



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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PREPARED BY: FINANCE DEPARTMENT

**RESEARCH TRIANGLE REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION



October 30, 2020

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, 2020. 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 – 245

Executive Office	3
General Counsel	7
Communications & Public Affairs	11
Finance and Administrative Services	20
Human Resources	4
EEO/DBE	1
Capital Development	12
Regional Services	21
Regional Bus	166

2019-2020 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 1.58 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 1.83 million by July 2029, a growth rate of 15.8% over a 10-year period.

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

Toward this end, communities in the Triangle have seen a surge in interest in the housing, working, and recreation options in their downtowns. Together with the major universities, they are developing a diversity of activities that can be well served by public transit. The sales tax revenues adopted in Durham and Orange Counties in 2013 have funded expansions of transit service in both counties. GoTriangle and Wake County, together with multiple partners, have developed a long-range plan for transit expansion and improvement for the Triangle’s eastern county. As noted in Management’s Discussion and Analysis, the Wake County revenue is significantly more than current spending. The variance between the revenue and the spending narrowed this year, compared to last year. Management believes this is both a manifestation of the pandemic and increasing local projects beginning.

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:

- **Responding to the COVID-19 Outbreak** – In March 2020, a new strain of coronavirus, commonly known as COVID-19, reached pandemic status in the United States. Despite stay-at-home orders affecting ridership, GoTriangle continued transportation services. To help prevent the spread of COVID-19, fares were waived, allowing passengers to board and disembark from the rear doors of a bus and protective shields were installed for the drivers. Additionally, face masks were required and provided to those without one, hand sanitizer stations have been added for customer use, and buses are sanitized at least daily.
- **Supporting the Employed** – In FY 2020, GoTriangle provided transit services to 1.35 million passengers. Regular route revenue miles decreased by 404.556, primarily due to modified bus service during the height of the COVID-19 pandemic.
- **Strengthening Business** – Transit increases the region’s ability to attract and retain new jobs, improving mobility for employees, employers, suppliers, customers, and tourists. More employers support the

benefit by encouraging the use of transit for their employees through the purchase of bus passes.

- **Moving the Economy** – Transit moves people to school and training, allowing them to seek higher paying jobs and become self-sufficient. 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 406,543 compared to 593,229 in Fiscal Year 2019. Management believes that the actual demand for paratransit service remains comparable to the levels before the COVID-19 pandemic. As people, especially elderly citizens, have quarantined at home, the demand for this service has dropped.

To promote the habit of public transit use as a life-long habit, GoTriangle and the Wake County Transit Partners continued the Youth GoPass program, for participants between the ages of 13 and 18. The 6,426 active participants may ride the buses for free.

Major Initiatives

During Fiscal Year 2020, GoTriangle continued to move forward with projects designed to improve the public transit efficiency and effectiveness in the Durham, Orange and Wake Counties. However, the COVID-19 pandemic drastically altered GoTriangle’s plans and those of the transit partners. Listed below are the major accomplishments of each area separated by fund.

Wake Operating and Capital Funds

- Throughout the year, GoTriangle staff continued to participate and take leadership roles with the Transit Planning Advisory Committee (TPAC) in Wake County. 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 \$109,293,092. Service expansion plans have been funded and implemented. Capital projects that include Bus Infrastructure improvements, Bus Rapid Transit, Commuter Rail Transit, and Vehicle acquisitions are underway. The financial reserves expected to be accumulated will lessen the need for borrowing. Once debt issuance is required, sound financial management and documented financial reserves will maximize the GoTriangle’s debt rating, resulting in lower interest costs.

Durham and Orange Operating and Capital Funds

- Previous tax district funds for Durham and Orange Counties were shown on a combined basis. As both counties jointly worked toward the Durham-Orange Light Rail Project, the combined presentation was useful to show the combined financial resources available to support the 18-mile long project. The project failed to gain sufficient support with certain stakeholders in April 2019. The GoTriangle,

Durham County, and Orange County governing boards voted to discontinue further efforts. GoTriangle staff has continued to work with county officials on much smaller projects, intended to bring transit improvements in targeted areas. To that end, the reporting for the Durham and Orange tax district funds has been revised to better reflect the more independent operations and capital improvement efforts of the two counties. The equity of the old combined presentation is shown as a one-time funding source for the new presentation.

Regional Bus Fund

- Fixed Route bus ridership for FY 2020 was 1,346,709 boardings, down by 18.6% compared to the previous year. This, of course, covered the period when citizens were encouraged to quarantine at home. GoTriangle was determined to be an essential “business” under state guidelines and continued to operate assisting essential workers to reach their places of employment and service.

Ridesharing Fund

- GoTriangle had GoPass agreements in place with 26 employers as of June 30, 2020.
- The GoTriangle Regional Transit Information Center answered 186,863 customer calls in Fiscal Year 2020. This is a decrease of 60,929, approximately 32.8%. The decrease is due to a combination of more accurate reporting with the Zendesk software, the impact of Covid-19 and the availability of the Transloc application used to predict bus arrival times. Overall, the Information Center answered 97% of the calls initiated, with an average hold time of 8 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. The inclusion of these reports is dependent upon GoTriangle’s level of federal and state award spending during the year.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the GoTriangle for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. 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 (CAFR). This report must satisfy both generally

accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. GoTriangle has received a Certificate of Achievement for the last twenty-five (25) consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully submitted,



Sandra Freeman
CFO/Director of Finance and Administrative Services

GoTriangle Board of Trustees

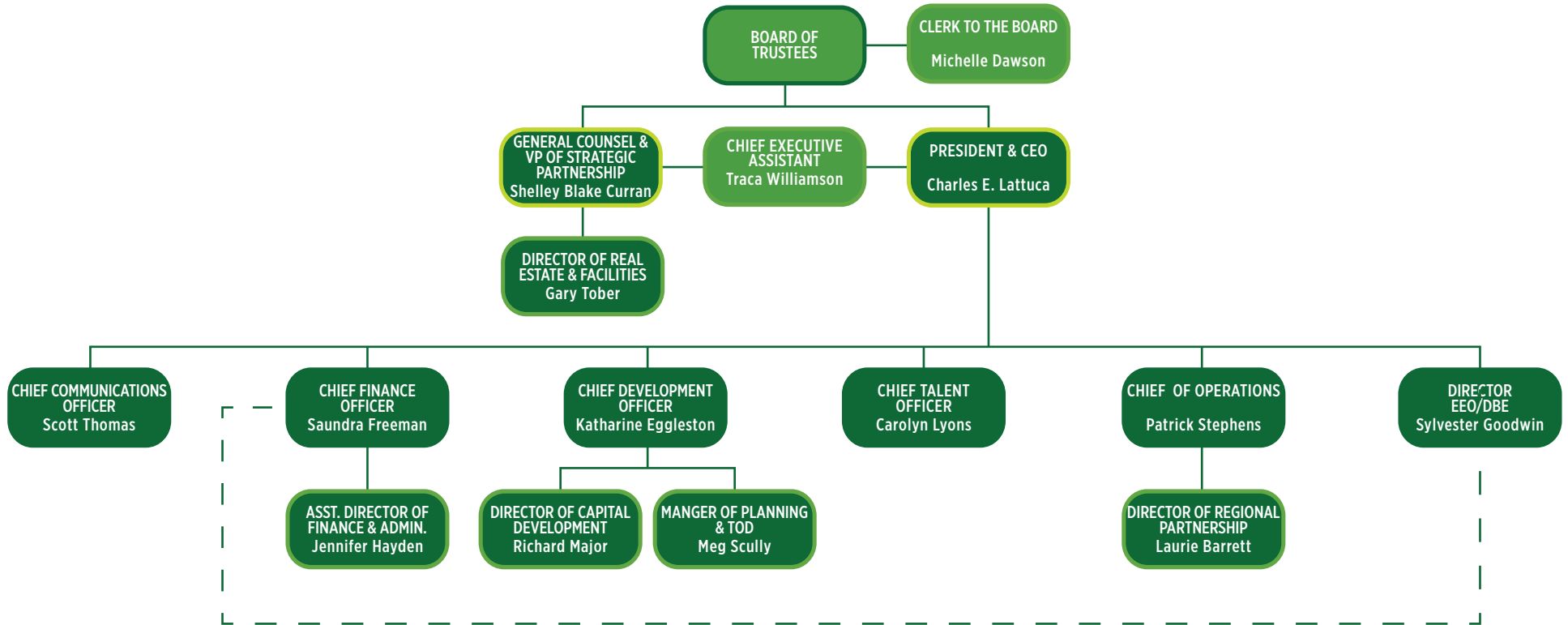
October 30, 2020

William A. Allen III	City of Raleigh
Sig Hutchinson, Vice Chair	Wake County
Mark Marcoplos	Orange County
Wendy Jacobs	Durham County
Vivian A. Jones, Treasurer	Wake County
Valerie Jordan	NCDOT
Michael Parker, Chair	Town of Chapel Hill
Michael S. Fox	NCDOT
Stelfanie Williams	Durham City/County
Jennifer Robinson	Town of Cary
Steve Schewel, Secretary	City of Durham
Corey Branch	City of Raleigh
Vacant	NCDOT

Special Tax Board

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

SENIOR LEADERSHIP





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, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the component units, each major fund, and the aggregate remaining fund information of the Research Triangle Regional Public Transportation Authority (the “Authority”) as of and for the year ended June 30, 2020, 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 component units, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, Major Capital Projects fund, Triangle Tax District – Durham Operating fund, Durham Special Tax District fund, Triangle Tax District – Orange Operating fund, Orange Special Tax 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 30, 2020, 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 30, 2020

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, 2020. 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 users 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 and deferred inflows at the close of fiscal year 2020 by \$479,190,187 (*net position*).
- The Authority's total net position increased by \$90,098,320. The Wake Tax District Funds contributed \$70,981,740 of net revenue to the Authority's net position. Planning for a Raleigh Bus Rapid Transit system and a Commuter Rail Line in Johnston, Wake and Durham counties is continuing. Staff expects that within the next several years, the design and construction phases will begin. The financial reserves built up during this time will help fund those stages.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$421,236,050, an increase of \$90,158,480 from the prior year.
- Fund balances at year-end, for funds fully under the control of the Authority totaled \$82,916,708, General Fund, \$44,195,542 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 2020, fund balance for these funds increased by \$2,400,180.
- Previously, the Triangle Tax Districts for Durham and Orange counties were shown on a combined basis. This was useful when the two counties were working closely on the Durham-Orange Light Rail Project. With that project discontinued, the counties have chosen to present their efforts independently from one another as an operations fund, a capital fund, and a special tax district fund. The combined funds are shown one last time in the Statement of Revenues, Expenditures and Changes in Fund Balance. Transfers are made from the combined funds to establish the new, county specific funds.
- The Triangle Tax District – Wake Operating, Triangle Tax District – Wake Capital, and Wake Special Tax District had a combined fund balance of \$273,479,996, a \$70,981,740 increase from the prior year. The increase is lower than in past years, as project planning and spending continues to increase among the Wake County transit partners.
- 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.

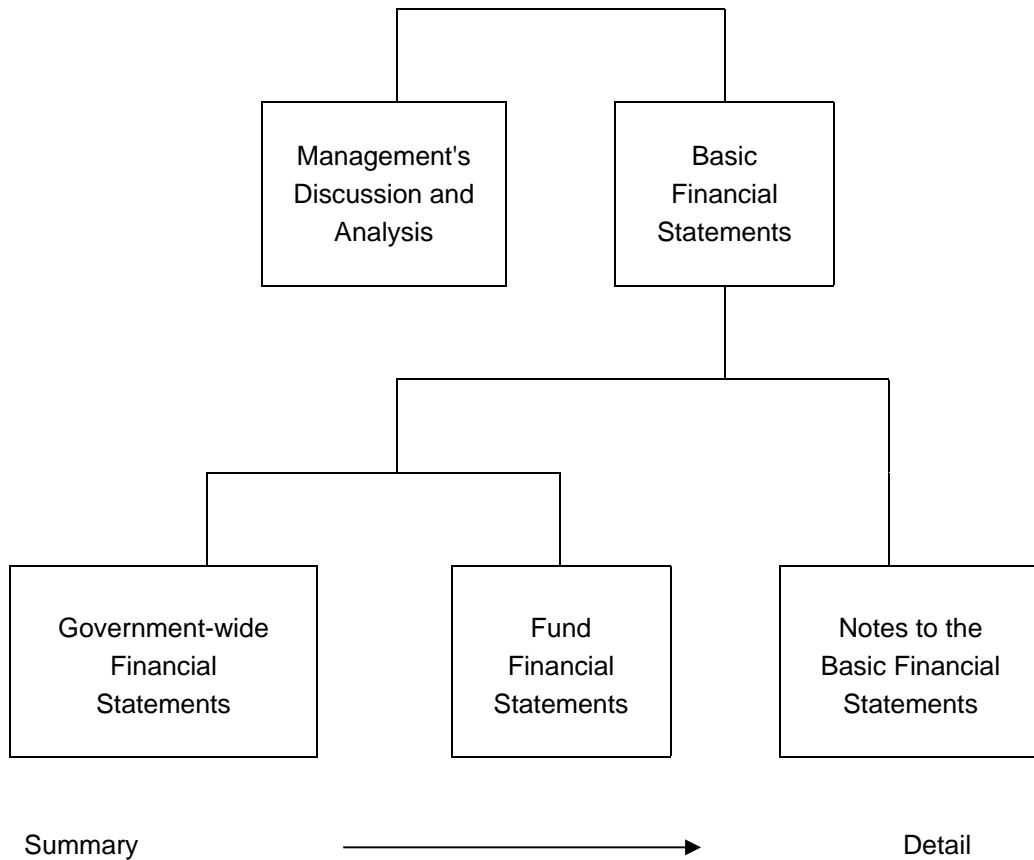
Overview of the Financial Statements

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 report contains

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

Required Components of Annual Financial Report

Figure 1



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 55) 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 55) 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 - 51 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 52 – 55 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 57 through 87 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Authority's progress in funding its obligation to provide other postemployment benefits to its employees. Required supplementary information can be found on page 88 of this report.

