balance, ending			\$ 160,717,281	

See additional capital outlay informaton on Table 15 in the Statistical Section

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

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, 2019

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration tax	\$ 2,604,000	\$ 2,604,000	\$ 2,771,895	\$ 167,895
Total revenues	2,604,000	2,604,000	2,771,895	167,895
EXPENDITURES				
Total expenditures	-	-	-	-
Revenues over expenditures	2,604,000	2,604,000	2,771,895	167,895
OTHER FINANCING USES				
Transfers to other funds	(2,604,000)	(2,604,000)	(2,771,895)	(167,895)
Total other financing uses	(2,604,000)	(2,604,000)	(2,771,895)	(167,895)
Excess (deficiency) of revenues over expenditures and other uses	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Net Position
Proprietary Funds
June 30, 2019

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
ASSETS			
Current assets:			
Investments	\$ -	\$ 1,425,649	\$ 1,425,649
Inventories	-	1,096,404	1,096,404
Intergovernmental receivables	340,739	1,302,836	1,643,575
Other receivables	367,430	778,558	1,145,988
Total current assets	708,169	4,603,447	5,311,616
Non-current assets:			
Capital assets:			
Land	-	748,068	748,068
Other capital assets, net of depreciation	-	14,309,189	14,309,189
Total non-current assets	-	15,057,257	15,057,257
Total Assets	708,169	19,660,704	20,368,873
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	14,779	107,563	122,342
Due to other funds	397,596	21,858,437	22,256,033
Accrued wages and benefits	29,730	270,462	300,192
Compensated absences - current	73,129	437,095	510,224
Total current liabilities	515,234	22,673,557	23,188,791
Non-current liabilities:			
Compensated absences - noncurrent	6,066	382,929	388,995
Other post-employment benefits	161,386	1,978,847	2,140,233
Total non-current liabilities	167,452	2,361,776	2,529,228
Total liabilities	682,686	25,035,333	25,718,019
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefit deferrals	28,390	347,347	375,737
NET POSITION			
Investment in capital assets	-	15,057,257	15,057,257
Unrestricted	(2,907)	(20,779,233)	(20,782,140)
Total net position	\$ (2,907)	\$ (5,721,976)	\$ (5,724,883)

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, 2019

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
OPERATING REVENUES			
Bus fares	\$ -	\$ 700,144	\$ 700,144
Consignment	-	981,337	981,337
Vanpool fares	-	154,117	154,117
Employer subsidies	-	118,702	118,702
Specialized service	-	698,353	698,353
Other revenues	793,821	5,378,779	6,172,600
Intergovernmental revenues:			
Federal grant revenues	63,384	49,963	113,347
State grant revenues	58,500	1,108,843	1,167,343
Local grant revenues	628,549	47,310	675,859
Total operating revenues	<u>1,544,254</u>	<u>9,237,548</u>	<u>10,781,802</u>
OPERATING EXPENSES			
Bus Supervision	-	1,613,264	1,613,264
Bus Operations	-	9,225,923	9,225,923
Bus Maintenance	-	3,981,488	3,981,488
Vanpool	-	409,723	409,723
Specialized Services	-	2,029,049	2,029,049
Regional Call Center	973,424	-	973,424
Regional Services	407,694	-	407,694
Sustainable Travel	642,889	-	642,889
Unemployment claims	-	39,555	39,555
Depreciation, Bus	-	2,770,486	2,770,486
Transit Services	-	4,685,562	4,685,562
Total operating expenses	<u>2,024,007</u>	<u>24,755,050</u>	<u>26,779,057</u>
Operating loss	<u>(479,753)</u>	<u>(15,517,502)</u>	<u>(15,997,255)</u>
NON-OPERATING REVENUES			
Gain on asset sales	-	49,861	49,861
Investment earnings	-	1,978	1,978
Loss before contributions and transfers	<u>(479,753)</u>	<u>(15,465,663)</u>	<u>(15,945,416)</u>
Capital contributions	-	126,497	126,497
Transfers in	476,387	36,511,569	36,987,956
Transfers out	-	(27,407,887)	(27,407,887)
Change in net position	<u>(3,366)</u>	<u>(6,235,484)</u>	<u>(6,238,850)</u>
Total net position - beginning	<u>459</u>	<u>513,508</u>	<u>513,967</u>
Total net position - ending	<u>\$ (2,907)</u>	<u>\$ (5,721,976)</u>	<u>\$ (5,724,883)</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 14,593	\$ 4,430,226	\$ 4,444,819
Payments to suppliers	(704,352)	(7,893,803)	(8,598,155)
Payments to employees	(1,174,989)	(14,001,192)	(15,176,181)
Other receipts	1,345,785	4,156,383	5,502,168
Net cash used in operating activities	(518,963)	(13,308,386)	(13,827,349)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in due to General Fund	42,576	4,945,534	4,988,110
Transfers from General Fund	476,387	9,103,681	9,580,068
Net cash provided by noncapital financing activities	518,963	14,049,215	14,568,178
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES			
Capital contributions	-	126,497	126,497
Purchase of capital assets	-	(1,093,270)	(1,093,270)
Net cash used in capital and financing activities	-	(966,773)	(966,773)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	-	64,593	64,593
Proceeds from sale/maturity of investments	-	599,263	599,263
Purchase of investments	-	(437,912)	(437,912)
Net cash provided by investing activities	-	225,944	225,944
Net change in cash and cash equivalents	-	-	-
Balances beginning	-	-	-
Balances ending	\$ -	\$ -	\$ -

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, 2019

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (479,753)	\$ (15,517,502)	\$ (15,997,255)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	-	2,770,487	2,770,487
Changes in assets and liabilities:			
Receivables from governmental agencies	128,069	(256,272)	(128,203)
Inventories	-	(284,577)	(284,577)
Other receivables	(94,300)	4,580	(89,720)
Accrued payroll	2,721	76,458	79,179
Accrued compensated absences	(43,983)	50,395	6,412
Accounts payable & other liabilities	(53,040)	(362,352)	(415,392)
Other post employment benefits increases	21,323	210,397	231,720
Total adjustments	(39,210)	2,209,116	2,169,906
Net cash used in operating activities	<u>\$ (518,963)</u>	<u>\$ (13,308,386)</u>	<u>\$ (13,827,349)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 Secretary of Transportation	3

The Authority has five component units, the Triangle Tax District – Durham/Orange, the Durham/Orange Special Tax District, the Triangle Tax District – Wake Operating, the Triangle Tax District – Wake Capital, and the Wake Special Tax District, which based upon current GASB pronouncements 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.
- Major Capital Projects Fund – The Major Capital Projects Fund includes the Major Transit Investment Fund and the Regional Rail Capital Project Fund and both are used to account for funds used for the development of a regional rail and bus system.
- Triangle Tax District – Durham/Orange - The Triangle Tax District – Durham/Orange is shown as a major, blended component unit within the governmental financial statements. This fund collects special sales taxes in Durham and Orange Counties as well as vehicle rental and registration taxes, for transportation purposes in Durham and Orange Counties only.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Durham/Orange Special Tax District - The Durham/Orange Special Tax District is shown as a major, blended component unit within the governmental financial statements. This fund collects a *separate* vehicle registration tax levied in Durham and Orange Counties for transportation needs in Durham and Orange Counties, only.
- Triangle Tax District – Wake Operating - The Triangle Tax District – Wake Operating is shown as a major, blended component unit within the governmental financial statements. This fund collects special sales taxes, vehicle rental taxes and vehicle registration taxes, for transportation operations in Wake County, only.
- Triangle Tax District – Wake Capital - The Triangle Tax District – Wake Capital is shown as a major, blended component unit within the governmental financial statements. A portion of the revenues collected in the Wake Operating Fund is transferred to the Wake Capital Fund for capital purposes, per the Interlocal agreement between the Authority, Wake County and the Wake municipalities. Capital outlays by the Authority are shown as such on the financial statements. Amounts reimbursed to transit partners for their capital outlays are shown as transit services. The resources may only fund transportation capital needs in Wake County, in plans approved by the Transit Plan Advisory Committee. *A multi-year compilation of capital spending may be found in the Statistical Section.*
- Wake Special Tax District - The Wake Special Tax District is shown as a major, blended component unit within the governmental financial statements. This fund collects a *separate* vehicle registration tax levied in Wake County. The proceeds are transferred to the Wake Operating Fund during the year. The resources may only be used to fund transportation operational needs in Wake County.

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 information technology equipment.

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, and Regional Transportation Demand Services (TDM) services. 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 vanpool services. Financing is provided by vanpool

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

fares, bus fares, consignments, subsidies, intergovernmental revenues, and General Fund revenues.

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.

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 which 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 and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project Ordinances are adopted for the Special Revenue and Capital Projects Funds. 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 Fund, and at the project level for the Capital Projects Funds. Expenditures may not legally exceed these levels. The general manager 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 the Triangle Tax District – Wake Operating Fund and Triangle Tax District – Wake Capital Fund, 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. |

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Non-participating interest earning contracts are accounted for at cost. The NCCMT – Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

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.

Under Federal Transit Administration rules and regulations, the sale proceeds from certain transactions are held in a separate escrow account for future use. \$6,006,985 is shown as *Restricted Cash* because the future expenditure is limited as to purpose and the restriction is imposed externally.

G. Receivables

Receivables include amounts due from transportation services provided, rental income due, and certain governmental non-exchange transactions. Note 4, page 64 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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

J. Deferred Inflows of Resources

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*

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority's pension deferrals meet the criterion for this category.

K. 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.

L. Compensated Absences

The vacation policy of the Authority advances vacation hours for the calendar year. Terminating employees will be paid for accrued vacation hours. Any advanced hours taken will be deducted from the final paycheck. Employees are encouraged to take a minimum of 10 days (two weeks) of vacation each calendar year. Employees may accrue unlimited sick leave hours. Upon termination, employees will be paid, per a pre-set schedule, for a portion of their accumulated sick leave provided they have no record of sick leave abuse for at least six months prior to the date of their voluntary resignation. If the employee prefers, sick leave can be applied as a service credit toward retirement, providing it enables one to reach a milestone.

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 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.

M. 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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 or Restricted Net Position and Restricted fund balance on the face of the balance sheet.

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.

Committed Fund Balance – This classification represents the portion of fund balance committed to a specific purpose by the governing board.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. . **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Committed for Community Funding Area Program. This is a 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.