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

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

Government-Wide Financial Analysis

	Governmental Activities 2020	Governmental Activities 2019	Business-Type Activities 2020	Business-Type Activities 2019	Total 2020	Total 2019
Current and other assets	\$ 427,978,831	\$ 345,044,639	\$ (19,448,007)	\$ (16,944,417)	\$ 408,530,824	\$ 328,100,222
Capital assets	65,446,000	65,628,903	18,564,037	15,057,257	84,010,037	80,686,160
Total assets	493,424,831	410,673,542	(883,970)	(1,887,160)	492,540,861	408,786,382
Long term liabilities outstanding	1,585,434	1,190,882	3,026,570	2,529,228	4,612,004	3,720,110
Other liabilities	6,970,378	14,495,240	1,153,261	932,758	8,123,639	15,427,998
Total liabilities	8,555,812	15,686,122	4,179,831	3,461,986	12,735,643	19,148,108
Deferred inflows of resources	188,200	170,670	426,831	375,737	615,031	546,407
Total liabilities and deferred revenues	8,744,012	15,856,792	4,606,662	3,837,723	13,350,674	19,694,515
Net position:						
Investment in capital assets	65,446,000	65,628,903	18,564,037	15,057,257	84,010,037	80,686,160
Restricted - Stabilization by State Statute	67,813,389	76,822,273	-	-	67,813,389	76,822,273
Restricted - Enabling Legislation	278,852,605	201,501,984	-	-	278,852,605	201,501,984
Restricted - Interlocal Agreement	59,551,948	40,088,501	-	-	59,551,948	40,088,501
Unrestricted (deficit)	13,016,877	10,775,089	(24,054,669)	(20,782,140)	(11,037,792)	(10,007,051)
Total net position	\$ 484,680,819	\$ 394,816,750	\$ (5,490,632)	\$ (5,724,884)	\$ 479,190,187	\$ 389,091,867

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 \$479,190,187 as of June 30, 2020. The Authority's net position increased \$90,098,320 through operations. This compares to a decrease of \$32,176,187 for the fiscal year ended June 30, 2019. That was the year that the Durham-Orange Light Rail Project was discontinued and \$146,801,453 of construction in progress value was written down. For the year ended June 30, 2020, the Wake Tax District Funds contributed \$70,981,740 of net revenue to the Authority's net position. This funding is limited to uses and projects in Wake County. In the prior year, revenues in excess of Wake County transit spending added \$89,983,122 to the net position.

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

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

- The Authority has long-term investments in certain federal government agencies with adjustable interest rates. Overall, adjusting the investments to market reduced the interest earnings by \$245,093. This also included a reduction for the North Carolina Capital Management Trust's adjustment of the price per share in the Term Portfolio.
- As previously noted, the Wake County Tax District 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. The net revenue contributed by the Wake County Tax Districts dropped this year compared to prior years, which is an indication that planning and project design is increasing among the Wake County transit partners. 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."
- In March 2020, North Carolina government officials began taking actions to prevent the spread of COVID-19 (coronavirus). Because the Authority provides public transportation, it was classified as an essential service. While bus operations continued, many of the office staff began working from home. Bus service was reduced in some areas to weekend frequency. To minimize contact between the riders and the drivers, service was provided fare-free beginning in late March 2020. Passengers entered and exited the buses through the rear doors, away from the farebox. These actions (i) promoted physical distance between the drivers and the passengers, and (ii) provided a small economic relief to those passengers whose businesses closed or could only provide limited work. Lost revenue from fares is estimated at \$606,000. Direct expenses incurred by the Authority in response to the pandemic amount to \$839,215. The Authority has applied for financial assistance but has not received any notification of approval or denial at this time.
- During the fiscal year, records of underground utility lines, soil samples, and other subterranean information related to the former rail projects were deemed to be impaired. \$880,322 was charged against the Construction in Progress value. It is shown on the Statement of Activities as a Special Item.

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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
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 112,795	\$ 896,576	\$ 1,826,029	\$ 2,652,653	\$ 1,938,824	\$ 3,549,229
Operating grants and contributions	87,397	89,070	3,218,742	1,956,549	3,306,139	2,045,619
Capital grants and contributions	-	87,427	27,682	126,497	27,682	213,924
General revenues:						
Vehicle registration taxes	18,560,212	19,015,982	-	-	18,560,212	19,015,982
Vehicle rental taxes	11,144,224	12,524,361	-	-	11,144,224	12,524,361
Special sales tax revenues	130,876,707	129,911,500	-	-	130,876,707	129,911,500
Miscellaneous revenues	3,235,331	1,426,098	10,000,752	6,222,460	13,236,083	7,648,558
Unrestricted investment earnings	5,462,717	5,205,925	50,314	1,978	5,513,031	5,207,903
Total revenues	169,479,383	169,156,939	15,123,519	10,960,137	184,602,902	180,117,076
Expenses:						
Board	123,919	103,946	-	-	123,919	103,946
Executive Office	841,365	552,067	-	-	841,365	552,067
Human Resources	546,051	676,820	-	-	546,051	676,820
Administration	465,215	302,630	-	-	465,215	302,630
Capital Development	417,191	3,918,149	-	-	417,191	3,918,149
EEO/DBE	120,457	144,575	-	-	120,457	144,575
GoDurham	1,054,106	1,011,581	-	-	1,054,106	1,011,581
Finance	2,817,699	2,634,018	-	-	2,817,699	2,634,018
General Counsel	7,524,707	1,782,291	-	-	7,524,707	1,782,291
Communication and Public Affairs	860,176	1,083,796	-	-	860,176	1,083,796
Transit Services	53,404,609	25,376,819	-	-	53,404,609	25,376,819
Miscellaneous	-	462,124	-	-	-	462,124
Regional bus service	-	-	23,236,978	24,755,050	23,236,978	24,755,050
Regional Services	-	663,938	2,211,787	2,024,007	2,211,787	2,687,945
Total expenses	68,175,495	38,712,754	25,448,765	26,779,057	93,624,260	65,491,811
Increase (Decrease) in net position before transfers	101,303,888	130,444,185	(10,325,246)	(15,818,920)	90,978,642	114,625,265
Transfers	(10,559,497)	(9,580,069)	10,559,497	9,580,069	-	-
Special Item	(880,322)	(146,801,453)	-	-	(880,322)	(146,801,453)
Increase (Decrease) in net position	89,864,069	(25,937,337)	234,251	(6,238,851)	90,098,320	(32,176,188)
Net position, beginning	394,816,750	420,754,087	(5,724,884)	513,967	389,091,867	421,268,054
Net position, ending	\$ 484,680,819	\$ 394,816,750	\$ (5,490,632)	\$ (5,724,884)	\$ 479,190,187	\$ 389,091,867

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

Governmental Activities – Governmental activities increased the Authority's net position by \$89,864,071. Key elements of this significant change are as follows:

- General revenues increased from \$168,083,866 in Fiscal Year 2019 to \$169,279,191 in Fiscal Year 2020, a net increase of \$1,195,325. Wake County fund balance increases of \$70,981,740 contributed to the positive trend. As previously noted, this is the third full year of Wake County Tax District revenue collection without major construction projects funded. This positive contribution is lower than it has been in the past two years.
- Many of the Authority's revenue streams have been impacted by the COVID-19 pandemic. Revenue from vehicle rentals dropped approximately 70% in the final quarter of the fiscal year. The Authority's staff has looked for ways to cut costs and reduce expenses until full operations resume.
- Spending in the Triangle Tax District – Durham/Orange Fund was \$67,652,059 in Fiscal Year 2019, the last year of the Durham-Orange Light Rail Project. The Durham and Orange Tax Districts had been presented on a combined format when the project was active. With the cessation of design and engineering in the spring of 2019, the two counties have opted to show their Tax District financial information in an individual format. Spending in the Durham County Tax District was \$9,323,493 and \$6,896,759 in the Orange County Tax District.

Business-Type Activities – Business-type activities increased the Authority's net position by \$234,251. Key elements for this decrease are as follows:

- Operations resulted in a decrease to net position of \$10,352,928.
 - Spending in bus operations and transit services was reduced by \$1,462,552.
 - State grant revenue increased by \$1,488,386.
 - Bus Operations reduced its expenses by \$1,650,332.
 - Funds were received from the General Fund to offset the deficit.

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.

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

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, the total fund balance was \$44,195,542, an increase of \$2,400,180. Revenues and spending are very comparable to the prior year, when settlement of due to and due from amounts increased the fund balance. Those internal balances have been monitored more closely this year, so a large adjustment has not been needed.

At June 30, 2020, the governmental funds of the Authority reported a combined fund balance of \$421,236,050, an increase of \$90,158,480 over last year. Factors contributing to this were:

- Repayments of approximately \$6.3M to the Federal Transit Administration for sale proceeds held in escrow,
- A decrease of \$51,431,807 in Durham and Orange County Tax Districts spending, and
- An increase of \$70,981,740 in Wake funds.

This is the Wake Transit Plan's third 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.

During Fiscal Year 2020, most General Fund revenues came in less than expected. The federal and State governments have been slow to process approved grants. Without that processing, grant money cannot be applied for nor received. Other revenues dipped from either reduced spending during the beginning of the national public health crisis. The Finance Department experienced a negative budget variance when the costs of the Administrative Building were combined with routine operations. The Authority has since moved management and maintenance responsibilities to Authority staff and terminated the management contract with the real estate management firm.

During the year, certain due to-due from amounts between funds were reviewed. The determination was made that the amounts would not clear themselves through the normal course of business. The amounts were adjusted through transfers between the affected funds. While transfers out showed an amount higher than budgeted, the net effect of the adjustments was a slightly positive cash inflow, compared to the expected \$4.9M cash outflow to other funds.

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

Triangle Tax District Funds – A change in presentation of operating and capital funds is reflected in the Basic Financial Statements. This has no impact on financial results.

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 increased slightly to a deficit position of \$5,487,725 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 \$2,857,840 to \$25,113,873 during the year. Other funds have been used to support these funds as needed. This support is expected to continue in the future.

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, 2020 totaled \$84,010,039 (net of accumulated depreciation). This was an increase from the \$80,686,160 reported last year. These assets include buildings, land, machinery and equipment, leasehold improvements, vehicles, and construction in progress (CIP).

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

- During the write down of Construction in Progress (CIP) value for the Wake Legacy project in 2016 and the Durham-Orange Light Rail Project in 2019, \$8,803,221 in subterranean designs, surveys, core samples, etc. were retained in the CIP balance. These values were carried over because this information could serve as starting points for future engineers.
- During the fiscal year, five (5) diesel powered buses were added to the bus fleet as well as two (2) all-electric buses.

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

Figure 4

	Governmental Activities		Governmental Activities		Business-Type Activities		Business-Type Activities		Total	Total
	2020		2019		2020		2019		2020	2019
Land	\$ 43,531,820	\$ 43,047,720	\$ 748,068	\$ 748,068	\$ 44,279,888	\$ 43,795,788				
Buildings and Improvements	5,825,350	6,200,330	6,142,500	6,384,622	11,967,850	12,584,952				
Equipment and Vehicles	1,060,606	1,326,979	11,673,469	7,924,567	12,734,075	9,251,545				
Construction in Progress	15,028,224	15,053,874	-	-	15,028,224	15,053,874				
Total	\$ 65,446,000	\$ 65,628,903	\$ 18,564,037	\$ 15,057,257	\$ 84,010,037	\$ 80,686,160				

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

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities – The total revenue budgeted in FY 2021 is \$325.0M. The major sources of revenue for these activities are the ½ cent sales tax, \$65.3M; 5% vehicle rental tax, \$10.4M; \$3, \$5, and \$7 vehicle registration taxes, \$20.1M; federal and state grants, \$38.5M; and Wake Tax District Prior Year Carryover, \$117.3M. Budgeted departmental expenditures in the General Fund are \$6.8M. Capital expenditures are budgeted at \$240.9M in Durham, Orange and Wake Counties.

Business - Type Activities – The total revenue budgeted in FY 2021 is \$13.2M. The major sources of revenue for these activities are rider fares and local subsidies, \$2.1M; federal and state grants, \$3.7M; and other revenue, \$7.4M. Budgeted departmental expenditures in the Bus and Rideshare funds are \$22.8M and \$2.6M respectively. Transfers from the General Fund of \$12.2M 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.

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BASIC FINANCIAL STATEMENTS

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 76,752,684	\$ -	\$ 76,752,684
Receivables	1,695,443	1,470,805	3,166,248
Due from other governments	37,276,443	1,307,331	38,583,774
Internal balances	25,113,873	(25,113,873)	-
Investments	285,916,919	1,622,971	287,539,890
Inventories	-	1,264,759	1,264,759
Prepaid items	1,223,469	-	1,223,469
Total current assets	<u>427,978,831</u>	<u>(19,448,007)</u>	<u>408,530,824</u>
Capital assets:			
Land	43,531,820	748,068	44,279,888
Construction in progress	15,028,225	-	15,028,225
Other capital assets, net of depreciation	6,885,955	17,815,969	24,701,924
Total capital assets	<u>65,446,000</u>	<u>18,564,037</u>	<u>84,010,037</u>
Total assets	<u>493,424,831</u>	<u>(883,970)</u>	<u>492,540,861</u>
LIABILITIES			
Current liabilities:			
Accounts payable	6,350,987	418,640	6,769,627
Accrued wages and benefits	391,794	345,626	737,420
Compensated absences	227,597	388,995	616,592
Total current liabilities	<u>6,970,378</u>	<u>1,153,261</u>	<u>8,123,639</u>
Due in more than a year:			
Compensated absences	558,347	700,428	1,258,775
Other post employment benefits	1,027,087	2,326,142	3,353,229
Total long-term liabilities	<u>1,585,434</u>	<u>3,026,570</u>	<u>4,612,004</u>
Total liabilities	<u>8,555,812</u>	<u>4,179,831</u>	<u>12,735,643</u>
DEFERRED INFLOWS OF RESOURCES			
Other Post Employment Benefit deferrals	<u>188,200</u>	<u>426,831</u>	<u>615,031</u>
NET POSITION			
Investment in capital assets	65,446,000	18,564,037	84,010,037
Restricted for:			
Stabilization by State statute	67,813,389	-	67,813,389
Public transportation	278,852,605	-	278,852,605
Interlocal agreement	59,551,948	-	59,551,948
Unrestricted (deficit)	13,016,877	(24,054,669)	(11,037,792)
Total net position	<u>\$ 484,680,819</u>	<u>\$ (5,490,632)</u>	<u>\$ 479,190,187</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, 2020

<u>Functions/Programs</u>	<u>Program Revenue</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
Governmental activities			
General government	\$ 68,175,495	\$ 112,795	\$ 87,397
Total governmental activities	<u>68,175,495</u>	<u>112,795</u>	<u>87,397</u>
Business-type activities			
Regional bus service	23,236,978	1,826,029	2,753,591
Ridesharing	2,211,787	-	465,151
Total business-type activities	<u>25,448,765</u>	<u>1,826,029</u>	<u>3,218,742</u>
Total primary government	<u>\$ 93,624,260</u>	<u>\$ 1,938,824</u>	<u>\$ 3,306,139</u>

General revenues:

Taxes:

 Vehicle registration taxes

 Vehicle rental taxes

 Special tax revenues

 Miscellaneous revenues

 Unrestricted investment earnings

 Total general revenues excluding transfers

Special item - write down of records from discontinued projects

Transfers

 Total general revenues, special item and transfer

 Change in net position

Net position - beginning

Net position - ending

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

Net (Expenses) Revenue and Change in Net Position			
Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (67,975,303)	\$ -	\$ (67,975,303)
-	(67,975,303)	-	(67,975,303)
27,682	-	(18,629,676)	(18,629,676)
-	-	(1,746,636)	(1,746,636)
27,682	-	(20,376,312)	(20,376,312)
<u>\$ 27,682</u>	<u>(67,975,303)</u>	<u>(20,376,312)</u>	<u>(88,351,615)</u>
	18,560,212	-	18,560,212
	11,144,224	-	11,144,224
	130,876,707	-	130,876,707
	3,235,331	10,000,752	13,236,083
	5,462,717	50,314	5,513,031
	<u>169,279,191</u>	<u>10,051,066</u>	<u>179,330,257</u>
	(880,322)	-	(880,322)
	<u>(10,559,497)</u>	<u>10,559,497</u>	<u>-</u>
	<u>157,839,372</u>	<u>20,610,563</u>	<u>178,449,935</u>
	89,864,069	234,251	90,098,320
	394,816,750	(5,724,883)	389,091,867
	<u>\$ 484,680,819</u>	<u>\$ (5,490,632)</u>	<u>\$ 479,190,187</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			
	General Fund	Triangle Tax District - Durham Operating	Durham Special Tax District	Triangle Tax District - Orange Operating
ASSETS				
Cash and cash equivalents	\$ 3,150,343	\$ 16,288,017	\$ 3,764,911	\$ 1,046,258
Taxes receivable, net:				
Vehicle registration taxes	1,429,105	382,935	164,127	171,710
Refundable sales tax	190,653	-	-	-
Local option sales tax	-	6,719,505	-	2,144,791
Governmental agencies	99,478	755,588	-	460,279
Rental tax	-	152,709	-	74,579
Accrued interest	49,388	105,101	-	-
Prepaid items	1,223,469	-	-	-
Due from other funds	26,266,526	-	-	-
Other Miscellaneous	478,082	-	-	30,000
Investments	12,679,585	31,434,934	-	1,118,882
Total assets	<u>\$ 45,566,629</u>	<u>\$ 55,838,789</u>	<u>\$ 3,929,038</u>	<u>\$ 5,046,499</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,034,189	\$ 292,805	\$ -	\$ 1,547,558
Due to other funds	-	-	-	-
Accrued wages and benefits	336,898	18,025	-	6,976
Total liabilities	<u>1,371,087</u>	<u>310,830</u>	<u>-</u>	<u>1,554,534</u>
Fund Balances:				
Nonspendable				
Prepaid items	1,223,469	-	-	-
Restricted - Stabilization by State Statute	28,513,232	8,115,838	164,127	2,881,359
Restricted - Enabling Legislation	-	47,412,121	3,764,911	610,606
Restricted - Interlocal Agreement	-	-	-	-
Committed - Community Funding Area Program	-	-	-	-
Unassigned	14,458,841	-	-	-
Total fund balances	<u>44,195,542</u>	<u>55,527,959</u>	<u>3,929,038</u>	<u>3,491,965</u>
Total liabilities and fund balances	<u>\$ 45,566,629</u>	<u>\$ 55,838,789</u>	<u>\$ 3,929,038</u>	<u>\$ 5,046,499</u>

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

Major Funds						
Orange Special Tax District	Triangle Tax District - Wake Operating	Wake Special Tax District	Major Capital Projects Fund	Triangle Tax District - Wake Capital	Non-Major Governmental Fund	Total Governmental Funds
\$ 1,816,800	\$ 35,304,014	\$ -	\$ 3,811,259	\$ 11,571,082	\$ -	\$ 76,752,684
73,584	1,445,556	619,275	-	-	-	4,286,292
-	-	-	-	-	-	190,653
-	22,619,560	-	-	-	-	31,483,856
-	-	-	297	-	-	1,315,642
-	482,985	-	192,644	-	-	902,917
-	-	-	121,105	-	-	275,594
-	-	-	-	-	-	1,223,469
-	-	-	2,385,939	-	189,038	28,841,503
-	-	-	8,850	-	-	516,932
-	-	-	32,753,827	207,929,691	-	285,916,919
<u>\$ 1,890,384</u>	<u>\$ 59,852,115</u>	<u>\$ 619,275</u>	<u>\$ 39,273,921</u>	<u>\$ 219,500,773</u>	<u>\$ 189,038</u>	<u>\$ 431,706,461</u>
\$ -	\$ 2,115,367	\$ 619,275	\$ 552,755	\$ -	\$ 189,038	\$ 6,350,987
-	3,727,630	-	-	-	-	3,727,630
-	29,895	-	-	-	-	391,794
<u>-</u>	<u>5,872,892</u>	<u>619,275</u>	<u>552,755</u>	<u>-</u>	<u>189,038</u>	<u>10,470,411</u>
-	-	-	-	-	-	1,223,469
73,584	24,548,101	619,275	2,708,835	-	189,038	67,813,389
1,816,800	28,668,299	-	36,012,331	160,567,537	-	278,852,605
-	618,712	-	-	58,933,236	-	59,551,948
-	144,111	-	-	-	-	144,111
-	-	(619,275)	-	-	(189,038)	13,650,528
<u>1,890,384</u>	<u>53,979,223</u>	<u>-</u>	<u>38,721,166</u>	<u>219,500,773</u>	<u>-</u>	<u>421,236,050</u>
<u>\$ 1,890,384</u>	<u>\$ 59,852,115</u>	<u>\$ 619,275</u>	<u>\$ 39,273,921</u>	<u>\$ 219,500,773</u>	<u>\$ 189,038</u>	<u>\$ 431,706,461</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, 2020

Fund Balances - Governmental Funds \$ 421,236,050

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	\$ 77,785,391	
Accumulated depreciation	<u>(12,339,391)</u>	
		65,446,000

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

Other post-employment benefits	(1,027,087)
Compensated absences and other long-term liabilities	(785,944)

Deferred inflows of resources related to OPEB are not reported in the funds	(188,200)
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Net position of governmental activities	<u>\$ 484,680,819</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, 2020

	Major Funds		
	General Fund	Triangle Tax District - Durham/Orange	Durham/ Orange Special Tax District
REVENUES			
Restricted intergovernmental revenues:			
Local grant revenues	\$ 87,396	\$ -	\$ -
Other revenue	1,268,566	-	-
Vehicle registration taxes	6,186,565	-	-
Special tax revenue	-	-	-
Indirect cost credits	1,520,695	-	-
Vehicle rental tax	-	-	-
Investment income (loss)	369,874	-	-
Total revenues	<u>9,433,096</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Board	118,423	-	-
Executive Office	841,003	-	-
Human Resources	545,810	-	-
Administration	452,262	-	-
Capital Development	357,573	-	-
EEO/DBE	120,397	-	-
GoDurham	1,053,653	-	-
Finance	2,070,791	-	-
General Counsel	656,226	-	-
Communication and Public Affairs	859,784	-	-
Transit Services	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>7,075,922</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,357,174</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers from other funds	15,480,527	-	-
Transfers to other funds	(15,437,521)	(43,255,638)	(4,807,150)
Total other financing sources (uses)	<u>43,006</u>	<u>(43,255,638)</u>	<u>(4,807,150)</u>
Net change in fund balances	2,400,180	(43,255,638)	(4,807,150)
Fund balances - beginning	41,795,360	43,255,638	4,807,150
Fund balances - ending	<u>\$ 44,195,542</u>	<u>\$ -</u>	<u>\$ -</u>

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

Continued

Major Funds					
Triangle Tax District- Durham Operating	Durham Special Tax District	Triangle Tax District Orange Operating	Orange Special Tax District	Triangle Tax District - Wake Operating	Wake Special Tax District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
270,737	-	48,797	-	134,670	-
1,606,864	688,626	755,181	323,646	6,300,203	2,699,127
27,389,649	-	4,230,385	-	11,289,316	-
-	-	-	-	-	-
1,155,265	-	564,199	-	3,653,862	-
970,068	-	19,786	-	3,101,390	-
<u>31,392,583</u>	<u>688,626</u>	<u>5,618,348</u>	<u>323,646</u>	<u>24,479,441</u>	<u>2,699,127</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,483,986	-	3,883,433	-	14,980,320	-
-	-	-	-	-	-
<u>6,483,986</u>	<u>-</u>	<u>3,883,433</u>	<u>-</u>	<u>14,980,320</u>	<u>-</u>
<u>24,908,597</u>	<u>688,626</u>	<u>1,734,915</u>	<u>323,646</u>	<u>9,499,121</u>	<u>2,699,127</u>
42,185,048	3,240,412	3,813,452	1,566,738	2,699,127	-
(11,565,686)	-	(2,056,402)	-	-	(2,699,127)
<u>30,619,362</u>	<u>3,240,412</u>	<u>1,757,050</u>	<u>1,566,738</u>	<u>2,699,127</u>	<u>(2,699,127)</u>
55,527,959	3,929,038	3,491,965	1,890,384	12,198,248	-
-	-	-	-	41,780,975	-
<u>\$ 55,527,959</u>	<u>\$ 3,929,038</u>	<u>\$ 3,491,965</u>	<u>\$ 1,890,384</u>	<u>\$ 53,979,223</u>	<u>\$ -</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

Major Funds					
Major Capital Projects Fund	Triangle Tax District - Durham Capital	Triangle Tax District - Orange Capital	Triangle Tax District - Wake Capital	Non-Major Governmental Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,396
104,658	-	-	-	-	1,827,428
-	-	-	-	-	18,560,212
-	2,839,507	3,013,326	82,114,524	-	130,876,707
-	-	-	-	-	1,520,695
5,770,898	-	-	-	-	11,144,224
1,001,599	-	-	-	-	5,462,717
<u>6,877,155</u>	<u>2,839,507</u>	<u>3,013,326</u>	<u>82,114,524</u>	<u>-</u>	<u>169,479,379</u>
-	-	-	-	-	118,423
-	-	-	-	-	841,003
-	-	-	-	-	545,810
-	-	-	-	-	452,262
-	-	-	-	-	357,573
-	-	-	-	-	120,397
-	-	-	-	-	1,053,653
-	-	-	-	-	2,070,791
6,865,192	-	-	-	-	7,521,418
-	-	-	-	-	859,784
-	2,800,256	2,913,988	22,614,950	-	53,676,933
-	39,251	99,338	716,082	288,687	1,143,358
<u>6,865,192</u>	<u>2,839,507</u>	<u>3,013,326</u>	<u>23,331,032</u>	<u>288,687</u>	<u>68,761,405</u>
<u>11,963</u>	<u>-</u>	<u>-</u>	<u>58,783,492</u>	<u>(288,687)</u>	<u>100,717,974</u>
8,033,427	-	-	-	288,687	77,307,418
(8,045,391)	-	-	-	-	(87,866,915)
<u>(11,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,687</u>	<u>(10,559,497)</u>
-	-	-	58,783,492	-	90,158,480
38,721,166	-	-	160,717,281	-	331,077,570
<u>\$ 38,721,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,500,773</u>	<u>\$ -</u>	<u>\$ 421,236,050</u>

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

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, 2020

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

Net changes in fund balances - total governmental funds \$ 90,158,480

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	\$	1,521,067	
Less:			
Special item - write down of records from discontinued projects		(880,322)	
Depreciation expense		<u>(823,648)</u>	(182,903)

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		(63,802)	
Compensated absences		30,177	
Deferred inflows		(74,765)	
Miscellaneous other expenses		(3,118)	