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>\$ 41,795,360</u>
Less:	
Prepaid expenses	47,620
Restricted for Stabilization by State Statute	<u>28,421,731</u>
Available for appropriation	<u>\$ 13,326,009</u>

N. **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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 quarterly 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. Revenue recognition varies according to the tax collection schedule for each vendor. Collection schedules are determined by sales volume. 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 earnings are recorded monthly in each individual fund.

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 District –Durham/Orange receives vehicle registration tax from the North Carolina Department of Motor Vehicles on a quarterly basis (\$7 per vehicle). The Tax District also receives a one-half cent sales tax (Article 43) from Durham and Orange Counties as well as a portion of vehicle rental taxes received by the Major Capital Project Fund and disbursed to the Tax District. Both Durham and Orange Counties share in the vehicle rental tax. The Durham/Orange Special Tax District also receives proceeds of a vehicle registration tax (\$3 per vehicle) from the NC Department of Motor Vehicles on a quarterly basis.

The Triangle Tax District – Wake Operating began receiving revenue effective April 1, 2017. The Triangle Tax District –Wake Operating receives vehicle registration tax from the North Carolina Department of Motor Vehicles on a quarterly basis (\$7 per vehicle). Wake Operating also receives a one-half cent sales tax (Article 43) from Wake County as well as a portion of vehicle rental taxes received by the Major Capital Project Fund and disbursed to the Tax District. The Wake Special Tax District also receives proceeds of a vehicle registration tax (\$3 per vehicle) from the NC

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Department of Motor Vehicles on a quarterly basis. The Triangle Tax District – Wake Capital receives funding through a transfer(s) from the Wake Operating Fund.

Farebox Revenue.

As required by the Interlocal Agreement guiding the Wake Transit Plan, farebox revenues generated by new/improved services funded by the Plan are reported in the Triangle Tax District – Wake Operating Fund. Additional farebox revenue earned by GoCary, GoRaleigh, and GoTriangle is reflected in the financial statements of those entities.

O. 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.

P. 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.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

2. DEPOSITS (Continued)

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, 2019, the amount of the deposits on the Authority's books was \$30,428,121 and the bank balances were \$31,740,236. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$30,990,236 in deposits was covered by collateral held under the Pooling Method.

3. INVESTMENTS

As of June 30, 2019, 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	\$ 3,893,726	\$ -	\$ 3,893,726	\$ -	\$ -
SBA Participation Securities	52,028,371	-	2,441,146	13,501,500	36,085,725
NC Local Gov't & State Bonds	1,204,482	-	366,185	838,297	-
NCCMT Government Portfolio	3,282,404	3,282,404	-	-	-
NCCMT Term Portfolio	182,318,074	182,318,074	-	-	-
Total	\$ 242,727,057	\$ 185,600,478	\$ 6,701,057	\$ 14,339,797	\$ 36,085,725

Because the NC Capital Management Trust – Term Portfolio has a weighted average maturity of 0.11 years, it is presented as an investment with a maturity of less than 1 year.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

3. INVESTMENTS (Continued)

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	\$ 3,893,726	\$ 996,955	\$ 2,896,771	\$ -
SBA Participation Securities	52,028,371	1,458,941	50,569,430	-
NC Local Gov't & State Bonds	1,204,482	-	1,204,482	-
NCCMT Government Portfolio	3,282,404	3,282,404	-	-
NCCMT Term Portfolio	182,318,074	182,318,074	-	-
Total	\$ 242,727,057	\$ 188,056,374	\$ 54,670,683	\$ -

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

3. INVESTMENTS (Continued)

investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (“NRSROs”). As of June 30, 2019, the Authority’s investments in the NCCMT Government Portfolio carried a credit rating of AAAm by Standard and Poor’s. 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. Certificated securities shall be in the custody of the Chief Financial Officer.

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 (21.4%) and NC Capital Management Trust – Term Portfolio (75.1%). 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, 2019:

<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>\$ 2,287,980</u>	<u>\$ 42,062,620</u>	<u>\$ 607,867</u>	<u>\$ 44,958,467</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 40,581,850	\$ 2,465,870	\$ -	\$ 43,047,720
Construction in progress	110,016,837	55,156,700	150,119,662	15,053,875
Total capital assets not being depreciated	150,598,687	57,622,570	150,119,662	58,101,595
Capital assets being depreciated:				
Buildings	6,248,870	-	-	6,248,870
Equipment and vehicles	7,810,855	924,447	-	8,735,302
Leasehold improvements	4,006,597	52,282	-	4,058,879
Total capital assets being depreciated	18,066,322	976,729	-	19,043,051
Less accumulated depreciation for:				
Buildings	1,950,833	208,287	-	2,159,120
Equipment and vehicles	7,206,664	201,659	-	7,408,323
Leasehold improvements	1,790,866	157,434	-	1,948,300
Total accumulated depreciation	10,948,363	\$ 567,380	\$ -	11,515,743
Total capital assets being depreciated, net	7,117,959			7,527,308
Government activities capital assets, net	<u>\$ 157,716,647</u>			<u>\$ 65,628,903</u>

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

Administration	\$ 8,777
Capital Development	40,965
Board	3,745
Finance	513,893
Total Depreciation expense	<u>\$ 567,380</u>

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS (Continued)

A summary of Business-type capital assets as June 30, 2019 follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Business-type activities:</u>				
<i>Ridesharing Fund</i>				
Capital assets being depreciated:				
Furniture, fixtures and equipment	\$ 164,796	\$ -	\$ 164,796	\$ -
Leasehold improvements	10,479	-	10,479	-
Total capital assets being depreciated	175,275	-	175,275	-
Less accumulated depreciation for:				
Furniture, fixtures and equipment	164,796	-	164,796	-
Leasehold improvements	10,479	-	10,479	-
Total accumulated depreciation for:	175,275	-	175,275	-
Ridesharing fund capital assets, net	\$ -	\$ -	\$ -	\$ -
<i>Regional Bus Service Fund</i>				
Capital assets not being depreciated:				
Land	\$ 748,068	\$ -	\$ -	\$ 748,068
Capital assets being depreciated:				
Furniture, fixtures, and equipment	3,187,742	227,299	-	3,415,041
Vehicles	28,141,470	557,878	363,890	28,335,458
Leasehold improvements	1,320,920	46,679	-	1,367,599
Buildings	9,620,468	261,432	-	9,881,900
Total capital assets being depreciated	42,270,600	1,093,288	363,890	42,999,998
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	2,015,620	345,827	-	2,361,447
Vehicles	19,895,775	1,912,579	343,866	21,464,488
Leasehold improvements	259,607	122,375	-	381,982
Buildings	4,093,187	389,705	-	4,482,892
Total accumulated depreciation	26,264,189	2,770,486	343,866	28,690,809
Total capital assets being depreciated, net	16,006,411			14,309,189
Reg. Bus Service fund capital assets, net	16,754,479			15,057,257
Business-type activities capital assets, net	\$ 16,754,479			\$ 15,057,257

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. Engineering and Finance staff members met to review the Construction in Progress account. Assets were reviewed for potential value in coming years. As established during a write down of a previous project, subterranean plans, surveys, and utility mappings were deemed to have continuing value. Staff

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS (Continued)

members believe that this information gives future engineers a “head start” and will reduce the amount of subterranean testing done for future projects in the area.

Also, following a review of capital assets, staff members wrote off the fully depreciated assets in the Rideshare Fund. The write off has no impact on the financial condition of the Fund.

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.

Based on the year in which the Authority was established, the first class of retirement eligibility is the Fiscal Year 2021. 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 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, 2018, the date of the latest actuarial valuation:

Retirees receiving benefits	0
Active plan members	<u>248</u>
Total	<u>248</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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Total Other Post-Employment Benefits (OPEB) Liability

The Authority's total OPEB liability of \$3,103,518 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 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	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Municipal Bond Index Rate (discount rate)	3.89%
Healthcare cost trends	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023.
Medicare	5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020.

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

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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, 2018	\$2,940,838
<i>Changes for the year:</i>	
Service Cost at the end of the year	308,045
Interest on Total OPEB Liability and Cash Flows	104,694
Change in benefit terms	-0-
Difference between expected and actual experience	(268)
Changes of assumptions or other inputs	(249,791)
Benefit payments	-0-
Other	<u>-0-</u>
Net Changes	<u>\$ 162,680</u>
Total OPEB Liability as of June 30, 2019	<u>\$ 3,103,518</u>

Mortality rates were based on the RP-2014 mortality tables, with adjustments for Local Government Employees' Retirement System (LGERs) experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 – December 31, 2014, adopted by the LGERs.

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, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	(2.89%)	(3.89%)	(4.89%)
Total OPEB Liability	\$3,938,437	\$3,103,518	\$2,472,289

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	\$2,350,748	\$3,103,518	\$4,153,978

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Authority recognized OPEB expense of \$345,342. At June 30, 2018, the Authority reported deferred inflows or resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ (436)
Changes of assumptions or other inputs	<u>(545,971)</u>
Total	<u><u>\$ (546,407)</u></u>

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

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

Measurement Period

Ending June 30:

2019	\$ (74,703)
2020	(74,703)
2021	(74,703)
2022	(74,703)
2023	(74,703)
Thereafter	<u>(172,892)</u>
Total	<u>\$ (546,407)</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. Because the Authority is relatively new, there are no employees who classify as retirees.

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, 2019. 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 2019 was \$16,802,033, of which \$16,672,109 relates to employees covered under the plan. The Authority's contributions to the plan for the year ended June 30, 2019, including forfeitures, totaled \$1,333,769 (8% of covered payroll). Total forfeitures for the year were \$11,810.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

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.

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 Inflows of Resources.

The Authority has several deferred inflows of resources. Deferred inflows of resources is comprised of the following.