Total changes in net position of governmental activities	\$	<u>89,864,069</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, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental revenues:				
Federal grant revenues	\$ -	\$ -	\$ -	\$ -
State grant revenues	29,188	29,188	-	(29,188)
Local grant revenue	173,452	173,452	87,396	(86,056)
Indirect cost credits	1,553,072	1,553,072	1,520,695	(32,377)
Vehicle registration tax	6,579,946	6,579,946	6,186,565	(393,381)
Other revenue	1,548,076	1,548,076	1,268,566	(279,510)
Investment income	400,554	400,554	369,874	(30,680)
Total revenues	<u>10,284,288</u>	<u>10,284,288</u>	<u>9,433,096</u>	<u>(851,192)</u>
EXPENDITURES				
Current:				
Board	129,399	69,399	118,423	(49,024)
Executive Office	730,045	880,045	841,003	39,042
Human Resources	690,659	560,659	545,810	14,849
Administration	373,311	493,311	452,262	41,049
Capital Development	133,240	393,240	357,573	35,667
EEO/DBE	125,452	130,452	120,397	10,055
GoDurham	1,053,649	1,053,649	1,053,653	(4)
Finance	2,007,660	1,887,660	2,070,791	(183,131)
General Counsel	930,040	715,040	656,226	58,814
Communications and Public Affairs	990,880	950,880	859,784	91,096
Total expenditures	<u>7,164,335</u>	<u>7,134,335</u>	<u>7,075,922</u>	<u>58,413</u>
Revenues over expenditures	<u>3,119,953</u>	<u>3,149,953</u>	<u>2,357,174</u>	<u>(792,779)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	7,126,343	7,126,343	15,480,527	8,354,184
Transfers to other funds	<u>(12,063,739)</u>	<u>(12,093,739)</u>	<u>(15,437,521)</u>	<u>(3,343,782)</u>
Total other financing sources (uses)	<u>(4,937,396)</u>	<u>(4,967,396)</u>	<u>43,006</u>	<u>5,010,402</u>
Fund balance appropriated	1,817,443	1,817,443	-	(1,817,443)
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	2,400,180	<u>\$ 2,400,180</u>
Fund balance, beginning			<u>41,795,360</u>	
Fund balance, ending			<u>\$ 44,195,542</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Durham Operating
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special sales tax revenue	\$ 31,710,219	\$ 31,710,219	\$ 27,389,649 ¹	\$ (4,320,570)
Vehicle rental tax	1,393,091	1,393,091	1,155,265 ¹	(237,826)
Vehicle registration tax	1,727,124	1,727,124	1,606,864 ¹	(120,260)
Investment income	-	-	970,068 ¹	970,068
Miscellaneous revenue	-	-	270,737 ¹	270,737
Total revenues	<u>34,830,434</u>	<u>34,830,434</u>	<u>31,392,583</u>	<u>(3,437,851)</u>
EXPENDITURES				
Transit Administration				
GoTriangle	1,935,006	1,902,547	1,597,538	305,009
DCHC MPO	805,364	55,364	54,874	490
Durham County	-	196,000	-	196,000
Bus Operations				
Durham County Access	187,329	187,329	188,825	(1,496)
GoDurham	2,933,725	3,338,637	3,116,158	222,479
GoTriangle	<u>1,535,500</u>	<u>1,558,007</u>	<u>1,526,591</u>	<u>31,416</u>
Total expenditures	<u>7,396,924</u>	<u>7,237,884</u>	<u>6,483,986</u>	<u>753,898</u>
Revenues over expenditures	<u>27,433,510</u>	<u>27,592,550</u>	<u>24,908,597</u>	<u>(2,683,953)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	740,156	740,156	42,185,048	41,444,892
Transfers to other funds	<u>(5,946,698)</u>	<u>(10,424,323)</u>	<u>(11,565,686)</u>	<u>(1,141,363)</u>
Total other financing sources (uses)	<u>(5,206,542)</u>	<u>(9,684,167)</u>	<u>30,619,362</u>	<u>40,303,529</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 22,226,968</u>	<u>\$ 17,908,383</u>	55,527,959	<u>\$ 37,619,576</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ 55,527,959</u>	

¹ FY2020 total actual revenue for Durham County Tax District = \$34,920,716. The Budget going forward will be realigned to this new reporting format,

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Durham / Orange Special Tax District - Durham Share
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Vehicle registration tax	\$ 740,156	\$ 740,156	\$ 688,626	\$ (51,530)
Total revenues	<u>740,156</u>	<u>740,156</u>	<u>688,626</u>	<u>(51,530)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>740,156</u>	<u>740,156</u>	<u>688,626</u>	<u>(51,530)</u>
OTHER FINANCING USES				
Transfers from other funds	-	-	3,240,412	3,240,412
Transfers to other funds	<u>(740,156)</u>	<u>(740,156)</u>	<u>-</u>	<u>740,156</u>
Total other financing uses	<u>(740,156)</u>	<u>(740,156)</u>	<u>3,240,412</u>	<u>3,980,568</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	3,929,038	<u>\$ 3,929,038</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 3,929,038</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Orange Operating
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special sales tax revenue	\$ 7,769,295	\$ 7,769,295	\$ 4,230,385 ¹	\$ (3,538,910)
Vehicle rental tax	680,347	680,347	564,199 ¹	(116,148)
Vehicle registration tax	863,801	863,801	755,181 ¹	(108,620)
Investment income/Other	231,660	231,660	19,786 ¹	(211,874)
Miscellaneous revenue	-	-	48,797 ¹	48,797
Total revenues	<u>9,545,103</u>	<u>9,545,103</u>	<u>5,618,348</u>	<u>(3,926,755)</u>
EXPENDITURES				
Transit Administration				
GoTriangle	962,510	814,302	669,319	144,983
DCHC MPO	555,364	55,364	22,061	33,303
Bus Operations				
Chapel Hill Transit	1,983,907	1,940,152	1,940,152	-
Orange County Public Transit	743,018	710,393	333,869	376,524
GoTriangle	909,307	918,032	918,032	-
Total expenditures	<u>5,154,106</u>	<u>4,438,243</u>	<u>3,883,433</u>	<u>554,810</u>
Revenues over expenditures	<u>4,390,997</u>	<u>5,106,860</u>	<u>1,734,915</u>	<u>(3,371,945)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	370,223	370,223	3,813,452	3,443,229
Transfers to other funds	<u>(3,305,257)</u>	<u>(4,429,669)</u>	<u>(2,056,402)</u>	<u>2,373,267</u>
Total other financing sources (uses)	<u>(2,935,034)</u>	<u>(4,059,446)</u>	<u>1,757,050</u>	<u>5,816,496</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,455,963</u>	<u>\$ 1,047,414</u>	3,491,965	<u>\$ 2,444,551</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 3,491,965</u>	

¹ FY2020 total actual revenue for Orange County Tax District = \$8,955,320. The Budget going forward will be realigned to this new reporting format.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Durham / Orange Special Tax District - Orange Share
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration tax	\$ 370,223	\$ 370,223	\$ 323,646	\$ (46,577)
Total revenues	<u>370,223</u>	<u>370,223</u>	<u>323,646</u>	<u>(46,577)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>370,223</u>	<u>370,223</u>	<u>323,646</u>	<u>(46,577)</u>
OTHER FINANCING USES				
Transfers to other funds	-	-	1,566,738	1,566,738
Total other financing uses	<u>(370,223)</u>	<u>(370,223)</u>	<u>-</u>	<u>370,223</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	1,890,384	<u>\$ 1,890,384</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 1,890,384</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, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ 92,075,000	\$ 92,075,000	\$ 11,289,316 ¹	\$ (80,785,684)
Vehicle rental tax	4,406,000	4,406,000	3,653,862 ¹	(752,138)
Vehicle registration tax	6,658,000	6,658,000	6,300,203 ¹	(357,797)
Farebox	1,258,000	1,258,000	-	(1,258,000)
Investment income	-	-	3,101,390 ¹	3,101,390
Miscellaneous revenue	-	-	134,670 ¹	134,670
Total revenues	<u>104,397,000</u>	<u>104,397,000</u>	<u>24,479,441</u>	<u>(79,917,559)</u>
EXPENDITURES				
Tax District Administration (GoTriangle)	449,100	449,100	259,718	189,382
Transit Plan Administration				
GoTriangle	1,839,063	1,839,063	1,527,677	311,386
Capital Area Metropolitan Planning Organization	400,000	400,000	327,313	72,687
City of Raleigh	675,000	799,000	575,825	223,175
Town of Cary	543,136	543,136	490,030	53,106
Community Funding Area				
Town of Wake Forest	214,057	214,057	110,460	103,597
Town of Apex	-	-	12,873	(12,873)
Town of Morrisville	-	-	50,000	(50,000)
Bus Operations				
GoTriangle	2,939,574	2,939,574	2,129,592	809,982
City of Raleigh	15,578,862	15,578,862	8,251,275	7,327,587
Town of Cary	2,061,722	2,061,722	877,195	1,184,527
Wake County	365,362	365,362	365,362	-
Town of Wendell	4,305	4,305	3,000	1,305
Town of Zebulon	5,795	5,795	-	5,795
Reserve	58,500	58,500	-	58,500
Total expenditures	<u>25,134,476</u>	<u>25,258,476</u>	<u>14,980,320</u>	<u>10,278,156</u>
Revenues over expenditures	<u>79,262,524</u>	<u>79,138,524</u>	<u>9,499,121</u>	<u>(69,639,403)</u>
OTHER FINANCING SOURCES (USES)				
Fund Balance Appropriation	-	124,000	-	(124,000)
Transfers from other funds	2,852,000	2,852,000	2,699,127	(152,873)
Transfers to other funds	(82,114,524)	(82,114,524)	-	82,114,524
Total other financing sources (uses)	<u>(79,262,524)</u>	<u>(79,138,524)</u>	<u>2,699,127</u>	<u>81,837,651</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	12,198,248	<u>\$ 12,198,248</u>
Fund balance, beginning			<u>41,780,975</u>	
Fund balance, ending			<u>\$ 53,979,223</u>	

¹ FY2020 total actual revenue for Wake Tax District = \$109,293,092. The Budget going forward will be realigned to this new reporting format.

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, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration tax	\$ 2,852,000	\$ 2,852,000	\$ 2,699,127	\$ (152,873)
Total revenues	<u>2,852,000</u>	<u>2,852,000</u>	<u>2,699,127</u>	<u>(152,873)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>2,852,000</u>	<u>2,852,000</u>	<u>2,699,127</u>	<u>(152,873)</u>
OTHER FINANCING USES				
Transfers to Wake Operating Fund	<u>(2,852,000)</u>	<u>(2,852,000)</u>	<u>(2,699,127)</u>	<u>152,873</u>
Total other financing uses	<u>(2,852,000)</u>	<u>(2,852,000)</u>	<u>(2,699,127)</u>	<u>152,873</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Major Capital Projects Fund
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Vehicle rental tax	\$ 6,479,495	\$ 6,479,495	\$ 5,770,898	\$ (708,596)
Other revenue	160,000	160,000	104,658	(55,342)
Investment income	671,419	671,419	1,001,599	330,180
Total revenues	<u>7,310,914</u>	<u>7,310,914</u>	<u>6,877,155</u>	<u>(433,758)</u>
EXPENDITURES				
Other capital expenditures	<u>1,046,500</u>	<u>7,053,485</u>	<u>6,865,192</u>	<u>188,293</u>
Total expenditures	<u>1,046,500</u>	<u>7,053,485</u>	<u>6,865,192</u>	<u>188,293</u>
Revenues over expenditures	<u>6,264,414</u>	<u>257,429</u>	<u>11,963</u>	<u>(245,465)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	886,500	6,893,485	8,033,427	1,139,942
Transfers to other funds	(8,012,843)	(14,019,828)	(8,045,391)	5,974,437
Total other financing sources (uses)	<u>(7,126,343)</u>	<u>(7,126,343)</u>	<u>(11,963)</u>	<u>7,114,379</u>
Fund balance appropriated	<u>861,929</u>	<u>6,868,914</u>	<u>-</u>	<u>(6,868,914)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance, beginning			<u>38,721,166</u>	
Fund balance, ending			<u>\$ 38,721,166</u>	

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Durham Capital
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ -	\$ -	\$ 2,839,507 ¹	\$ 2,839,507
Total revenues	<u>-</u>	<u>-</u>	<u>2,839,507</u>	<u>2,839,507</u>
EXPENDITURES				
Vehicle Purchase				
GoDurham	72,850	72,850	-	72,850
Durham County Access	541,333	541,333	515,513	25,820
Transit Infrastructure				
City of Durham / GoDurham	3,620,020	3,191,272	624,110	2,567,162
GoTriangle	866,376	2,882,376	546,745	2,335,631
Capital - Other				
Commuter Rail	810,000	2,950,373	316,217	2,634,156
GoTriangle	906,438	906,438	75,063	831,375
DCHC MPO	-	750,000	3,000	747,000
DOLRT Wind-Down	2,347,472	2,347,472	758,859	1,588,613
Allocation to Durham Capital Fund	3,217,791	3,217,791	-	3,217,791
Total expenditures	<u>12,382,280</u>	<u>16,859,905</u>	<u>2,839,507</u>	<u>14,020,398</u>
Revenues over expenditures	<u>(12,382,280)</u>	<u>(16,859,905)</u>	<u>-</u>	<u>(14,020,398)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	5,946,698	10,424,323	-	(10,424,323)
Total other financing sources	<u>5,946,698</u>	<u>10,424,323</u>	<u>-</u>	<u>(10,424,323)</u>
Excess of revenues over expenditures	<u>\$ (6,435,582)</u>	<u>\$ (6,435,582)</u>	<u>-</u>	<u>\$ 6,435,582</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

¹ FY2020 total actual revenue for Durham County Tax District = \$34,920,716. The Budget going forward will be realigned to this new reporting format.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Triangle Tax District - Orange Capital
Statement of Revenues, Expenditures And Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ -	\$ -	\$ 3,013,326 ¹	\$ 3,013,326
Total revenues	<u>-</u>	<u>-</u>	<u>3,013,326</u>	<u>3,013,326</u>
EXPENDITURES				
Vehicle Purchase				
Chapel Hill Transit	1,693,192	1,693,192	1,769,192	(76,000)
Orange County Public Transit	79,657	309,113	300,286	8,827
Transit Infrastructure				
Town of Carrboro	997,734	1,026,734	120,889	905,845
Chapel Hill Transit / Town of Chapel Hill	586,705	586,705	-	586,705
Chapel Hill Transit - NS- BRT	2,513,215	2,513,215	432,359	2,080,856
GoTriangle	1,389,027	725,527	200,456	525,071
Town of Hillsborough	434,897	434,897	-	434,897
Orange County Public Transit	182,531	982,531	-	982,531
Capital - Other				
GoTriangle	239,152	239,152	17,324	221,828
Orange County Public Transit	-	500,000	-	500,000
DOLRT Wind-Down	518,460	518,460	172,820	345,640
Allocation to Durham Capital Fund	<u>3,217,791</u>	<u>3,217,791</u>	<u>-</u>	<u>3,217,791</u>
Total expenditures	<u>11,852,361</u>	<u>12,747,317</u>	<u>3,013,326</u>	<u>9,733,991</u>
Revenues over expenditures	<u>(11,852,361)</u>	<u>(12,747,317)</u>	<u>-</u>	<u>(9,733,991)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	<u>3,305,257</u>	<u>4,429,669</u>	<u>-</u>	<u>(4,429,669)</u>
Total other financing sources	<u>3,305,257</u>	<u>4,429,669</u>	<u>-</u>	<u>(4,429,669)</u>
Excess of revenues over expenditures	<u>\$ (8,547,104)</u>	<u>\$ (8,317,648)</u>	<u>-</u>	<u>\$ 8,317,648</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

¹ FY2020 total actual revenue for Orange County Tax District = \$8,955,320. The Budget going forward will be realigned to this new reporting format.

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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, 2020

	Budget Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special sales tax revenue	\$ -	\$ -	\$ 82,114,524 ¹	\$ 82,114,524
Total revenues	-	-	82,114,524	82,114,524
EXPENDITURES				
Capital Planning				
GoTriangle	458,333	458,333	96,682	361,651
City of Raleigh	-	-	178,548	(178,548)
CAMPO	340,000	340,000	113,273	226,727
Community Funding Area				
Town of Garner	50,000	50,000	47,782	2,218
Town of Fuquay-Varina	13,750	13,750	9,000	4,750
Town of Rolesville	16,500	16,500	-	16,500
Commuter Rail				
GoTriangle	-	3,363,629	2,134	3,361,495
Reserve	42,724,000	39,360,371	-	39,360,371
Bus Rapid Transit				
City of Raleigh	21,000,000	21,000,000	3,988,202	17,011,798
Bus Infrastructure				
GoTriangle	9,737,000	9,768,200	1,900,769	7,867,431
City of Raleigh	7,828,119	7,828,119	838,881	6,989,238
Town of Cary	2,454,110	2,399,110	452,785	1,946,325
Town of Holly Springs	-	55,000	-	55,000
Bus Acquisition				
City of Raleigh	8,364,808	8,744,808	13,208,993	(4,464,185)
GoTriangle	-	-	2,493,983	(2,493,983)
Allocation to Wake Capital Fund	19,885,236	19,885,236	-	19,885,236
Total expenditures	112,871,856	113,283,056	23,331,032	89,952,024
Revenues over expenditures	(112,871,856)	(113,283,056)	58,783,492	(7,837,500)
OTHER FINANCING SOURCES				
Transfers from other funds	82,114,525	82,114,525	-	(82,114,525)
Total other financing sources	82,114,525	82,114,525	-	(82,114,525)
Excess of revenues over expenditures	<u>\$ (30,757,331)</u>	<u>\$ (31,168,531)</u>	58,783,492	<u>\$ 89,952,023</u>
Fund balance, beginning			160,717,281	
Fund balance, ending			<u>\$ 219,500,773</u>	

¹ FY2020 total actual revenue for Wake Tax District = \$109,293,092. The Budget going forward will be realigned to this new reporting format.

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

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, 2020

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
ASSETS			
Current assets:			
Investments	\$ -	\$ 1,622,971	\$ 1,622,971
Inventories	-	1,264,759	1,264,759
Intergovernmental receivables	309,077	998,254	1,307,331
Other receivables	395,051	1,075,754	1,470,805
Total current assets	<u>704,128</u>	<u>4,961,738</u>	<u>5,665,866</u>
Non-current assets:			
Capital assets:			
Land	-	748,068	748,068
Other capital assets, net of depreciation	-	17,815,969	17,815,969
Total non-current assets	<u>-</u>	<u>18,564,037</u>	<u>18,564,037</u>
Total Assets	<u>704,128</u>	<u>23,525,775</u>	<u>24,229,903</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	106,329	312,311	418,640
Due to other funds	263,637	24,850,236	25,113,873
Accrued wages and benefits	36,373	309,253	345,626
Compensated absences	6,066	382,929	388,995
Total current liabilities	<u>412,405</u>	<u>25,854,729</u>	<u>26,267,134</u>
Non-current liabilities:			
Compensated absences	83,621	616,807	700,428
Other post-employment benefits	178,042	2,148,100	2,326,142
Total non-current liabilities	<u>261,663</u>	<u>2,764,907</u>	<u>3,026,570</u>
Total liabilities	<u>674,068</u>	<u>28,619,636</u>	<u>29,293,704</u>
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefit deferrals	<u>32,967</u>	<u>393,864</u>	<u>426,831</u>
NET POSITION			
Investment in capital assets	-	18,564,037	18,564,037
Unrestricted	(2,907)	(24,051,762)	(24,054,669)
Total net position	<u>\$ (2,907)</u>	<u>\$ (5,487,725)</u>	<u>\$ (5,490,632)</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Revenue, Expenses And Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
OPERATING REVENUES			
Bus fares	\$ -	\$ 529,545	\$ 529,545
Consignment	-	738,936	738,936
Vanpool fares	-	952	952
Employer subsidies	-	6,143	6,143
Paratransit services	-	550,453	550,453
Other revenues	845,596	8,924,458	9,770,054
Intergovernmental revenues:			
Federal grant revenues	-	44,454	44,454
State grant revenues	-	2,655,729	2,655,729
Local grant revenues	465,151	53,408	518,559
Total operating revenues	<u>1,310,747</u>	<u>13,504,078</u>	<u>14,814,825</u>
OPERATING EXPENSES			
Bus Supervision	-	1,595,547	1,595,547
Bus Operations	-	6,777,600	6,777,600
Bus Maintenance	-	3,611,657	3,611,657
Vanpool	-	331,202	331,202
Paratransit Services	-	1,989,462	1,989,462
Regional Call Center	965,317	-	965,317
Regional Services	596,738	-	596,738
Sustainable Travel	649,732	-	649,732
Depreciation, Bus	-	2,675,317	2,675,317
Transit Services	-	6,256,193	6,256,193
Total operating expenses	<u>2,211,787</u>	<u>23,236,978</u>	<u>25,448,765</u>
Operating loss	<u>(901,040)</u>	<u>(9,732,900)</u>	<u>(10,633,940)</u>
NON-OPERATING REVENUES			
Gain on asset sales	-	230,698	230,698
Investment earnings	-	50,314	50,314
Loss before contributions and transfers	<u>(901,040)</u>	<u>(9,451,888)</u>	<u>(10,352,928)</u>
Capital contributions	-	27,682	27,682
Transfers in	901,040	9,658,457	10,559,497
Change in net position	-	234,251	234,251
Total net position - beginning	(2,907)	(5,721,976)	(5,724,883)
Total net position - ending	<u>\$ (2,907)</u>	<u>\$ (5,487,725)</u>	<u>\$ (5,490,632)</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, 2020

	Proprietary Funds		
	<u>Ridesharing Fund</u>	<u>Regional Bus Service Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 11,011	\$ 1,723,848	\$ 1,734,859
Payments to suppliers	(944,131)	(6,110,176)	(7,054,307)
Payments to employees	(1,091,905)	(4,558,522)	(5,650,427)
Other receipts	1,237,618	2,449,009	3,686,627
Net cash used in operating activities	<u>(787,407)</u>	<u>(6,495,841)</u>	<u>(7,283,248)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in due to General Fund	(113,633)	2,991,799	2,878,166
Transfers from General Fund	901,040	9,658,457	10,559,497
Net cash provided by noncapital financing activities	<u>787,407</u>	<u>12,650,256</u>	<u>13,437,663</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES			
Capital contributions	-	27,682	27,682
Purchase of capital assets	-	(6,182,097)	(6,182,097)
Net cash used in capital and financing activities	<u>-</u>	<u>(6,154,415)</u>	<u>(6,154,415)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	-	53,328	53,328
Proceeds from sale/maturity of investments	-	462,967	462,967
Purchase of investments	-	(516,295)	(516,295)
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Balances beginning	<u>-</u>	<u>-</u>	<u>-</u>
Balances ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Proprietary Funds		
	Ridesharing Fund	Regional Bus Service Fund	Total
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (901,040)	\$ (9,732,900)	\$ (10,633,940)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	-	2,675,317	2,675,317
Changes in assets and liabilities:			
Receivables from governmental agencies	31,662	304,582	336,244
Inventories	-	(168,354)	(168,354)
Other receivables	(27,621)	(213,506)	(241,127)
Accrued payroll	6,642	38,791	45,433
Accrued compensated absences	10,495	179,712	190,207
Accounts payable & other liabilities	91,550	204,747	296,297
Other post employment benefits increases	905	215,770	216,675
Total adjustments	<u>113,633</u>	<u>3,237,059</u>	<u>3,350,692</u>
Net cash used in operating activities	<u>\$ (787,407)</u>	<u>\$ (6,495,841)</u>	<u>\$ (7,283,248)</u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1 .SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In prior years, the Durham and Orange County funds were presented in a combined format. That presentation began with the efforts to build the Durham-Orange Light Rail Project. This would have been an 18-mile rail line through Durham and Orange Counties. In April of 2019, the Authority failed to reach critical agreements with key stakeholders. The governing boards of Durham County, Orange County, and the Research Triangle Regional Public Transportation Authority voted to cease activity at that time. The revised presentation reflects the trend towards independent, smaller county projects, with benefits to the citizens realized sooner. See Management’s Discussion and Analysis for a fuller discussion of the presentation.

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. Interfund services provided and used are not eliminated. 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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

revenues. The primary expenditures are for finance, human resources, general counsel, and communication and public affairs.

- Triangle Tax District – Durham/Orange - The Triangle Tax District – Durham/Orange is shown on the Statement of Revenues, Expenditures and Changes in Fund Balance. This is the last presentation in this format. The equity of the fund is transferred to the Triangle Tax District – Durham Operating and the Triangle Tax District – Orange Operating as a funding source for the separate accounting of County activities.
- Durham/Orange Special Tax District - The Durham/Orange Special Tax District is shown on the Statement of Revenues, Expenditures and Changes in Fund Balance. This is the last presentation in this format. The equity of the fund is transferred to the Durham Special Tax District and the Orange Special Tax District, as a funding source for the new presentation.
- Triangle Tax District – Durham Operating – The Triangle Tax District – Durham Operating receives a special sales tax collected in Durham County, as well as vehicle rental and registration taxes. Proceeds may only be used for Durham County Transportation purposes.
- Durham Special Tax District – This fund receives a vehicle registration tax *separate* from the one described above. The tax is levied within Durham County and may only be used for transportation needs in Durham County.
- Triangle Tax District – Orange Operating – The Triangle Tax District – Orange Operating receives a special sales tax collected in Orange County, as well as vehicle rental and registration taxes. Proceeds may only be used for Orange County Transportation purposes.
- Orange Special Tax District – This fund receives a vehicle registration tax *separate* from the one described above. The tax is levied within Orange County and may only be used for transportation needs in Orange County.
- Triangle Tax District – Wake Operating – This fund collects special sales taxes, vehicle rental taxes and vehicle registration taxes, for transportation operations in Wake County, only.
- Wake Special Tax District – This fund collects a *separate* vehicle registration tax levied in Wake County. The proceeds are transferred to the Wake Operating Fund during the year, per an Interlocal agreement. The resources may only be used to fund transportation operational needs in Wake County.
- Major Capital Projects Fund – The Major Capital Projects Fund includes the Major Transit Investment Fund and the Regional Rail Capital Project Fund. Together, both account for funds used for the development of a regional rail and bus system. These funds are not limited to use in any specific County.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Triangle Tax District – Durham Capital – This is a new fund, established to track the transportation capital projects in Durham County. Funding comes from the special sales tax collected in Durham County.
- Triangle Tax District – Orange Capital – This is a new fund, established to track the transportation capital projects in Orange County. Funding comes from the special sales tax collected in Orange County.
- Triangle Tax District – Wake Capital – This is the third year of operations for the Triangle Tax District – Wake Capital Fund. The special sales tax collected in Wake County is the funding source for this fund. Amounts reimbursed to Wake County 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.*

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 paratransit services. Financing is provided by paratransit fares, bus fares, consignments, subsidies, intergovernmental revenues, and General Fund revenues. The Regional Bus Capital Project Fund has been consolidated into the Regional Bus Service Fund for financial reporting purposes.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Control

The Authority's budgets are adopted as required by the North Carolina General Statutes. The Board of Trustees adopts an annual budget ordinance for the General, Special Revenue, Capital and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. All Budget Ordinances are prepared on the modified accrual basis of accounting. The Appropriations Ordinance is adopted at the departmental level for the General Fund, the Enterprise Funds and the Special Revenue Fund, and at the functional 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.

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'

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

acceptances, and the North Carolina Capital Management Trust (NCCMT). The Authority's investments are reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) 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. The NCCMT Government Portfolio, a SEC registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

F. Cash and Cash Equivalents

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

Previously, under Federal Transit Administration rules and regulations, \$6,006,985 in real estate sale proceeds were held in a separate escrow account for future use. Those funds were classified as *Restricted Assets*, because the future use was limited by an external source. During the fiscal year, the Authority made full repayment to the Federal Transit Administration.

G. Receivables

Receivables include amounts due from transportation services provided, rental income due, and certain governmental non-exchange transactions. Note 4, page 72 contains additional detail on the balance of Due from Other Agencies and Governments.

H. Inventory and Prepaid Items

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

I. Capital Assets

Capital assets are defined by the government as assets with an initial individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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' 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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of 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.