	Statement of Net Position	General Fund Balance Sheet
Differences between expected and actual experience	\$ (436)	\$ -0-
Changes of assumptions or other inputs	(545,971)	-0-
Total	<u>\$ (546,407)</u>	<u>\$ -0-</u>

7. CHANGES IN LONG – TERM LIABILITIES

	July 1, 2018	Increases	Decreases	June 30, 2019	Long Term Portion	Current Portion of Balance
<u>Governmental activities:</u>						
Compensated Absences	\$ 770,164	\$ 968,858	\$ 983,255	\$ 755,767	\$ 227,597	\$ 528,170
Accrued OPEB	912,542	7,297	-	963,285	963,285	-
Total Government activity long-term liabilities	<u>\$ 1,682,706</u>	<u>\$ 976,155</u>	<u>\$ 983,255</u>	<u>\$ 1,719,052</u>	<u>\$ 1,190,882</u>	<u>\$ 528,170</u>
<u>Business-type activities</u>						
Compensated Absences	\$ 892,804	\$ 811,257	\$ 804,842	\$ 899,219	\$ 388,995	\$ 510,224
Accrued OPEB	2,028,296	16,220	-	2,140,233	2,140,233	-
Total Business-type activity long-term liabilities	<u>\$ 2,921,100</u>	<u>\$ 827,477</u>	<u>\$ 804,842</u>	<u>\$ 3,039,452</u>	<u>\$ 2,529,228</u>	<u>\$ 510,224</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, 2019. 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	\$ 397,596
General Fund	Enterprise - Regional Bus	21,858,437
Total Due from and Due to Proprietary Funds		22,256,033
<u>Receivable Fund</u>	<u>Payable Governmental Fund</u>	
General Fund	Wake Operating	3,554,782
Totals		\$ 25,810,815

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.

Transfers To:	Transfers From:						Total
	General Fund	Major Capital Projects Fund	Regional Bus Fund	Durham/ Orange Fund	TTD Wake Operating	Wake Special District	
General Fund	\$ -	\$ 57,798,710	\$ 27,407,887	\$ 16,207,481	\$ -	\$ -	\$ 101,414,078
Major Capital Projects Fund	9,177,382	-	-	-	-	-	9,177,382
Regional Bus Fund	36,511,569	-	-	-	-	-	36,511,569
Ridesharing Fund	476,387	-	-	-	-	-	476,387
Durham/Orange Fund	16,766,435	-	-	-	-	-	16,766,435
Wake Operating	-	-	-	-	-	2,771,895	2,771,895
Wake Capital	-	-	-	-	85,209,374	-	85,209,374
Technology Capital Project Fund	381,220	-	-	-	-	-	381,220
Total	<u>\$ 63,312,993</u>	<u>\$ 57,798,710</u>	<u>\$ 27,407,887</u>	<u>\$ 16,207,481</u>	<u>\$ 85,209,374</u>	<u>\$ 2,771,895</u>	<u>\$ 252,708,340</u>

The purpose of the transferred monies is as follows:

The Authority's General Fund transferred monies during fiscal year 2019 to fund the Authority's match for State and Federal Grant programs in the Enterprise and Capital Project Funds. The General Fund also transferred monies into the Proprietary Ridesharing Fund and into the Proprietary Regional Bus Fund to subsidize operations.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

8. INTERFUND BALANCES AND ACTIVITY (Continued)

The Major Capital Projects Fund transferred monies during fiscal year 2019 to the General Fund. The purpose of this transfer was to support General Fund operations.

The Wake Operating Fund transferred \$85,209,374 to the Wake Capital Fund for current needs, planning, and to accumulate funds for future capital projects. The Wake Special Tax District transferred the full Fiscal Year 2019 \$3 vehicle registration tax revenue to the Wake Operating Fund. The Special District exists to meet legal requirements for the levy and accounting of the tax.

Additionally, management reviewed the use of due to and due from balances. Due to and due from balances are created when one fund, typically the General Fund, makes a payment on behalf of another fund. Certain amounts due to the General Fund were settled by recognizing transfers between the General Fund and the beneficiary 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 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:

- Ace American Insurance Company
- RLI Insurance Company
- Starnet Insurance Company
- Iron Shore Specialty Insurance Company
- Endurance Risk Solution Assurance Company
- Travelers Insurance

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

- | | |
|---|--------------|
| • Public Officials Professional Liability | \$ 5,000,000 |
| • Commercial General Liability | 10,000,000 |
| • Public Employee Bond | 50,000 |
| • Real and personal property | |
| Buildings | 18,975,188 |
| Contents | 2,488,219 |

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

9. RISK MANAGEMENT (continued)

• Equipment Breakdown	21,463,407
• Flood Insurance	1,000,000
• Business Auto Liability	10,000,000
• Employee Dishonesty	150,000
• Excess liability	10,000,000
• Workers' compensation	Statutory limits
• Employee benefits liability	1,000,000
• Catastrophic (Auto)	10,000,000
• Inland Marine	4,170,596

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 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

Operating Leases

The Authority rents a parking lot for operations of its Regional Bus Transfer Center. The total rent expense for office space and parking accommodations for the year ended June 30, 2019, was \$36,709. The total minimum future rent commitments under the parking lease and the office lease are as follows:

Year ending	Amount
<u>June 30,</u>	
2020	\$ 36,709
2021	36,709
2022	36,709
2023	36,709
2024	36,709
Thereafter	<u>42,827</u>
Total	<u>\$ 226,372</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

10. **COMMITMENTS AND CONTINGENCIES** (Continued)

The Authority leases easements and parking and building spaces to various tenants. All leases of the Authority are accounted for as operating leases. As of fiscal year end, three (3) tenants remained generating monthly rental income of \$8,568 per month, or approximately \$102,800 annually.

In January 2019, the office space lease to Alliance Behavioral Healthcare expired. The tenant opted not to renew the lease. Some of the office space has been repurposed for use by the Authority. Management is actively searching for a new tenant for the available space.

Pending or Threatened Lawsuits

There are four active condemnation cases, in which the Authority has obtained property through eminent domain and the landowners are protesting the amount paid. The Authority has been sued by individuals protesting a rezoning decision by the Durham City Council. The Authority's in-house legal counsel cannot make any estimate at this time about the resolution of these cases. With no one estimate or prediction any more likely than the other, no adjustment(s) have been made to the financial statements for the possible outcomes of these cases.

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.

11. **SUBSEQUENT EVENTS**

Over the years, the Authority has sold land originally purchased with federal and/or state financial assistance. The amounts due to the State of North Carolina have been repaid in the normal course of business. The Federal Transit Administration (FTA) has allowed the Authority to hold in an escrow account the amount that normally would have been returned to the federal government. Following year end, the FTA requested repayment of the amount held in escrow, \$6,006,985, shown as restricted cash. The funds were transferred to the federal government in mid-August 2019.

12. **STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

Wake Transit Plan

Fiscal Year 2019 is the second full year of revenue collections for the Triangle Tax District – Wake Operating Fund and the Triangle Tax District – Wake Capital Fund. The Transit Governance Interlocal

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

12. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

Agreement requires certain restrictions be imposed on resources for future use in Wake County. These are shown as Restricted – Interlocal Agreement. \$1,040,501 is restricted in the Triangle Tax District – Wake Operating Fund to fund expenditures budgeted in FY19 but not expected to be incurred until FY20. \$39,048,000 in the Triangle Tax District – Wake Capital Fund includes this year's contribution to the stated goal of restricting 5% of the total estimated Wake County Capital Improvement Plan by FY21, currently estimated at \$71M.

The Wake Special Tax District shows transfers exceeding the budget by \$167,895. This is the amount that Fiscal Year 2019 receipts exceeded budgeted revenues. The Wake Special Tax District accounts for the levy the \$3 Vehicle Registration Tax, and to transfer those revenues to the Wake Operating Fund. The fund is not intended to build a fund balance. The full amount of FY19 revenue was not known until after year end, and the opportunity to amend the budget had passed.

The Transit Governance Interlocal Agreement requires a minimum of 90 days unrestricted cash to be kept in the Triangle Tax District – Wake Operating Fund. The minimum amount as of year end is \$1,040,501. Actual unrestricted cash in the Wake Operating Fund is \$9,523,439 as of June 30, 2019.

Durham-Orange Light Rail Project Discontinuance and Write Down

During February 2019, Duke University did not sign critical right of way donation agreements and other cooperative agreements, necessary to reach the Full Funding Grant Agreement. At the same time, the North Carolina Railroad Company did not execute a vital lease of railroad right of way access to the Authority. Faced with the loss of support and access to the existing rail corridor, the governing boards of the Authority, Durham County, and Orange County voted to discontinue operations.

Knowing that the design plans to this point could only be useful for a short period, and that a shift by the parties described above was unlikely in the short-term, Authority management took steps to recognize an impairment of the value of the Construction in Progress (CIP) balance to date for the Durham/Orange Light Rail Project (D/O LRT). Staff calculated a write down amount of \$146,801,453. Land associated with the project is retained and will be classified with other land held by the authority. In prior years, the Authority wrote down the CIP value of a commuter rail project that did not go forward in Wake County. At that time, it was determined that the soil samples, subterranean utility mapping and other subterranean records did have value as starting points for future design and planning. While future engineers are not expected to rely upon this information, it does provide an insight to what could be expected in future surveys. It is expected this information can lessen the amount of testing and survey work done for future projects. \$6.47M in subterranean surveys, records, samples, etc. remain on the Authority's records.

GoTransit Partners

To facilitate fund raising for the D/O LRT, the Authority organized a separate 501(c)(3) corporation, GoTransit Partners, to assist with fund raising for the project. Potential donors cited governing bylaws

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

12. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

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, but commitments for future contributions were in hand. The non-profit incurred approximately \$352K in fundraising expenses, paid by the TTD-Durham/Orange Fund. Those expenses were expected to be reimbursed as major cash donations were received. With the discontinuance of the D/O LRT project, no reimbursement is expected. The D/O LRT is absorbing those expenses as part of the project costs.

Expenditures Exceeding Appropriations

The following departments show expenditures above appropriations:

<u>Department</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance</u>
EEO/DBE	143,812	144,402	(590)
Bus Operations	7,944,426	8,374,742	(430,316)

The Equal Employment Department is typically stable and is over due to year end accruals.

The primary contribution to the Bus Operations overage is overtime and associated benefits.

The new financial software was implemented effective April 1, 2019. With the new system established, staff members will be able to review budget to actual performance more timely.

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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, 2019

Total OPEB Liability	2019	2018
Service cost at end of year	\$ 308,045	\$ 353,555
Interest	104,694	87,811
Changes of benefit terms		-
Differences between expected and actual experience	(268)	(254)
Changes of assumptions or other inputs	(249,791)	(417,596)
Benefit payments		-
Other	-	-
Net change in total OPEB liability	\$ 162,680	\$ 23,516
Total OPEB liability - beginning	\$ 2,940,838	\$ 2,917,322
Total OPEB liability - ending	\$ 3,103,518	\$ 2,940,838
Covered payroll	\$ 16,672,109	\$ 13,415,896
Total OPEB liability as a percentage of covered payroll	18.62%	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%

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

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INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to date	
REVENUES:					
Restricted intergovernmental:					
NCDOT rail grants	\$ 218,770,984	\$ 29,831,355	\$ -	\$ 29,831,355	\$ (188,939,629)
FTA rail grants	464,230,428	87,121,610	-	87,121,610	(377,108,818)
Vehicle rental tax	42,392,292	156,627,352	6,262,180	162,889,532	120,497,240
Investment income	3,745,000	7,824,919	352,883	8,177,802	4,432,802
Other revenues	323,000	18,358,426	164,164	18,522,590	18,199,590
Total revenues	729,461,704	299,763,662	6,779,227	306,542,889	(422,918,815)
EXPENDITURES:					
Capital outlay:					
Design	141,032,509	125,367,880	-	125,367,880	15,664,629
Project administration	27,577,195	10,626,578	161,066	10,787,644	16,789,551
Insurance	13,076,239	-	-	-	13,076,239
Property acquisition	91,060,997	49,766,365	-	49,766,365	41,294,632
Systems	61,761,937	-	-	-	61,761,937
Vehicle and equipment	129,929,406	-	-	-	129,929,406
Trackwork	78,499,408	-	-	-	78,499,408
Construction	5,204,691	-	-	-	5,204,691
Yard and shop	28,678,411	-	-	-	28,678,411
Grading	221,159,141	-	-	-	221,159,141
Stations	75,925,281	-	-	-	75,925,281
Total expenditures	873,905,215	185,760,823	161,066	185,921,889	687,983,326
Revenues over (under) expenditures	(144,443,511)	114,002,839	6,618,161	120,621,000	265,064,511
OTHER FINANCING SOURCES:					
Sale of land	-	8,230,976	-	8,230,976	8,230,976
Transfers (to) from other funds	144,443,511	(41,509,482)	(48,621,328)	(90,130,810)	(234,574,321)
Change in fund balance	\$ -	\$ 80,724,333	\$ (42,003,167)	\$ 38,721,166	\$ 38,721,166

Note: This fund accounts for the last activities of the Legacy rail project in Wake County. This will be removed during Fiscal Year 2020.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
Technology Capital Project Fund
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES:					
Restricted intergovernmental revenues:					
Federal grants	\$ 613,735	\$ 577,017	\$ -	\$ 577,017	\$ (36,718)
State grant revenues	1,988,725	2,186,836	80,904	2,267,740	279,015
Local grant revenues	149,505	48,064	-	48,064	(101,441)
Total revenues	2,751,965	2,811,917	80,904	2,892,821	140,856
EXPENDITURES:					
Capital outlay:					
Equipment	3,132,720	3,285,095	462,124	3,747,219	(614,499)
Revenues over (under) expenditures	(380,755)	(473,178)	(381,220)	(854,398)	(473,643)
OTHER FINANCING SOURCES:					
Transfers from other funds	380,755	542,372	381,220	923,592	542,837
Transfers (to) other funds	-	(32,525)	-	(32,525)	(32,525)
Change in fund balance	\$ -	\$ 36,669	\$ -	\$ 36,669	\$ 36,669

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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues:			
NC Department of Transportation	\$ 54,188	\$ 58,500	\$ 4,312
Federal Transit Administration	165,600	63,384	(102,216)
Durham County	764,360	628,549	(135,811)
Other governmental revenues	887,317	793,821	(93,496)
Total revenues	<u>1,871,465</u>	<u>1,544,254</u>	<u>(327,211)</u>
EXPENDITURES			
Regional call center	972,320	962,215	10,105
Regional services	689,339	406,747	282,592
Sustainable Travel	756,148	633,722	122,426
Total expenditures	<u>2,417,807</u>	<u>2,002,684</u>	<u>415,123</u>
Revenue under expenditures	<u>(546,342)</u>	<u>(458,430)</u>	<u>87,912</u>
Other financing sources:			
Transfers from general fund	<u>546,342</u>	476,387	<u>(69,955)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	17,957	<u>\$ 17,957</u>
Reconciling items:			
Other post employment benefits		<u>(21,323)</u>	
Change in net position		<u>\$ (3,366)</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Rider fares			
Bus fares	\$ 775,000	\$ 700,144	\$ (74,856)
Consignment	1,125,000	981,337	(143,663)
Vanpool fares	10,000	154,117	144,117
Employer subsidies	15,000	118,702	103,702
Specialized services	638,000	698,353	60,353
Other revenues	5,767,412	5,378,779	(388,633)
Intergovernmental revenues:			
Federal Transit Administration	684,000	49,963	(634,037)
NC Department of Transportation	2,000,000	1,108,843	(891,157)
Local governments	67,748	47,310	(20,438)
Total revenues	<u>11,082,160</u>	<u>9,237,548</u>	<u>(1,844,612)</u>
EXPENDITURES			
Supervision	1,590,431	1,590,328	103
Operations	7,944,426	8,374,742	(430,316)
Vanpool	455,676	407,607	48,069
Specialized services	2,270,781	2,270,542	239
Maintenance	3,950,623	3,950,239	384
Unemployment claims	80,000	39,555	40,445
Total expenditures	<u>16,291,937</u>	<u>16,633,013</u>	<u>(341,076)</u>
Revenue under expenditures	<u>(5,209,777)</u>	<u>(7,395,465)</u>	<u>(2,185,688)</u>
Other financing sources:			
Transfers from other fund(s)	5,209,777	12,081,325	6,871,548
Investment interest	-	1,978	1,978
Total other financing sources	<u>5,209,777</u>	<u>12,083,303</u>	<u>6,873,526</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>4,687,838</u>	<u>\$ 4,687,838</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(2,770,486)	
Gain on fixed assets disposals		(49,861)	
Transit services		(4,685,562)	
Capital outlay		1,093,270	
From Bus Capital Project:			
Federal and state grants		202,042	
Transfer from (to) other funds		(2,977,644)	
Expenditures in bus capital project		(1,533,660)	
Other post employment benefites		(201,421)	
Change in net position		<u>\$ (6,235,484)</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, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to date	
REVENUES:					
Restricted intergovernmental revenues:					
State grant revenues	\$ 1,975,789	\$ 2,959,891	\$ 152,079	\$ 3,111,970	\$ 1,136,181
Federal grant revenues	13,549,061	25,057,045	49,963	25,107,008	11,557,947
Other revenue	110,000	545	-	545	(109,455)
Total revenues	<u>15,634,850</u>	<u>28,017,481</u>	<u>202,042</u>	<u>28,219,523</u>	<u>12,584,673</u>
EXPENDITURES:					
Capital outlay:					
Buildings & Transit Amenities	<u>20,525,076</u>	<u>16,107,839</u>	<u>1,533,660</u>	<u>17,641,499</u>	<u>2,883,577</u>
Revenues over (under) expenditures	<u>(4,890,226)</u>	<u>11,909,642</u>	<u>(1,331,618)</u>	<u>10,578,024</u>	<u>15,468,250</u>
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	4,890,226	1,633,895	1,331,618	2,965,513	(1,924,713)
Transfers to other funds	<u>-</u>	<u>(13,131,930)</u>	<u>(4,309,262)</u>	<u>(17,441,192)</u>	<u>(17,441,192)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ 411,607</u>	<u>\$ (4,309,262)</u>	<u>\$ (3,897,655)</u>	<u>\$ (3,897,655)</u>

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STATISTICAL SECTION

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
YEAR ENDED JUNE 30, 2019**

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.90-91)

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

Change in Net Position, Table 2 (p.92-93)

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.94-95)

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.96-97)

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.98-99)

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.100-101)

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.102)

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

Employee Position Authorization by Department, Table 8 (p.103)

This table compares positions authorized by department for comparative purposes.

Operating Indicators by Function/Program, Table 9 (p.104-105)

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

Capital Assets by Function/Program, Table 10 (p.106-107)

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

Insurance in Force- July 1, 2019 - June 30, 2020, Table 11 (p.109)

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

Demographics and Economic Statistics for Durham County, Table 12-Durham, (p.110)

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

Principal Employers for Durham County, Table 13-Durham (p.111)

This schedule ranks top employers in Durham County comparatively for 2019 and 2010.
Both Durham County tables provided by the Durham County Finance Department

Demographics and Economic Statistics for Orange County, Table 12-Orange (p.112)

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

Principal Taxpayers for Orange County, Table 13-Orange (p.113)

This schedule ranks top taxpayers in Orange County comparatively for 2018 and 2009.
Both Orange County tables provided by the Orange County Finance Department.

Demographics and Economic Statistics for Wake County, Table 12-Wake (p.114)

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

Principal Taxpayers for Wake County, Table 13-Wake (p.115)

This schedule ranks top taxpayers in Orange County comparatively for 2019 and 2010.
Both Wake County tables provided by the Wake County Finance Department.

Principal Auto Rental Agencies, Table 14 (p.116)

This schedule ranks top auto rental agencies by rental taxes generated for 2019 and 2014.
2014 is the earliest year with available information.