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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>\$ 44,195,542</u>
Less:	
Prepaid expenses	1,223,469
Restricted for Stabilization by State Statute	<u>28,513,232</u>
Available for appropriation	<u><u>\$ 14,458,841</u></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.

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 and periodically transfers a portion to the appropriate Triangle Tax District county operating accounts. Revenue recognition varies according to the tax collection schedule for each vendor. Collection schedules are determined by sales volume. The Authority accrues for vehicle rental tax revenue at year end.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In prior years, the Tax Districts for Durham and Orange Counties were shown on a combined basis. This presentation was intended to present the financial condition of the two counties as they worked jointly, with the Authority, to advance the Durham/Orange Light Rail Project. In April of 2019, agreements with key stakeholders could not be reached. The governing boards of both counties and the Authority voted to discontinue further development of the Project. During Fiscal Year 2020, the presentation of Durham and Orange Counties was changed to match the Operating, Capital and Special District presentation used by Wake County. The more detailed presentation better represents the increasing independence of each county as they turn attention to more county specific projects. This presentation is not a restatement, but rather a disaggregation of the previously combined funds.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, 2020, the amount of the deposits on the Authority's books was \$76,752,684 and the bank balances were \$79,067,145. Of the bank balance, \$940,108 was covered by federal depository insurance, and \$78,127,037 in deposits was covered by collateral held under the Pooling Method.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

2. INVESTMENTS

As of June 30, 2020, 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	\$ 7,910,740	\$ -	\$ 4,121,557	\$ 3,789,183	
SBA Participation Securities	52,494,793	-	1,090,681	23,884,754	27,519,358
NC Local Gov't & State Bonds	221,461	-	221,461	-	-
NCCMT Government Portfolio	3,325,442	3,325,442	-	-	-
NCCMT Term Portfolio	223,587,454	223,587,454	-	-	-
Total	\$ 287,539,890	\$ 226,912,896	\$ 5,433,699	\$ 27,673,937	\$ 27,519,358

Because the NC Capital Management Trust – Term Portfolio has a weighted average maturity of 0.15 years, it is presented as an investment with a maturity of less than 1 year.

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	\$ 7,910,740	\$ -	\$ 7,910,740	\$ -
SBA Participation Securities	52,494,793	744,031	51,750,762	-
NC Local Gov't & State Bonds	221,461	-	221,461	-
NCCMT Government Portfolio	3,325,442	3,325,442	-	-
NCCMT Term Portfolio	223,587,454	223,587,454	-	-
Total	\$ 287,539,890	\$ 227,656,927	\$ 59,882,963	\$ -

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

3. INVESTMENTS (Continued)

Interest Rate Risk

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

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

Credit Risk

As a means of limiting its exposure to risk, the Authority will invest no more than 50% in any obligation that does not bear the full faith and credit of the United States of America. The Authority limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations ("NRSROs"). The Authority's investments in US Agencies and US Treasuries are rated AAA by Standard and Poor's. The Authority's investments in NC State and local government bonds are also rated AAA by Standard and Poor's. As of June 30, 2020, the Authority's investments in the NCCMT Government Portfolio carried a credit rating of AAAM by Standard and Poor's. The Authority's investment in the NCCMT Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30, as amended.

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

3. **INVESTMENTS (Continued)**

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 (18.3%) and NC Capital Management Trust – Term Portfolio (77.8%). 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, 2020:

<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
<u>\$ 2,315,662</u>	<u>\$ 35,960,800</u>	<u>\$ 307,311</u>	<u>\$ 38,583,773</u>

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 43,047,720	\$ 484,100	\$ -	\$ 43,531,820
Construction in progress	15,053,874	854,672	880,322	15,028,224
Total capital assets not being depreciate	<u>58,101,594</u>	<u>1,338,772</u>	<u>880,322</u>	<u>58,560,044</u>
Capital assets being depreciated:				
Buildings	6,248,870	-	-	6,248,871
Equipment and vehicles	8,735,302	182,295	-	8,917,597
Leasehold improvements	4,058,879	-	-	4,058,879
Total capital assets being depreciated	<u>19,043,051</u>	<u>182,295</u>	<u>-</u>	<u>19,225,347</u>
Less accumulated depreciation for:				
Buildings	2,159,120	208,287	-	2,367,407
Equipment and vehicles	7,408,323	448,668	-	7,856,991
Leasehold improvements	1,948,300	166,693	-	2,114,993
Total accumulated depreciation	<u>11,515,743</u>	<u>823,648</u>	<u>-</u>	<u>12,339,391</u>
Total capital assets being depreciated, net	<u>7,527,308</u>			<u>6,885,956</u>
Government activities capital assets, net	<u><u>\$ 65,628,903</u></u>			<u><u>\$ 65,446,000</u></u>

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

Administration	\$ 12,742
Capital Development	59,467
Board	5,436
Finance	<u>746,003</u>
Total Depreciation expense	<u><u>\$ 823,648</u></u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

5. CAPITAL ASSETS (Continued)

A summary of Business-type capital assets as June 30, 2020 follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Business-type activities:</u>				
<i>Regional Bus Service Fund</i>				
Capital assets not being depreciated:				
Land	\$ 748,068	\$ -	\$ -	\$ 748,068
Capital assets being depreciated:				
Furniture, fixtures, and equipment	3,415,041	1,411,277	-	4,826,318
Vehicles	28,335,458	4,478,167	1,075,427	31,738,198
Leasehold improvements	1,367,599	292,653	-	1,660,252
Buildings	9,881,900	-	-	9,881,900
Total capital assets being depreciated	<u>42,999,998</u>	<u>6,182,097</u>	<u>1,075,427</u>	<u>48,106,668</u>
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	2,361,447	338,457	-	2,699,904
Vehicles	21,464,488	1,802,082	1,075,427	22,191,143
Leasehold improvements	381,982	143,127	-	525,109
Buildings	4,482,892	391,651	-	4,874,543
Total accumulated depreciation	<u>28,690,809</u>	<u>2,675,317</u>	<u>1,075,427</u>	<u>30,290,699</u>
Total capital assets being depreciated, net	<u>14,309,189</u>			<u>17,815,969</u>
Reg. Bus Service fund capital assets, net	<u>15,057,257</u>			<u>18,564,037</u>
Business-type activities capital assets, net	<u>\$ 15,057,257</u>			<u>\$ 18,564,037</u>

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 members from the Finance and Capital Development departments have reviewed these assets. An impairment of the value of \$880,322 has been recorded as a Special Item.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS

Other Post Employment Benefits

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

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

- Employees who retire with more than three (3) years but less than 10 years of service may continue group health coverage at the Authority’s rate, but the employee must pay the full cost of the premium.
- Employees who have more than 10 years of service but less than 20 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:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive members entitled to but not yet receiving benefits	0
Active employees	<u>246</u>
Total	<u>247</u>

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

Total Other Post-Employment Benefits (OPEB) Liability

The Authority’s total OPEB liability of \$3,353,229 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 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)	3.50%
Healthcare cost trends	
Pre-Medicare and prescription drug	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026.
Medicare medical and prescription drug	5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021.

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

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2019	\$3,103,518
<i>Changes for the year:</i>	
Service Cost at the end of the year	287,956
Interest on Total OPEB Liability and Cash Flows	120,729
Change in benefit terms	-0-
Difference between expected and actual experience	(29,706)
Changes of assumptions or other inputs	(129,268)
Net benefit payments	-0-
Other	<u>-0-</u>
Net Changes	<u>\$ 249,711</u>
Total OPEB Liability as of June 30, 2020	<u>\$ 3,353,229</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, 2019 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, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

6. POST EMPLOYMENT OBLIGATIONS (Continued)

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	(2.50%)	(3.50%)	(4.50%)
Total OPEB Liability	\$4,252,567	\$3,353,229	\$2,666,911

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	\$2,543,533	\$3,353,229	\$4,474,395

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Authority recognized OPEB expense of \$324,496. At June 30, 2020, 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	\$ (27,160)
Changes of assumptions or other inputs	<u>(587,871)</u>
Total	<u>\$ (615,031)</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:

2020	\$ (90,350)
2021	(90,350)
2022	(90,350)
2023	(90,350)
2024	(90,350)
Thereafter	<u>(163,281)</u>
Total	<u>\$ (615,031)</u>

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

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

Retirement Plan

The Authority sponsors a defined contribution retirement plan covering all of its full-time employees as of June 30, 2020. 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 2020 was \$16,310,923, of which \$15,814,486 relates to employees covered under the plan. The Authority's contributions to the plan for the year ended June 30, 2020, including forfeitures, totaled \$1,265,159 (8% of covered payroll). Total forfeitures for the year were \$39,715.

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
Differences between expected and actual experience	\$ (27,160)
Changes of assumptions or other inputs	<u>(587,871)</u>
Total	<u><u>\$ (615,031)</u></u>

7. CHANGES IN LONG – TERM LIABILITIES

	July 1, 2019	Increases	Decreases	June 30, 2020	Long Term Portion	Current Portion of Balance
Governmental activities:						
Compensated Absences	\$ 755,767	\$ 436,486	\$ 406,309	\$ 785,944	\$ 558,347	\$ 227,597
Accrued OPEB	963,285	63,802	-	1,027,087	1,027,087	-
Total Government activity long-term liabilities	<u>\$ 1,719,052</u>	<u>\$ 500,288</u>	<u>\$ 406,309</u>	<u>\$ 1,813,031</u>	<u>\$ 1,585,434</u>	<u>\$ 227,597</u>
Business-type activities						
Compensated Absences	\$ 899,219	\$ 881,305	\$ 691,101	\$ 1,089,423	\$ 700,428	\$ 388,995
Accrued OPEB	2,140,233	185,909	-	2,326,142	2,326,142	-
Total Business-type activity long-term liabilities	<u>\$ 3,039,452</u>	<u>\$ 1,067,214</u>	<u>\$ 691,101</u>	<u>\$ 3,415,565</u>	<u>\$ 3,026,570</u>	<u>\$ 388,995</u>

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

7. CHANGES IN LONG – TERM LIABILITIES (Continued)

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.

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	\$ 263,637
General Fund	Enterprise - Regional Bus	<u>24,850,236</u>
Total Due from and Due to Proprietary Funds		<u>25,113,873</u>
	<u>Payable Governmental Fund</u>	
<u>General Fund</u>	<u>Wake Operating</u>	<u>3,727,630</u>
Totals		<u>\$ 28,841,503</u>

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

Transfers

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

8. INTERFUND BALANCES AND ACTIVITY (Continued)

	Transfers From:									Total
	General Fund	Major Capital Projects Fund	Regional Bus Fund	Durham/Orange Transfer	Durham/Orange Special Tax District	TTD Durham Operating	TTD Orange Operating	Wake Special District	Advanced Technology	
Transfers To:										
General Fund	\$ -	\$ 7,263,010	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,518	\$ 15,480,527
Major Capital Projects Fund	5,378,689	-	2,654,738	-	-	-	-	-	-	8,033,427
Regional Bus Fund	8,651,587	38,817	-	-	-	11,565,686	57,105	-	-	20,313,195
Ridesharing Fund	901,040	-	-	-	-	-	-	-	-	901,040
TTD-Durham Operating	-	743,564	-	39,442,186	-	-	1,999,297	-	-	42,185,048
TTD-Durham Special	-	-	-	-	3,240,412	-	-	-	-	3,240,412
TTD-Orange Operating	-	-	-	3,813,452	-	-	-	-	-	3,813,452
TTD- Orange Special	-	-	-	-	1,566,738	-	-	-	-	1,566,738
Wake Operating	-	-	-	-	-	-	-	2,699,127	-	2,699,127
Technology Capital Project Fund	506,205	-	-	-	-	-	-	-	-	506,205
Total	\$ 15,437,521	\$ 8,045,391	\$ 10,654,738	\$ 43,255,638	\$ 4,807,150	\$ 11,565,686	\$ 2,056,402	\$ 2,699,127	\$ 217,518	\$ 98,739,171

The purpose of the transferred monies is as follows:

The Authority’s General Fund transferred monies during fiscal year 2020 to fund operational shortfalls in the Regional Bus Fund, the Regional Bus Capital Project Fund, the Rideshare Fund, and the Advanced Technology Fund. Additionally, due to-due from balances were settled through transfers between fund. The General Fund settled these balances with the Major Capital Projects Fund.

The Major Capital Projects Fund transferred monies during fiscal year 2020 to the General Fund. The purpose of this transfer was to support General Fund operations. Due to-Due from balances with the Regional Bus Fund and the Durham Operating Fund were settled through transfers.

In prior years, the Durham and Orange Tax District Funds were presented in a combined format. This combined presentation was useful when the two counties were working in coordination on the Durham-Orange Light Rail Project. With the project halted in the Spring of 2019, the two counties wish to report operations and capital efforts in separate funds. The financial statements show the residual equity of the Triangle Tax District – Durham-Orange and the Durham-Orange Special Tax District being transferred to the new funds, discussed earlier. Transfers show from the Triangle Tax Districts are primarily settlements of due to-due from transactions.

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

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

9. RISK MANAGEMENT (continued)

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	22,488,946
Contents	2,688,219
• Flood Insurance	1,000,000
• Business Auto Liability	10,000,000
• Employee Dishonesty	50,000
• Excess liability	10,000,000
• Workers' compensation	Statutory limits
• Employee benefits liability	1,000,000
• Catastrophic (Auto)	10,000,000
• Inland Marine	4,819,146

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.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

9. RISK MANAGEMENT (continued)

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 total minimum future rent commitments under the parking lease and the office lease are as follows:

Year ending <u>June 30,</u>	<u>Amount</u>
2021	\$81,242
2022	74,912
2023	67,459
2024	41,987
2025	40,897
Thereafter	<u>20,293</u>
Total	<u>\$ 326,790</u>

Significant leases included above are:

- The Authority rents a parking lot for operations of tis Regional Bus Transfer Center. Annual rent is \$36,709 and is scheduled to end in Fiscal Year 2026.
- The Authority entered into leases for copiers during the year. Annual lease payments are \$28,974 and run through Fiscal Year 2023.
- The Authority also has leased other office equipment, such as the postage machine. Various land parcels and easements are included above. These leases are typically to provide space for park and ride facilities.