Compilation of Wake County Capital Projects, Table 15 (p.117)

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. Funding for these projects is from the resources received in the Triangle Tax District – Wake Operating and the Special Tax District – Wake.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities				
Invested in capital assets	\$ 114,168,704	\$ 121,465,478	\$ 129,369,729	\$ 128,918,272
Restricted	-	58,971,931	65,986,106	79,168,752
Unrestricted	<u>65,744,404</u>	<u>6,056,397</u>	<u>(687,606)</u>	<u>(4,031,859)</u>
Total governmental activities net position	<u>179,913,108</u>	<u>186,493,806</u>	<u>194,668,229</u>	<u>204,055,165</u>
Business-Type Activities				
Invested in capital assets, net of related debt	19,357,218	17,589,361	21,179,942	19,584,746
Unrestricted	<u>(10,469,112)</u>	<u>(10,788,961)</u>	<u>(10,748,802)</u>	<u>(12,387,471)</u>
Total business-type activities net position	<u>8,888,106</u>	<u>6,800,400</u>	<u>10,431,140</u>	<u>7,197,275</u>
Primary Government				
Invested in capital assets	133,525,922	139,054,839	150,549,671	148,503,018
Restricted	-	58,971,931	65,986,106	79,168,752
Unrestricted	<u>55,275,292</u>	<u>(4,732,564)</u>	<u>(11,436,408)</u>	<u>(16,419,330)</u>
Total primary government net position	<u>\$ 188,801,214</u>	<u>\$ 193,294,206</u>	<u>\$ 205,099,369</u>	<u>\$ 211,252,440</u>

Notes:

This table was prepared using the accrual basis of accounting

Table 1

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 138,677,090	\$ 139,651,572	\$ 96,128,688	\$ 102,252,715	\$ 157,716,647	\$ 65,628,903
108,138,826	138,340,712	158,458,155	217,882,446	291,393,524	318,412,758
<u>(10,866,442)</u>	<u>(18,175,568)</u>	<u>(12,848,313)</u>	<u>(20,794,546)</u>	<u>(28,356,084)</u>	<u>10,775,089</u>
<u>235,949,474</u>	<u>259,816,716</u>	<u>241,738,530</u>	<u>299,340,615</u>	<u>420,754,087</u>	<u>394,816,750</u>
17,637,793	17,983,482	15,870,236	14,148,121	16,752,677	15,057,257
<u>(12,757,822)</u>	<u>(13,739,176)</u>	<u>(13,579,941)</u>	<u>(13,477,608)</u>	<u>(16,238,710)</u>	<u>(20,782,140)</u>
<u>4,879,971</u>	<u>4,244,306</u>	<u>2,290,295</u>	<u>670,513</u>	<u>513,967</u>	<u>(5,724,883)</u>
156,314,883	157,635,054	111,998,924	116,400,836	174,469,324	80,686,160
108,138,826	138,340,712	158,458,155	217,882,446	291,393,524	318,412,758
<u>(23,624,264)</u>	<u>(31,914,744)</u>	<u>(26,428,254)</u>	<u>(34,272,154)</u>	<u>(44,594,794)</u>	<u>(10,007,051)</u>
<u>\$ 240,829,445</u>	<u>\$ 264,061,022</u>	<u>\$ 244,028,825</u>	<u>\$ 300,011,128</u>	<u>\$ 421,268,054</u>	<u>\$ 389,091,867</u>

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

	2010	2011	2012	2013
Expenses				
Governmental activities:				
Administration	\$ 235,326	\$ 243,282	\$ 238,928	\$ 224,474
Capital Development	129,934	176,607	367,052	80,869
Communications and Public Affairs	393,570	358,988	586,431	882,207
Finance	1,530,934	1,728,565	2,187,530	3,320,881
General Counsel	332,001	301,688	360,723	291,030
Human Resources	513,955	391,536	423,936	418,166
EEO/DBE	108,596	116,928	120,676	114,567
GoDurham	-	135,446	345,619	484,200
Board	92,158	90,319	95,254	95,339
FORTIFY	-	-	-	-
Transit services	-	-	-	-
Nondepartmental	-	-	-	-
Regional Services	-	-	-	-
Executive Office	-	-	-	-
Loss on disposed or impaired assets	49,540,516	-	-	-
Total governmental activities expense	52,876,990	3,543,359	4,726,149	5,911,733
Business-type activities:				
Regional bus service	13,101,407	15,279,164	16,563,748	17,196,139
Ridesharing	2,311,215	2,263,733	2,300,277	1,836,275
Total business-type activities expense	15,412,622	17,542,897	18,864,025	19,032,414
TOTAL PRIMARY GOVERNMENT EXPENSES	68,289,612	21,086,256	23,590,174	24,944,147
Program Revenues				
Governmental activities:				
Charges for service	-	-	-	-
Operating grants and contributions:				
Capital development	729,999	525,022	1,248,868	554,148
Capital grants and contributions:				
Regional rail capital project	-	-	548,939	927,651
Technology capital project	390,124	391,445	575,381	86,452
Total governmental activities revenue	4,459,621	1,359,242	8,297,610	2,499,159
Business-type activities:				
Regional bus service				
Charges for services	2,163,990	2,306,033	2,552,723	2,682,390
Grant revenue	6,674,656	4,253,668	10,700,782	4,601,231
Ridesharing				
Charges for services	1,000	-	-	-
Grant revenue	1,077,018	1,108,536	1,201,353	641,835
Total business-type activities revenues	6,577,166	7,225,462	8,530,436	6,994,548
TOTAL PRIMARY GOVERNMENT REVENUES	11,036,787	8,584,704	16,828,046	9,493,707
Net revenue (Expense)				
Governmental activities	(48,417,369)	(2,184,117)	3,571,461	(3,412,574)
Business-type activities	(8,835,456)	(10,317,435)	(10,333,589)	(12,037,866)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(57,252,825)	(12,501,552)	(6,762,128)	(15,450,440)
General revenues and other changes in net position				
Governmental activities:				
Vehicle registration taxes	5,185,675	5,487,720	5,526,485	5,607,530
Special tax revenue	-	-	-	4,700,299
Vehicle rental taxes	7,429,882	8,386,658	8,682,107	9,016,305
Miscellaneous revenues	1,008,831	1,215,183	1,485,056	2,959,061
Unrestricted investment earnings	661,170	864,930	1,602,445	300,381
Transfers	(8,981,080)	(7,189,676)	(12,693,131)	(9,102,995)
Total governmental activities	5,304,478	8,764,815	4,602,962	13,480,581
Business-type activity:				
Miscellaneous	1,123,510	1,005,081	1,203,920	1,389,271
Unrestricted investment earnings	25,226	34,972	67,278	11,686
Transfers	8,981,080	7,189,676	12,693,131	9,102,995
Total business-type activities	10,129,816	8,229,729	13,964,329	10,503,952
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	15,434,294	16,994,544	18,567,291	23,984,533
Change in net position				
Governmental activities	(43,112,891)	6,580,698	8,174,423	10,068,007
Business-type activity	1,294,360	(2,087,706)	3,630,740	(1,533,914)
Prior period adjustments/restatements	-	-	-	-
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (41,818,531)	\$ 4,492,992	\$ 11,805,163	\$ 8,534,093

TABLE 2

2014	2015	2016	2017	2018	2019
\$ 230,773	\$ 445,968	\$ 395,813	\$ 240,533	\$ 738,842	\$ 302,630
206,471	4,378,573	3,135,490	2,215,088	4,580,967	3,918,149
1,058,663	2,128,808	792,256	1,572,138	2,408,427	1,083,796
4,633,963	2,742,430	3,593,377	3,537,718	2,806,896	2,634,018
428,521	1,307,863	206,367	757,937	971,652	1,782,291
428,364	487,517	603,459	595,683	687,057	676,820
116,539	130,349	141,040	113,956	141,254	144,575
669,303	695,624	934,349	795,369	881,430	1,011,581
84,522	84,306	95,629	133,670	146,958	103,946
662,597	2,010,101	2,578,066	2,195,690	-	-
-	-	5,710,000	5,530,960	17,584,859	25,376,819
-	-	-	614,678	-	462,124
-	-	-	89,572	188,583	663,938
-	-	-	-	-	552,067
-	9,513,160	49,796,737	-	-	146,801,453
8,519,716	23,924,699	67,982,583	18,392,992	31,136,925	185,514,207
18,084,542	19,629,795	19,582,301	19,809,386	23,889,251	24,755,050
1,935,617	1,991,903	2,049,457	2,181,925	2,365,159	2,024,007
20,020,159	21,621,698	21,631,758	21,991,311	26,254,410	26,779,057
28,539,875	45,546,397	89,614,341	40,384,302	31,136,924	212,293,263
-	-	-	1,066,222	1,165,852	896,576
980,983	3,446,914	2,529,679	2,475,198	4,943,910	89,070
1,071,944	751,906	1,023,625	723,751	-	-
66,474	203,994	135,004	99,000	149,994	87,427
2,200,986	5,191,620	4,179,034	5,415,825	6,259,756	1,073,073
2,714,489	2,790,366	2,479,761	4,953,704	3,288,406	2,652,653
3,720,512	4,079,320	3,415,833	3,981,607	6,923,338	1,332,613
1,000	-	-	-	-	-
569,369	670,787	660,395	426,261	665,539	750,433
6,923,785	6,751,667	6,065,263	8,309,918	10,877,283	4,735,699
9,124,771	11,943,287	10,244,297	13,725,743	17,137,039	5,808,772
(6,318,730)	(18,733,079)	(63,803,549)	(12,977,167)	(24,125,058)	(184,441,134)
(13,096,374)	(14,870,031)	(15,566,495)	(13,681,393)	(16,129,238)	(22,043,358)
(19,415,104)	(33,603,110)	(79,370,044)	(26,658,560)	(40,254,296)	(206,484,492)
5,737,329	10,662,625	9,413,400	9,671,756	18,516,428	19,015,982
28,516,774	30,561,753	31,536,121	54,179,262	122,793,936	129,911,500
9,586,666	9,924,456	10,665,172	11,378,047	11,671,976	12,524,361
3,232,682	2,625,210	3,327,995	2,155,082	886,790	1,426,098
333,698	422,560	1,427,905	859,364	1,908,742	5,205,925
(9,194,110)	(11,596,283)	(10,645,230)	(10,905,887)	(10,453,969)	(9,580,069)
38,213,039	42,600,321	45,725,363	67,337,624	145,323,903	158,503,797
1,572,129	2,577,715	2,942,154	1,427,356	6,142,719	6,222,461
12,831	63,014	25,100	(105,885)	14,156	1,978
9,194,110	11,596,283	10,645,230	10,905,887	10,453,969	9,580,069
10,779,070	14,237,012	13,612,484	12,227,358	16,610,844	15,804,508
48,992,109	56,837,333	59,337,847	79,564,982	161,934,747	174,308,305
31,894,309	23,867,242	(18,078,186)	54,360,457	121,198,845	(25,937,337)
(2,317,304)	(633,019)	(1,954,011)	(1,454,035)	481,606	(6,238,850)
-	-	-	3,075,881	(423,525)	-
\$ 29,577,005	\$ 23,234,223	\$ (20,032,197)	\$ 55,982,303	\$ 121,256,926	\$ (32,176,187)

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$ 861,341	\$ 1,608,794	\$ 1,541,560	\$ 1,578,729
Restricted	15,825,773	16,388,898	19,954,423	18,626,014
Unassigned	5,812,264	5,272,677	(1,092,077)	(4,880,300)
Total General Fund	<u>\$ 22,499,378</u>	<u>\$ 23,270,369</u>	<u>\$ 20,403,906</u>	<u>\$ 15,324,443</u>
 All other governmental funds				
Restricted - reserve by state statute	\$ 10,664,518	\$ 9,739,495	\$ 13,904,766	\$ 19,329,379
Restricted - enabling legislation	-	32,501,781	31,630,153	41,098,509
Restricted - interlocal agreement	-	-	-	-
Committed - community funding area program	-	-	-	-
Unassigned	-	-	-	-
Capital projects fund	33,083,075	-	-	-
Total all other governmental funds	<u>\$ 43,747,593</u>	<u>\$ 42,241,276</u>	<u>\$ 45,534,919</u>	<u>\$ 60,427,888</u>

Table 3

2014	2015	2016	2017	2018	2019
\$ 1,672,481	\$ 1,549,072	\$ 1,800,234	\$ 1,671,179	\$ 2,035,951	\$ 47,620
21,650,712	25,972,080	18,681,070	20,324,751	25,304,010	28,421,731
(11,658,559)	(18,482,290)	(13,663,617)	(20,842,811)	(27,031,415)	13,326,009
<u>\$ 11,664,634</u>	<u>\$ 9,038,862</u>	<u>\$ 6,817,687</u>	<u>\$ 1,153,119</u>	<u>\$ 308,546</u>	<u>\$ 41,795,360</u>
\$ 26,634,089	\$ 41,094,919	\$ -	\$ 69,922,702	\$ 84,791,735	\$ 48,400,542
59,854,025	71,273,713	139,777,085	127,634,993	159,952,779	201,501,984
-	-	-	-	21,345,000	40,088,501
-	-	-	-	-	24,821
(32,624)	(356,728)	(45,885)	(606,700)	(1,562,759)	(733,638)
-	-	-	-	-	-
<u>\$ 86,455,490</u>	<u>\$ 112,011,904</u>	<u>\$ 139,731,200</u>	<u>\$ 196,950,995</u>	<u>\$ 264,526,755</u>	<u>\$ 289,282,210</u>

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

REVENUES	2010	2011	2012	2013
Restricted intergovernmental revenues:				
NC Department of Transportation	\$ 577,331	\$ 201,738	\$ 1,081,999	\$ 273,562
Federal Transit Administration	3,865,552	1,157,504	7,215,611	1,962,812
Other revenue	217,414	386,569	488,633	2,290,074
Vehicle registration tax	5,185,675	5,487,720	5,526,485	5,607,530
Special tax revenue	-	-	-	4,700,299
Indirect cost credits	808,155	828,614	996,423	931,772
Rental vehicle tax	7,429,882	8,386,658	8,682,107	9,016,305
Farebox	-	-	-	-
Investment income	661,170	864,930	1,602,445	300,381
Total revenues	<u>18,745,179</u>	<u>17,313,733</u>	<u>25,593,703</u>	<u>25,082,735</u>
EXPENDITURES				
Current:				
Governing board	92,158	90,319	95,254	95,339
Executive office	-	-	-	-
Regional services	-	-	-	-
Human resources	418,567	391,536	417,090	414,168
Administration	241,372	243,282	227,160	212,179
Capital development	179,610	176,607	325,567	148,599
EEO/DBE	113,586	116,928	116,490	113,083
Finance	1,056,848	1,244,476	1,633,541	1,836,632
General counsel	336,943	301,688	344,592	285,655
Communications and public affairs	399,118	358,988	561,363	485,016
DATA/GoDurham	-	135,446	311,070	876,172
FORTIFY	-	-	-	-
Transit services	-	-	-	-
Capital outlay	3,859,468	7,800,113	8,441,265	4,292,866
Total expenditures	<u>6,697,670</u>	<u>10,859,383</u>	<u>12,473,392</u>	<u>8,759,709</u>
Excess of revenues over expenditures	<u>12,047,509</u>	<u>6,454,350</u>	<u>13,120,311</u>	<u>16,323,026</u>
OTHER FINANCING SOURCES (USES)				
Sale of land	-	-	-	3,274,548
Transfers from other funds	5,383,991	10,800,590	7,025,418	503,942
Transfers to other funds	(14,365,071)	(17,990,266)	(19,718,549)	(9,606,939)
Total other financing sources (uses)	<u>(8,981,080)</u>	<u>(7,189,676)</u>	<u>(12,693,131)</u>	<u>(5,828,449)</u>
Net change in fund balance	3,066,429	(735,326)	427,180	10,494,577
Fund balances-beginning	63,180,542	66,246,971	65,511,645	65,257,754
Prior period adjustment	-	-	-	-
Fund balances-ending	<u>\$ 66,246,971</u>	<u>\$ 65,511,645</u>	<u>\$ 65,938,825</u>	<u>\$ 75,752,331</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

2014	2015	2016	2017	2018	2019
\$ 297,032	\$ 748,813	\$ 605,838	\$ 607,457	\$ 189,492	\$ 181,995
1,585,087	4,304,010	3,292,902	3,496,814	2,752,624	87,428
2,495,399	1,770,486	2,904,313	2,173,533	3,830,146	806,054
5,737,329	10,662,625	9,413,400	9,671,756	18,516,428	19,015,982
28,516,774	30,561,753	31,536,121	54,179,262	122,793,936	129,911,500
1,056,150	993,524	1,072,250	1,098,951	1,126,395	1,408,673
9,586,666	9,924,456	10,665,172	11,378,047	11,671,976	12,524,361
-	-	-	-	-	15,022
333,698	422,560	1,427,905	859,364	1,908,742	5,205,925
49,608,135	59,388,227	60,917,901	83,465,184	162,789,739	169,156,940
84,522	79,376	76,289	127,035	105,915	100,086
-	-	-	-	-	552,067
-	-	-	89,572	-	663,161
420,839	481,672	532,354	595,683	647,858	676,028
207,070	431,683	455,097	224,981	482,692	293,507
119,210	882,981	2,138,408	2,738,464	6,009,825	3,872,649
103,090	125,894	124,459	113,956	133,195	144,402
2,782,260	2,064,382	2,137,074	2,406,551	2,602,435	2,117,649
454,961	1,314,534	482,388	757,937	865,899	1,780,203
657,384	2,219,011	2,513,220	1,707,372	1,829,418	1,082,529
958,996	691,853	820,649	795,369	881,430	1,011,581
662,597	2,010,101	2,226,520	2,204,191	-	-
1,236,447	3,325,255	5,710,000	5,530,960	16,754,925	28,711,722
10,358,856	17,112,045	7,558,101	8,833,421	56,095,168	52,329,020
18,046,232	30,738,787	24,774,559	26,125,492	86,408,760	93,334,604
31,561,903	28,649,440	36,143,342	57,339,692	76,380,979	75,822,336
-	3,076,624	-	1,879,804	-	-
3,484,105	1,370,688	3,626,565	1,681,905	5,796,009	215,720,384
(12,678,215)	(10,166,110)	(14,271,795)	(12,587,792)	(16,249,978)	(225,300,453)
(9,194,110)	(5,718,798)	(10,645,230)	(9,026,083)	(10,453,969)	(9,580,069)
22,367,793	22,930,642	25,498,112	48,313,609	65,927,010	66,242,267
75,752,331	98,120,124	121,050,766	146,548,878	197,537,832	264,835,301
-	-	-	3,241,628	1,370,459	-
\$ 98,120,124	\$ 121,050,766	\$ 146,548,878	\$ 198,104,115	\$ 264,835,301	\$ 331,077,570

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

	2010	2011	2012	2013
Governing board	\$ 92,158	\$ 90,319	\$ 95,254	\$ 95,339
Executive office	-	-	-	-
Regional Services	-	-	-	-
Human resources	418,567	391,536	417,090	414,168
Administration	241,372	243,282	227,160	212,179
Capital development	179,610	176,607	325,567	148,599
Equal employ. opport./disadv. bus. enter.	113,586	116,928	116,490	113,083
Finance	1,056,848	1,244,476	1,633,541	1,836,632
General counsel	336,943	301,688	344,592	285,655
Communications and public affairs	399,118	358,988	561,363	485,016
DATA/GoDurham	-	135,446	311,070	876,172
FORTIFY	-	-	-	-
Transit services	-	-	-	-
Capital outlay and debt payments	3,859,468	7,800,113	8,441,265	4,292,866
Totals	<u>\$ 6,697,670</u>	<u>\$ 10,859,383</u>	<u>\$ 12,473,392</u>	<u>\$ 8,759,709</u>

Table 5

2014	2015	2016	2017	2018	2019
\$ 84,522	\$ 79,376	\$ 76,289	\$ 127,035	\$ 105,915	\$ 100,086
-	-	-	-	-	552,067
-	-	-	89,572	-	663,161
420,839	481,672	532,354	595,683	647,858	676,028
207,070	431,683	453,265	224,981	482,692	293,507
119,210	882,981	2,141,315	2,738,465	6,009,825	3,872,649
103,090	125,894	124,459	113,956	133,195	144,402
2,782,260	2,064,382	2,137,074	2,406,551	2,602,435	2,117,649
454,961	1,314,534	479,762	757,937	865,899	1,780,203
657,384	2,219,011	2,514,771	1,707,372	1,829,418	1,082,529
958,996	691,853	820,649	795,369	881,430	1,011,581
662,597	2,010,101	2,226,520	2,204,191	-	-
1,236,447	3,325,255	5,710,000	5,530,960	16,754,925	28,711,722
10,358,856	17,112,045	7,558,101	8,833,421	56,095,168	52,329,020
<u>\$ 18,046,232</u>	<u>\$ 30,738,787</u>	<u>\$ 24,774,559</u>	<u>\$ 26,125,493</u>	<u>\$ 86,408,760</u>	<u>\$ 93,334,604</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Vehicle registration taxes	\$ 5,185,675	\$ 5,487,720	\$ 5,526,485	\$ 5,607,530
Rental vehicle taxes	7,429,882	8,386,658	8,682,107	9,016,305
Special revenue taxes	-	-	-	4,700,299
Intergovernmental revenues:				
Federal Transit Administration	3,865,552	1,157,504	7,215,611	1,962,812
NC Department of Transportation	577,331	201,738	1,081,999	273,562
Indirect cost credits	808,155	828,614	996,423	931,772
Farebox	-	-	-	-
Investment income	661,170	864,930	1,602,445	300,381
Other	<u>217,414</u>	<u>386,569</u>	<u>488,633</u>	<u>2,290,074</u>
Totals	<u>\$ 18,745,179</u>	<u>\$ 17,313,733</u>	<u>\$ 25,593,703</u>	<u>\$ 25,082,735</u>

Table 6

2014	2015	2016	2017	2018	2019
\$ 5,737,329	\$ 10,662,625	\$ 9,413,400	\$ 9,671,756	\$ 18,516,428	\$ 19,015,982
9,586,666	9,924,456	10,665,172	11,378,047	11,671,976	12,524,361
28,516,774	30,561,753	31,536,121	54,179,262	122,793,936	129,911,500
1,585,087	4,304,010	3,292,902	3,496,814	2,752,624	87,428
297,032	748,813	605,838	607,457	189,492	181,995
1,056,150	993,524	1,072,250	1,098,951	1,126,395	1,408,673
-	-	-	-	-	15,022
333,698	422,560	1,427,905	859,364	1,908,742	5,205,925
2,495,399	1,770,486	2,904,313	2,173,533	3,830,146	806,054
<u>\$ 49,608,135</u>	<u>\$ 59,388,227</u>	<u>\$ 60,917,901</u>	<u>\$ 83,465,184</u>	<u>\$ 162,789,739</u>	<u>\$ 169,156,940</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	Capital Leases	General Obligation Bonds	Revenue Bonds	Capital Leases	State Revolving Loan		
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-

Note:

The table is included for full and complete disclosure.