The Authority leases easements and parking and building spaces to various tenants. As of fiscal year end, three (3) tenants remained generating monthly rental income of \$7,250 per month, or approximately \$87,000 annually.

Pending or Threatened Lawsuits

At year end, there was one active condemnation cases, in which the Authority has obtained property through eminent domain and the landowners are protesting the amount paid. With no one estimate or prediction any more likely than the other, no adjustment(s) has been made to the financial statements for the possible outcomes of the cases. As disclosed below, that case was settled after fiscal year end.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

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

Federal and State Assisted Programs

The Authority has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant money.

Considerations related to COVID-19 for 2020 Year-End

During 2020 an outbreak of a novel strain of coronavirus (“COVID-19”) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the Research Triangle Regional Public Transportation Authority revenue and operations for an indeterminable time period. Other financial impacts could occur that are unknown at this time.

11. **SUBSEQUENT EVENTS**

As noted above, the final active condemnation case was settled after year end.

In September 2020, a Research Triangle Regional Public Transportation Authority bus was involved in an accident. The driver of the other vehicle sustained fatal injuries. At this time, the police investigation is ongoing. No adjustments have been made to the financial statements based on this event.

12. **STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

Wake Transit Plan

The Transit Governance Interlocal Agreement requires certain restrictions be imposed on resources for future use in Wake County. These are shown as Restricted – Interlocal Agreement. \$618,712 is restricted in the Triangle Tax District – Wake Operating Fund to fund expenditures budgeted in FY20 but not expected to be incurred until FY21. \$58,933,236 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 to be \$71M.

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 \$3,693,777. Actual unrestricted cash in the Wake Operating Fund is \$35,304,014 as of June 30, 2020.

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. There has been no fund raising efforts during FY20. The only cash outflows were for bank service charges. The current bank balance at June 30, 2020 is \$1,566.

Expenditures Exceeding Appropriations

The following departments show expenditures above appropriations:

<u>Department</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance</u>
Board	69,399	118,423	\$ (49,024)
GoDurham	1,053,649	1,053,653	(4)
Finance	1,877,660	2,070,791	(183,131)

The Board experienced higher than expected insurance premiums. Additionally, the Board engaged professional advisors during the search for the new chief executive officer.

GoDurham experienced a minor variance through the year end adjustments.

The Finance Department, as presented, includes the management and maintenance expense of the Plaza Building. The allocation of administrative building expenses to Orange County was lower than expected. Higher than normal repairs and professional services also contributed to the budget overage. The Authority has since moved to terminate the contract with the management company and assign maintenance responsibilities to Authority staff.

The Authority's new Chief Executive Officer, Mr. Charles Lattuca, has established a revised and detailed interim reporting schedule. Financial information from the new accounting software is better able to be shared with members of the management team. The software consultants have continued to work with Authority staff to customize certain budget to reports. The consultants have also been teaching the staff the skills for report writing, reducing the Authority's dependence on outside staff.

<u>Tax District Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance</u>
Durham Operating Fund			
Durham Co. Access	187,329	188,825	\$ (1,496)
Orange Capital Fund			
Vehicle Purchase, Chapel Hill Transit	1,693,192	1,769,192	(76,000)
Wake Operating Fund			
Community Funding, Apex	-0-	12,873	(12,873)
Community Funding, Morrisville	-0-	50,000	(50,000)

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

12. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY.....(continued)

Wake Capital Fund

Capital Planning, Raleigh	-0-	178,548	(178,548)
Bus Acquisition, Raleigh	8,744,808	13,208,993	(4,464,185)
Bus Acquisition, GoTriangle	-0-	2,493,983	(2,493,983)

The budget to actual performances of the Triangle Tax Districts are reviewed by the respective advisory boards in each county. Appropriate corrective action is taken based on the individual circumstances. Spending variances in Wake County funds are based upon prior years' budgeted allocations that were not used. As authorized in the adopted Wake Transit Fiscal Policies and Guidelines, the Wake advisory board is aware of the spending allocation and receives regular updates during the fiscal year on financial and progress reporting.

Special item

As discussed in Note 5. Capital Assets, the Construction in Progress balance includes certain records from prior rail projects that did not reach the construction stage. These are the subterranean maps showing utility lines, soil samples, and similar records. Capital Development staff and Finance staff are of the opinion that these records can be a "jump start" for future projects in the area. New surveying would be done, but less than if the current records and samples were not available. As time passes, staff members will review the viability of these records and record an impairment of the asset value as appropriate. For the Fiscal Year Ended 6-30-2020, an impairment of \$880,322 has been recorded.

Deficit positions

The Rideshare Fund has an ending deficit net position of \$2,907, and the Regional Bus Service Fund has a deficit net position of \$5,487,725. Both funds receive funding from the General Fund. The Regional Bus Service Fund has a liability of \$24,850,236 due to other funds. Authority staff will be closely reviewing the inter-fund transactions to settle the balances and reduce the deficit fund position.

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY

Schedule 1

Required Supplementary Information
 Schedule of Changes in the Total OPEB Liability and Related Ratios
 June 30, 2020

Total OPEB Liability	2020	2019	2018
Service cost at end of year	\$ 287,956	\$ 308,045	\$ 353,555
Differences between expected and actual experience	(29,706)	(268)	(254)
Changes of assumptions or other inputs	(129,268)	(249,791)	(417,596)
Benefit payments			-
Other	-	-	-
Net change in total OPEB liability	\$ 249,711	\$ 162,680	\$ 23,516
Total OPEB liability - beginning	\$ 3,103,518	\$ 2,940,838	\$ 2,917,322
Total OPEB liability - ending	\$ 3,353,229	\$ 3,103,518	\$ 2,940,838
Covered payroll	\$ 15,430,910	\$ 13,415,896	\$ 13,415,896
Total OPEB liability as a percentage of covered payroll	21.73%	23.13%	21.92%

Notes to Schedule

Changes of assumptions:

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

Fiscal Year	Discount Rate
2018	3.56%
2019	3.89%
2020	3.50%

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

**INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES**

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

From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Annual Budget</u>	<u>Current Year</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Restricted intergovernmental revenues:			
Federal grants	\$ 109,360	\$ -	\$ (109,360)
State grant revenues	219,801	-	(219,801)
Local grant revenues	-	-	-
Reimbursement form others	<u>992,221</u>	<u>-</u>	<u>(992,221)</u>
Total revenues	<u>1,321,382</u>	<u>-</u>	<u>(1,321,382)</u>
EXPENDITURES:			
Capital outlay:			
Equipment	<u>1,638,549</u>	<u>288,687</u>	<u>1,349,862</u>
Revenues over (under) expenditures	<u>(317,167)</u>	<u>(288,687)</u>	<u>28,480</u>
OTHER FINANCING SOURCES:			
Transfers from other funds	<u>317,167</u>	<u>288,687</u>	<u>(28,480)</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
Schedule of Revenues and Expenditures
Proprietary Fund - Ridesharing
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues:			
NC Department of Transportation	\$ 25,000	\$ -	\$ (25,000)
Federal Transit Administration	100,000	-	(100,000)
Durham County	889,503	465,151	(424,352)
Other governmental revenues	<u>633,075</u>	<u>845,596</u>	<u>212,521</u>
Total revenues	<u>1,647,578</u>	<u>1,310,747</u>	<u>(336,831)</u>
EXPENDITURES			
Regional call center	958,575	956,340	2,235
Regional services	694,250	591,803	102,447
Sustainable Travel	<u>767,458</u>	<u>642,411</u>	<u>125,047</u>
Total expenditures	<u>2,420,283</u>	<u>2,190,554</u>	<u>229,729</u>
Revenue under expenditures	<u>(772,705)</u>	<u>(879,807)</u>	<u>(107,102)</u>
Other financing sources:			
Transfers from general fund	<u>772,705</u>	901,040	<u>128,335</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	21,233	<u>\$ 21,233</u>
Reconciling items:			
Other post employment benefits		<u>(21,233)</u>	
Change in net position		<u>\$ -</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Rider fares			
Bus fares	\$ 870,314	\$ 529,545	\$ (340,769)
Consignment	1,297,612	738,936	(558,676)
Vanpool fares	15,458	952	(14,506)
Employer subsidies	14,610	6,143	(8,467)
Paratransit services	647,620	550,453	(97,167)
Other revenues	5,452,647	8,924,450	3,471,803
Intergovernmental revenues:			
Federal Transit Administration	3,846,028	44,454	(3,801,574)
NC Department of Transportation	1,000,000	2,655,729	1,655,729
Local governments	102,494	53,408	(49,086)
Total revenues	<u>13,246,783</u>	<u>13,504,070</u>	<u>257,287</u>
EXPENDITURES			
Supervision	1,906,435	1,570,176	336,259
Operations	11,172,996	6,658,348	4,514,648
Maintenance	5,376,021	3,682,119	1,693,902
Vanpool	459,640	329,929	129,711
Paratransit services	2,925,569	1,955,751	969,818
Unemployment claims	77,600	-	77,600
Total expenditures	<u>21,918,261</u>	<u>14,196,323</u>	<u>7,721,938</u>
Revenue under expenditures	<u>(8,671,478)</u>	<u>(692,253)</u>	<u>7,979,225</u>
Other financing sources:			
Transfers from other fund(s)	8,671,478	5,708,782	(2,962,696)
Investment interest	-	50,322	50,322
Total other financing sources	<u>8,671,478</u>	<u>5,759,104</u>	<u>(2,912,374)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>5,066,851</u>	<u>\$ 5,066,851</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(2,675,317)	
Gain on fixed assets disposals		230,698	
Transit services		(6,256,193)	
Capital outlay		106,625	
From Bus Capital Project:			
Federal and state grants		27,682	
Transfer from (to) other funds		3,949,675	
Other post employment benefites		(215,770)	
Change in net position		<u>\$ 234,251</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, 2020

	<u>Budget</u>	<u>Current Year</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Restricted intergovernmental revenues:			
State grant revenues	\$ 91,071	\$ -	\$ (91,071)
Federal grant revenues	2,789,713	27,682	(2,762,031)
Other revenue	<u>4,375,945</u>	<u>2,493,982</u>	<u>(1,881,963)</u>
Total revenues	<u>7,256,729</u>	<u>2,521,664</u>	<u>(4,735,065)</u>
EXPENDITURES:			
Capital outlay:			
Buildings & Transit Amenities	<u>9,481,518</u>	<u>6,471,339</u>	<u>3,010,179</u>
Revenues over (under) expenditures	<u>(2,224,789)</u>	<u>(3,949,675)</u>	<u>(1,724,886)</u>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	<u>2,224,789</u>	<u>3,949,675</u>	<u>1,724,886</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This table compares positions authorized by department for comparative purposes.

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

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

STATISTICAL SECTION TABLE OF CONTENTS (continued)

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

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

Insurance in Force- July 1, 2020- June 30, 2021, 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.116)

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

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

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

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

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

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

This schedule ranks top taxpayers in Orange County comparatively for 2019 and 2010. Both Orange County tables provided by the Orange County Finance Department. This is the latest information currently available.

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

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

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

This schedule ranks top taxpayers in Orange County comparatively for 2020 and 2011. Both Wake County tables provided by the Wake County Finance Department.

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

This schedule ranks top auto rental agencies by rental taxes generated for 2020 and 2014. 2014 is the earliest year with available information.

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities				
Invested in capital assets	\$ 121,465,478	\$ 129,369,729	\$ 128,918,272	\$ 138,677,090
Restricted	58,971,931	65,986,106	79,168,752	108,138,826
Unrestricted	<u>6,056,397</u>	<u>(687,606)</u>	<u>(4,031,859)</u>	<u>(10,866,442)</u>
Total governmental activities net position	<u>186,493,806</u>	<u>194,668,229</u>	<u>204,055,165</u>	<u>235,949,474</u>
Business-Type Activities				
Invested in capital assets, net of related debt	17,589,361	21,179,942	19,584,746	17,637,793
Unrestricted	<u>(10,788,961)</u>	<u>(10,748,802)</u>	<u>(12,387,471)</u>	<u>(12,757,822)</u>
Total business-type activities net position	<u>6,800,400</u>	<u>10,431,140</u>	<u>7,197,275</u>	<u>4,879,971</u>
Primary Government				
Invested in capital assets	139,054,839	150,549,671	148,503,018	156,314,883
Restricted	58,971,931	65,986,106	79,168,752	108,138,826
Unrestricted	<u>(4,732,564)</u>	<u>(11,436,408)</u>	<u>(16,419,330)</u>	<u>(23,624,264)</u>
Total primary government net position	<u>\$ 193,294,206</u>	<u>\$ 205,099,369</u>	<u>\$ 211,252,440</u>	<u>\$ 240,829,445</u>

Notes:

This table was prepared using the accrual basis of accounting

Table 1

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 139,651,572	\$ 96,128,688	\$ 102,252,715	\$ 157,716,647	\$ 65,628,903	\$ 65,446,000
138,340,712	158,458,155	217,882,446	291,393,524	318,412,758	406,217,942
<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>13,016,877</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>	<u>484,680,819</u>
17,983,482	15,870,236	14,148,121	16,752,677	15,057,257	18,564,037
<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>(24,054,669)</u>
<u>4,244,306</u>	<u>2,290,295</u>	<u>670,513</u>	<u>513,967</u>	<u>(5,724,883)</u>	<u>(5,490,632)</u>
157,635,054	111,998,924	116,400,836	174,469,324	80,686,160	84,010,037
138,340,712	158,458,155	217,882,446	291,393,524	318,412,758	406,217,942
<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>(11,037,792)</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>	<u>\$ 479,190,187</u>