See Management's Discussion and Analysis and the Letter of Transmittal for progress information on projects which are expected to require debt issuance.

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

Table 8

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General counsel	2	2	2	2	3	4	3	6	6	3
Communications and public affairs	4	4	8	9	10	11	11	15	20	17
Finance	9	10	10	16	13	14	13	14	15	15
Human resources	3	4	4	3	4	4	4	4	5	5
Administration	2	2	2	2	2	2	2	2	3	3
EEO/DBE	1	1	1	1	1	1	1	1	1	1
Capital development	8	8	8	9	13	13	20	27	26	34
Regional bus	114	125	126	152	167	177	174	173	168	178
Ridesharing	18	22	22	25	23	34	33	22	18	21
Totals	161	178	183	219	236	260	261	264	262	277

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

Source: Authority Human Resources

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

	2010	2011	2012
Services consumed:			
Fare paid boardings	<u>1,091,626</u>	<u>1,287,157</u>	<u>1,578,598</u>
Services supplied:			
Regular route revenue miles	2,289,150	2,286,433	2,205,018
Paratransit miles			
Deadhead, training and maintenance miles	<u>382,393</u>	<u>395,714</u>	<u>520,888</u>
Total miles driven	<u>2,671,543</u>	<u>2,682,147</u>	<u>2,725,906</u>
Regular route revenue hours	102,882	109,103	107,738
Paratransit miles			
Deadhead, training and maintenance hours		<u>20,151</u>	<u>21,793</u>
Total bus hours	<u>102,882</u>	<u>129,254</u>	<u>129,531</u>
Vanpools in operation at year end:	<u>72</u>	<u>68</u>	<u>66</u>

Table 9

2013	2014	2015	2016	2017	2018	2019
<u>1,769,200</u>	<u>1,822,853</u>	<u>1,843,735</u>	<u>1,784,408</u>	<u>1,662,758</u>	<u>1,636,072</u>	<u>1,654,836</u>
2,242,560	2,383,071	2,630,942	2,819,804	2,831,146	2,809,815	2,822,999
680,659	719,696	805,479	868,384	505,190	599,410	593,229
<u>2,923,219</u>	<u>3,102,767</u>	<u>3,436,421</u>	<u>3,688,188</u>	<u>3,641,727</u>	<u>3,904,627</u>	<u>4,242,250</u>
109,576	115,369	128,510	137,348	140,448	143,057	143,627
21,860	22,912	25,791	27,811	23,686	27,816	27,554
<u>131,436</u>	<u>138,281</u>	<u>154,301</u>	<u>165,159</u>	<u>192,265</u>	<u>202,105</u>	<u>197,642</u>
<u>66</u>	<u>66</u>	<u>60</u>	<u>54</u>	<u>52</u>	<u>46</u>	<u>36</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>FUNCTION/PROGRAM</u>			
Business-type activities:			
39 - Passenger buses	-	-	-
37 - Passenger buses	12	12	-
36 - Passenger buses	20	20	36
30 - Passenger buses	23	23	23
16 - Passenger buses	5	5	5
16 - Passenger handicap accessible vans	-	-	-
15 - Passenger vans	43	53	28
14 - Passenger handicap accessible vans	-	-	-
12 - Passenger handicap accessible van	34	10	40
12 - Passenger vans	-	-	-
10 - Passenger handicap accessible van	9	-	7
8 - Passenger handicap accessible vans	-	-	6
8 - Passenger vans	-	-	-
7 - Passenger vans	10	4	16
7 - Passenger handicap accessible van	-	-	-
Service truck	3	3	4
Supervisor vehicles	2	2	2
	<u>161</u>	<u>132</u>	<u>167</u>
Total Vehicles	<u>161</u>	<u>132</u>	<u>167</u>

Source: Information provided by Authority Bus Operations.

Table 10

2013	2014	2015	2016	2017	2018	2019
-	-	-	-	-	3	3
-	-	-	6	6	-	-
36	36	42	36	36	36	46
23	23	30	20	20	20	20
5	5	5	5	5	5	4
-	-	-	6	6	6	10
12	3	2	2	2	-	-
-	-	-	-	-	5	6
47	47	58	55	55	3	-
-	-	-	-	-	54	46
14	16	15	7	12	6	9
2	2	-	1	1	-	-
-	-	-	2	2	2	-
14	14	16	14	14	14	14
-	-	-	3	3	-	-
4	4	4	4	4	4	4
3	2	2	4	4	6	7
160	152	174	165	170	164	169

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**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
INSURANCE IN FORCE
JULY 1, 2019 - JUNE 30, 2020**

Table 11

	Limits
<u>Real and Personal Property</u>	
Real Property	\$ 22,488,946
Personal Property	2,688,219
Inland Marine	4,819,146
<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

Table 12-Durham

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates¹	Personal Income² (thousands of dollars)	Per Capita Personal Income³	School Enrollment⁴	Unemployment Rate⁵
2019	320,639	*	*	32,343	4.00%
2018	308,941	*	*	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%
2012	275,960	11,454,941	40,963	32,671	8.20%
2011	271,238	10,567,605	38,654	32,566	8.40%
2010	267,849	10,190,008	38,795	32,551	7.80%

* Information not yet available

- (1) The 2009-2017 estimates are from the Durham City/County Planning Department.
2005-2008 estimates are provided by the North Carolina Department of Administration, Division of Management and Budget, Research and Planning Service.
- (2) All personal income data is estimates for the calendar year ended in each fiscal year are provided by Bureau of Analysis.
- (3) All per capita income data is for the calendar year ended in each fiscal year.
2008-2015 is actual per capita income provided by Bureau of Economic Analysis, last update November 17, 2016.
- (4) Durham County Public Schools, 2008-2017 Final Average Daily Membership.
- (5) North Carolina Employment Security Commission.

Information supplied by the Durham County Finance Department

DURHAM COUNTY, NORTH CAROLINA

Table 13-Durham

Principal Employers Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	38,880	1	18.63%	32,848	1	18.49%
International Business Machines (IBM)	8,000	2	3.83%	10,000	2	5.63%
Durham Public Schools	4,600	3	2.20%	5,389	3	3.03%
Blue Cross Blue Shield of North Carolina	4,281	4	2.05%	2,400	5	1.35%
Fidelity Investments	3,700	5	1.77%	1,900	9	1.07%
IQVIA (Formerly Quintiles Transnational Corp.)	3,000	6	1.44%			
Cree, Inc.	2,542	7	1.22%	1,750	10	0.99%
Durham City Government	2,466	8	1.18%	2,250	7	1.27%
Research Triangle Institute(RTI)	2,276	9	1.09%	2,300	6	1.29%
Lenovo Group, Ltd.	2,200	10	1.05%			
GlaxoSmithKline				5,000	4	2.81%
Veterans Affairs (VA) Medical Center				2,160	8	1.22%
	<u>71,945</u>		<u>34.47%</u>	<u>65,997</u>		<u>37.16%</u>

Source: Durham Chamber of Commerce and Bureau of Labor Statistics

Information supplied by the Durham County Finance Department

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)
2010	132,386	\$ 6,186,351	\$ 47,063	33.00	18,552	6.6%	1,215
2011	#####	6,268,886	47,925	33.10	19,026	6.5%	1,962
2012	138,550	6,608,945	46,713	33.00	19,462	6.5%	1,640
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	20,938	4.0%	2,087

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. 2018 personal income not 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.

Source, Orange County Finance Department

ORANGE COUNTY, NORTH CAROLINA

Table 13 - Orange

Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC-Health Care	12,742	1	16.07%	7,825	2	12.26%
UNC Chapel Hill	12,274	2	15.48%	12,935	1	20.02%
Chapel Hill-Carrboro City Schools	1,776	3	2.24%	2,196	3	3.44%
Orange County Government	1,135	4	1.43%	1,224	5	1.92%
Orange County Schools	1,031	5	1.30%	942	6	1.48%
Town of Chapel Hill	949	6	1.20%	884	7	1.39%
UNC Physicians Network LLC	697	7	0.88%			
ABB (formerly General Electric)	552	8	0.70%	403	10	0.64%
AKG of America	446	9	0.56%			
Aramark Services	379	10	0.48%			
Blue Cross Blue Shield				2,700	4	1.94%
HRR Prime LLC				531	8	0.83%
Harris Teeter, Inc				519	9	0.81%

Source: Orange County Economic Development Commission, Employment Security Commission

Source: Orange County Finance Department

WAKE COUNTY, NORTH CAROLINA

Table 12 - Wake

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates¹	Personal Income² (thousands of dollars)	Per Capita Personal Income³	School Enrollment⁴	Unemployment Rate⁵
2010	883,624	\$ 41,432,611	\$ 45,683	139,599	8.3%
2011	900,933	43,320,456	46,615	143,289	7.9%
2012	929,070	46,320,314	48,626	146,687	7.1%
2013	952,143	47,064,181	48,285	149,508	6.0%
2014	974,289	50,780,179	50,835	153,039	4.9%
2015	998,691	54,904,525	53,625	155,000	4.7%
2016	1,024,198	57,229,926	54,549	156,644	4.2%
2017	1,046,791	60,216,950	56,162	158,374	3.6%
2018	1,072,203	*	*	160,429	3.6%
2019	1,092,305	*	*	160,471	3.9%

* 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 2018.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2018.

(4) North Carolina Department of Public Instruction. 2018, 2019 Wake County Public Schools District Facts.

(5) Employment Security Commission of North Carolina; 2018, 2019 - North Carolina Department of Commerce-Labor & Economic Analytics Division.

Information provided by the Wake County Finance Department

WAKE COUNTY, NORTH CAROLINA

Table 13 - Wake

Principal Employers Current Year and Nine Years Ago

Employer	2019			2010		
	Employees ¹	Rank	Percentage of Total County Employment ²	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	38,591	1	6.54%			
State of North Carolina	24,083	2	4.08%	24,739	1	5.93%
Wake County Public School System	19,845	3	3.36%	16,755	2	4.01%
Wal-Mart	16,135	4	2.74%			
IBM Corporation	10,000	5	1.70%	10,800	3	2.59%
WakeMed Health & Hospitals	9,105	6	1.54%	7,100	5	1.70%
North Carolina State University	9,069	7	1.54%	7,500	4	1.80%
Target	8,000	8	1.36%			
UNC Rex Healthcare	7,400	9	1.25%	4,400	7	1.05%
SAS Institute, Inc.	5,632	10	0.95%	4,149	8	0.99%
GlaxoSmithKline, Inc.				6,000	6	1.44%
Progress Energy						
Wake County Government				3,494	10	0.84%
Cisco Systems				4,000	9	0.96%
	<u>147,860</u>		<u>25.06%</u>	<u>88,937</u>		<u>21.31%</u>

(1) Data not yet available for current Fiscal Year 2018 Figures used

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

(2) Source: North Carolina Department of Commerce

Information provided by the 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	2019			2014		
	Vehicle Rental Tax	Rank	Percentage of Total Sales	Vehicle Rental Tax	Rank	Percentage of Total Sales
Enterprise Rent a Car	\$ 6,585,798	1	51.10%	\$ 4,548,059	1	47.44%
Hertz Corporation	1,888,650	2	14.65%	1,826,887	2	19.06%
Avis Rent a Car System	1,095,757	3	8.50%	1,056,760	3	11.02%
Budget Rent a Car	880,335	4	6.83%	739,793	4	7.72%
DTG Operations, Inc.	582,160	5	4.52%	548,735	5	5.72%
U-Haul	339,486	6	2.63%	216,800	7	2.26%
Advantage Rent A Car	114,790	7	0.89%	11,591	12	0.12%
Payless Car Rental, Inc.	71,380	8	0.55%	-	-	0.00%
E-Z Rent A Car LLC	39,518	9	0.31%	-	-	0.00%
Capital Ford	31,067	10	0.24%	-	-	0.00%
University Ford Isuzu	27,338	11	0.21%	23,913	9	0.25%
Van Products	23,871	12	0.19%	-	-	0.00%
Fred Anderson Toyota	-	-	0.00%	12,045	11	0.13%
Triangle Rent A Car	-	-	0.00%	272,433	6	2.84%
Simply Wheelz, LLC	-	-	0.00%	91,672	8	0.96%
ZipCar, Inc	-	-	0.00%	13,338	10	0.14%
Other	1,209,126	N/A	9.39%	224,640	N/A	2.34%
Total	<u>\$ 12,889,276</u>		<u>100.00%</u>	<u>\$ 9,586,666</u>		<u>100.00%</u>

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.

Table 15

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, 2019

	Cumulative Amounts of All Projects	Prior Year	Actual Amount FY 19	Total	Variance From Cumulative Amount Positive (Negative)
EXPENDITURES					
Capital Planning					
GoTriangle	2,639,333	1,007,903	285,796	1,293,699	1,345,634
City of Raleigh	350,000	-	-	-	350,000
Commuter Rail					
GoTriangle	333,333	-	-	-	333,333
Reserve	2,303,038	-	-	-	2,303,038
Bus Rapid Transit					
City of Raleigh	4,315,545	-	60,000	60,000	4,255,545
Reserve	-	-	-	-	-
Bus Infrastructure					
GoTriangle	5,830,624	335,609	351,620	687,229	5,143,395
City of Raleigh	5,045,000	130,777	1,562,632	1,693,409	3,351,591
Town of Cary	5,154,000	-	491,893	491,893	4,662,107
Bus Acquisition					
GoTriangle	9,000,000	-	-	-	9,000,000
City of Raleigh	17,642,136	-	3,958,863	3,958,863	13,683,273
Reserve	1,200,000	-	-	-	1,200,000
Allocation to Wake Capital Fund	112,813,561	-	-	-	112,813,561
Total expenditures	<u>166,626,570</u>	<u>1,474,289</u>	<u>6,710,804</u>	<u>8,185,093</u>	<u>158,441,477</u>
	-	-	-	-	-
Revenues over expenditures	<u>(166,626,570)</u>	<u>(1,474,289)</u>	<u>(6,710,804)</u>	<u>(8,185,093)</u>	<u>(158,441,477)</u>
	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	<u>166,626,570</u>	<u>83,693,000</u>	<u>85,209,374</u>	<u>168,902,374</u>	<u>2,275,804</u>
Total other financing sources	<u>166,626,570</u>	<u>83,693,000</u>	<u>85,209,374</u>	<u>168,902,374</u>	<u>2,275,804</u>
	-	-	-	-	-
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 82,218,711</u>	<u>\$ 78,498,570</u>	<u>\$ 160,717,281</u>	<u>\$ 160,717,281</u>

Note:

This schedule compiles the totals of all capital projects authorized by the Wake Transit Plan governing board, the Transit Planning Advisory Committee. An annual budget is adopted by the Research Triangle Regional Public Transportation Authority and is presented in the Basic Financial Statements. Funding is provided from the Triangle Tax District-Wake Operating Fund. No revenues are received directly by the Capital Fund.

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.

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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***

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the blended 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, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 29, 2019.

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") to determine the 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 our 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that are less than a material weakness, yet important enough to merit attention by those charged with governance.

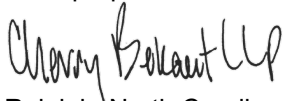
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink, appearing to read "Cherry Bakant".

Raleigh, North Carolina

October 29, 2019

**Report of Independent Auditor on Compliance with Requirements Applicable to
each Major Federal Program and on Internal Control over Compliance in Accordance
with OMB 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 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, 2019. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

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, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cherry Berkant".

Raleigh, North Carolina
October 29, 2019

**Report of Independent Auditor on Compliance with Requirements Applicable to
each Major State Program and on Internal Control over Compliance in Accordance
with OMB 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

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 its major state programs for the year ended June 30, 2019. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major State Program

In our opinion, the Authority complied, in all material respects, with the 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, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cherry Bokant" followed by a stylized flourish.

Raleigh, North Carolina
October 29, 2019

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ 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(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to federal awards? _____ 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 *Title 2 U.S. Code of Federal Regulations* 200.515(d)(2) of the Uniform Guidance?

_____ yes X no

Identification of major federal programs:

CFDA Number

20.500, 20.507, 20.526

Name of Federal Program or Cluster

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

FISCAL YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to state awards? _____ yes X no

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

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

Identification of major state programs:

Names of State Program or Cluster

State Maintenance Assistance Program
Transit Development Program

Section II – Findings Related to the Audit of the Basic Financial Statements of the Authority

Financial Statement Findings

None noted.

Section III – Findings Related to the Audit of the Federal Programs of the Authority

Federal Award Findings and Questioned Costs

None noted.

Section IV – Findings Related to the Audit of the State Programs of the Authority

State Award Findings and Questioned Costs

None noted.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF CORRECTIVE ACTION

FISCAL YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

There are no findings that require action.

Section III – Federal Award Findings and Questioned Costs

There are no findings that require action.

Section IV – State Award Findings and Questioned Costs

There are no findings that require action.

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

FISCAL YEAR ENDED JUNE 30, 2019

Schedule of Prior Year Audit Findings

Finding 2018-001

Status: Corrected.

Finding 2018-002

Status: Corrected.

Research Triangle Regional Public Transportation Authority
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

				Current Year Expenditures			
	Federal CFDA Number	State/ Pass-through Grantor's Number	Grant Number	Total	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:							
Direct Programs:							
U.S. Department of Transportation							
Federal Transit Cluster							
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2018-XXX	\$ 92,740	\$ -	\$ 92,740	\$ -
		36231.5.12.3					
		47244.1.1					
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	36231.5.12.4	NC-2017-064	198,449	-	198,449	-
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2016-027	62,454	49,963		12,491
Bus and Bus Facilities Formula Program	20.526	47244.1.1	NC-2017-042	46,370	-	46,370	-
Federal Transit-Capital Investment Grants	20.500		NC-2016-008	116,569	87,427	-	29,142
Total Federal Transit Cluster				516,582	137,390	337,559	41,633
(FAST) Pilot Program Enhanced Mobility	20.513		NC-2017-047	35,130	28,104	-	7,026
Passed through the City of Raleigh:							
Passed through the City of Durham:							
Passed through the North Carolina Department of Transportation:							
Highway Planning and Construction Cluster							
CMAQ (FHWA) -Implementation Program	20.205	50061.3.4	17-CQ-118	17,757	14,205	1,775	1,777
CMAQ (FHWA) -Implementation Program	20.205	50061.3.4	18-CQ-118	110,517	88,414	22,103	
CMAQ (FHWA) -Implementation Program	20.205	50061.3.4	18-CQ-118B	117,000		58,500	58,500
CMAQ (FHWA) -Implementation Program	20.205	50061.3.4	19-CQ-118	39,200	35,280		3,920
Total Highway Planning and Construction Cluster				284,474	137,899	82,378	64,197
Total Federal assistance:				836,186	303,393	419,937	112,856
State Grants:							
Direct Programs:							
North Carolina Department of Transportation							
State Maintenance Assistance Program	DOT-9	36234.73.15.2	19-SM-016	25,008,106	-	956,764	24,051,342
Technology Program	DOT-10	36235.7.11.8	19-AT-118	89,894	-	80,904	8,990
Apprentice/Internship Program	DOT-11	36223.53.16.1	19-DG-118	9,434		8,490	944
Passed through the Triangle J Council of Governments:							
Transit Development Program	DOT-11		TDMGOTRI19	884,414	-	675,857	208,557
Total State assistance:				25,991,848	-	1,722,015	24,269,833
Total Assistance:				\$ 26,828,034	\$ 303,393	\$ 2,141,952	\$ 24,382,689

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, 2019. 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.