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

	2011	2012	2013	2014
Expenses				
Governmental activities:				
Administration	\$ 243,282	\$ 238,928	\$ 224,474	\$ 230,773
Capital Development	176,607	367,052	80,869	206,471
Communications and Public Affairs	358,988	586,431	882,207	1,058,663
Finance	1,728,565	2,187,530	3,320,881	4,633,963
General Counsel	301,688	360,723	291,030	428,521
Human Resources	391,536	423,936	418,166	428,364
EEO/DBE	116,928	120,676	114,567	116,539
GoDurham	135,446	345,619	484,200	669,303
Board	90,319	95,254	95,339	84,522
FORTIFY	-	-	-	662,597
Transit services	-	-	-	-
Nondepartmental	-	-	-	-
Regional Services	-	-	-	-
Executive Office	-	-	-	-
Special items	-	-	-	-
Total governmental activities expense	<u>3,543,359</u>	<u>4,726,149</u>	<u>5,911,733</u>	<u>8,519,716</u>
Business-type activities:				
Regional bus service	15,279,164	16,563,748	17,196,139	18,084,542
Ridesharing	2,263,733	2,300,277	1,836,275	1,935,617
Total business-type activities expense	<u>17,542,897</u>	<u>18,864,025</u>	<u>19,032,414</u>	<u>20,020,159</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>21,086,256</u>	<u>23,590,174</u>	<u>24,944,147</u>	<u>28,539,875</u>
Program Revenues				
Governmental activities:				
Charges for service	-	-	-	-
Operating grants and contributions:				
Capital development	525,022	1,248,868	554,148	980,983
Capital grants and contributions:				
Regional rail capital project	-	548,939	927,651	1,071,944
Technology capital project	391,445	575,381	86,452	66,474
Total governmental activities revenue	<u>1,359,242</u>	<u>8,297,610</u>	<u>2,499,159</u>	<u>2,200,986</u>
Business-type activities:				
Regional bus service				
Charges for services	2,306,033	2,552,723	2,682,390	2,714,489
Grant revenue	4,253,668	10,700,782	4,601,231	3,720,512
Ridesharing				
Charges for services	-	-	-	1,000
Grant revenue	1,108,536	1,201,353	641,835	569,369
Total business-type activities revenues	<u>7,225,462</u>	<u>8,530,436</u>	<u>6,994,548</u>	<u>6,923,785</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>8,584,704</u>	<u>16,828,046</u>	<u>9,493,707</u>	<u>9,124,771</u>
Net revenue (Expense)				
Governmental activities	(2,184,117)	3,571,461	(3,412,574)	(6,318,730)
Business-type activities	(10,317,435)	(10,333,589)	(12,037,866)	(13,096,374)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	<u>(12,501,552)</u>	<u>(6,762,128)</u>	<u>(15,450,440)</u>	<u>(19,415,104)</u>
General revenues and other changes in net position				
Governmental activities:				
Vehicle registration taxes	5,487,720	5,526,485	5,607,530	5,737,329
Special tax revenue	-	-	4,700,299	28,516,774
Vehicle rental taxes	8,386,658	8,682,107	9,016,305	9,586,666
Miscellaneous revenues	1,215,183	1,485,056	2,959,061	3,232,682
Unrestricted investment earnings	864,930	1,602,445	300,381	333,698
Transfers	(7,189,676)	(12,693,131)	(9,102,995)	(9,194,110)
Total governmental activities	<u>8,764,815</u>	<u>4,602,962</u>	<u>13,480,581</u>	<u>38,213,039</u>
Business-type activity:				
Miscellaneous	1,005,081	1,203,920	1,389,271	1,572,129
Unrestricted investment earnings	34,972	67,278	11,686	12,831
Transfers	7,189,676	12,693,131	9,102,995	9,194,110
Total business-type activities	<u>8,229,729</u>	<u>13,964,329</u>	<u>10,503,952</u>	<u>10,779,070</u>
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>16,994,544</u>	<u>18,567,291</u>	<u>23,984,533</u>	<u>48,992,109</u>
Change in net position				
Governmental activities	6,580,698	8,174,423	10,068,007	31,894,309
Business-type activity	(2,087,706)	3,630,740	(1,533,914)	(2,317,304)
Prior period adjustments/restatements	-	-	-	-
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	<u>\$ 4,492,992</u>	<u>\$ 11,805,163</u>	<u>\$ 8,534,093</u>	<u>\$ 29,577,005</u>

TABLE 2

2015	2016	2017	2018	2019	2020
\$ 445,968	\$ 395,813	\$ 240,533	\$ 738,842	\$ 302,630	\$ 465,215
4,378,573	3,135,490	2,215,088	4,580,967	3,918,149	417,191
2,128,808	792,256	1,572,138	2,408,427	1,083,796	860,176
2,742,430	3,593,377	3,537,718	2,806,896	2,634,018	2,817,699
1,307,863	206,367	757,937	971,652	1,782,291	7,524,707
487,517	603,459	595,683	687,057	676,820	546,051
130,349	141,040	113,956	141,254	144,575	120,457
695,624	934,349	795,369	881,430	1,011,581	1,054,106
84,306	95,629	133,670	146,958	103,946	123,919
2,010,101	2,578,066	2,195,690	-	-	-
-	5,710,000	5,530,960	17,584,859	25,376,819	53,404,609
-	-	614,678	-	462,124	-
-	-	89,572	188,583	663,938	-
-	-	-	-	552,067	841,365
9,513,160	49,796,737	-	-	146,801,453	880,322
<u>23,924,699</u>	<u>67,982,583</u>	<u>18,392,992</u>	<u>31,136,925</u>	<u>185,514,207</u>	<u>69,055,817</u>
19,629,795	19,582,301	19,809,386	23,889,251	24,755,050	23,236,978
1,991,903	2,049,457	2,181,925	2,365,159	2,024,007	2,211,787
21,621,698	21,631,758	21,991,311	26,254,410	26,779,057	25,448,765
<u>45,546,397</u>	<u>89,614,341</u>	<u>40,384,302</u>	<u>31,136,924</u>	<u>212,293,264</u>	<u>94,504,581</u>
-	-	1,066,222	1,165,852	896,576	112,795
3,446,914	2,529,679	2,475,198	4,943,910	89,070	87,397
751,906	1,023,625	723,751	-	-	-
203,994	135,004	99,000	149,994	87,427	-
5,191,620	4,179,034	5,415,825	6,259,756	1,073,073	200,192
2,790,366	2,479,761	4,953,704	3,288,406	2,652,653	1,826,029
4,079,320	3,415,833	3,981,607	6,923,338	1,332,613	2,781,273
-	-	-	-	-	-
670,787	660,395	426,261	665,539	750,433	465,151
6,751,667	6,065,263	8,309,918	10,877,283	4,735,699	5,072,453
11,943,287	10,244,297	13,725,743	17,137,039	5,808,772	5,272,645
(18,733,079)	(63,803,549)	(12,977,167)	(24,125,058)	(184,441,134)	(68,855,625)
(14,870,031)	(15,566,495)	(13,681,393)	(16,129,238)	(22,043,358)	(20,376,312)
(33,603,110)	(79,370,044)	(26,658,560)	(40,254,296)	(206,484,492)	(89,231,937)
10,662,625	9,413,400	9,671,756	18,516,428	19,015,982	18,560,212
30,561,753	31,536,121	54,179,262	122,793,936	129,911,500	130,876,707
9,924,456	10,665,172	11,378,047	11,671,976	12,524,361	11,144,224
2,625,210	3,327,995	2,155,082	886,790	1,426,098	3,235,331
422,560	1,427,905	859,364	1,908,742	5,205,925	5,462,717
(11,596,283)	(10,645,230)	(10,905,887)	(10,453,969)	(9,580,069)	(10,559,497)
42,600,321	45,725,363	67,337,624	145,323,903	158,503,797	158,719,694
2,577,715	2,942,154	1,427,356	6,142,719	6,222,461	10,000,760
63,014	25,100	(105,885)	14,156	1,978	50,314
11,596,283	10,645,230	10,905,887	10,453,969	9,580,069	10,559,497
14,237,012	13,612,484	12,227,358	16,610,844	15,804,508	20,610,571
56,837,333	59,337,847	79,564,982	161,934,747	174,308,305	179,330,265
23,867,242	(18,078,186)	54,360,457	121,198,845	(25,937,337)	89,864,069
(633,019)	(1,954,011)	(1,454,035)	481,606	(6,238,850)	234,259
-	-	3,075,881	(423,525)	-	-
<u>\$ 23,234,223</u>	<u>\$ (20,032,197)</u>	<u>\$ 55,982,303</u>	<u>\$ 121,256,926</u>	<u>\$ (32,176,187)</u>	<u>\$ 90,098,328</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 1,608,794	\$ 1,541,560	\$ 1,578,729	\$ 1,672,481
Restricted	16,388,898	19,954,423	18,626,014	21,650,712
Unassigned	<u>5,272,677</u>	<u>(1,092,077)</u>	<u>(4,880,300)</u>	<u>(11,658,559)</u>
Total General Fund	<u>\$ 23,270,369</u>	<u>\$ 20,403,906</u>	<u>\$ 15,324,443</u>	<u>\$ 11,664,634</u>
All other governmental funds				
Restricted - reserve by state statute	\$ 9,739,495	\$ 13,904,766	\$ 19,329,379	\$ 26,634,089
Restricted - enabling legislation	32,501,781	31,630,153	41,098,509	59,854,025
Restricted - interlocal agreement	-	-	-	-
Committed - community funding area program	-	-	-	-
Unassigned	-	-	-	(32,624)
Total all other governmental funds	<u>\$ 42,241,276</u>	<u>\$ 45,534,919</u>	<u>\$ 60,427,888</u>	<u>\$ 86,455,490</u>

Table 3

2015	2016	2017	2018	2019	2020
\$ 1,549,072	\$ 1,800,234	\$ 1,671,179	\$ 2,035,951	\$ 47,620	\$ 1,223,469
25,972,080	18,681,070	20,324,751	25,304,010	28,421,731	28,513,232
(18,482,290)	(13,663,617)	(20,842,811)	(27,031,415)	13,326,009	14,458,841
<u>\$ 9,038,862</u>	<u>\$ 6,817,687</u>	<u>\$ 1,153,119</u>	<u>\$ 308,546</u>	<u>\$ 41,795,360</u>	<u>\$ 44,195,542</u>
\$ 41,094,919	\$ -	\$ 69,922,702	\$ 84,791,735	\$ 48,400,542	\$ 39,300,157
71,273,713	139,777,085	127,634,993	159,952,779	201,501,984	278,852,605
-	-	-	21,345,000	40,088,501	59,551,948
-	-	-	-	24,821	144,111
(356,728)	(45,885)	(606,700)	(1,562,759)	(733,638)	(808,313)
<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>	<u>\$ 377,040,508</u>

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

REVENUES	2011	2012	2013	2014
Restricted intergovernmental revenues:				
NC Department of Transportation	\$ 201,738	\$ 1,081,999	\$ 273,562	\$ 297,032
Federal Transit Administration	1,157,504	7,215,611	1,962,812	1,585,087
Other revenue	386,569	488,633	2,290,074	2,495,399
Vehicle registration tax	5,487,720	5,526,485	5,607,530	5,737,329
Special tax revenue	-	-	4,700,299	28,516,774
Indirect cost credits	828,614	996,423	931,772	1,056,150
Vehicle rental tax	8,386,658	8,682,107	9,016,305	9,586,666
Farebox	-	-	-	-
Investment income	864,930	1,602,445	300,381	333,698
Total revenues	<u>17,313,733</u>	<u>25,593,703</u>	<u>25,082,735</u>	<u>49,608,135</u>
EXPENDITURES				
Current:				
Governing board	90,319	95,254	95,339	84,522
Executive office	-	-	-	-
Regional services	-	-	-	-
Human resources	391,536	417,090	414,168	420,839
Administration	243,282	227,160	212,179	207,070
Capital development	176,607	325,567	148,599	119,210
EEO/DBE	116,928	116,490	113,083	103,090
Finance	1,244,476	1,633,541	1,836,632	2,782,260
General counsel	301,688	344,592	285,655	454,961
Communications and public affairs	358,988	561,363	485,016	657,384
DATA/GoDurham	135,446	311,070	876,172	958,996
FORTIFY	-	-	-	662,597
Transit services	-	-	-	1,236,447
Capital outlay	7,800,113	8,441,265	4,292,866	10,358,856
Total expenditures	<u>10,859,383</u>	<u>12,473,392</u>	<u>8,759,709</u>	<u>18,046,232</u>
Excess of revenues over expenditures	<u>6,454,350</u>	<u>13,120,311</u>	<u>16,323,026</u>	<u>31,561,903</u>
OTHER FINANCING SOURCES (USES)				
Sale of land	-	-	3,274,548	-
Transfers from other funds	10,800,590	7,025,418	503,942	3,484,105
Transfers to other funds	<i>(17,990,266)</i>	<i>(19,718,549)</i>	<i>(9,606,939)</i>	<i>(12,678,215)</i>
Total other financing sources (uses)	<u>(7,189,676)</u>	<u>(12,693,131)</u>	<u>(5,828,449)</u>	<u>(9,194,110)</u>
Net change in fund balance	(735,326)	427,180	10,494,577	22,367,793
Fund balances-beginning	66,246,971	65,511,645	65,257,754	75,752,331
Prior period adjustment	-	-	-	-
Fund balances-ending	<u>\$ 65,511,645</u>	<u>\$ 65,938,825</u>	<u>\$ 75,752,331</u>	<u>\$ 98,120,124</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

2015	2016	2017	2018	2019	2020
\$ 748,813	\$ 605,838	\$ 607,457	\$ 189,492	\$ 181,995	\$ -
4,304,010	3,292,902	3,496,814	2,752,624	87,428	-
1,770,486	2,904,313	2,173,533	3,830,146	806,054	1,914,824
10,662,625	9,413,400	9,671,756	18,516,428	19,015,982	18,560,212
30,561,753	31,536,121	54,179,262	122,793,936	129,911,500	130,876,707
993,524	1,072,250	1,098,951	1,126,395	1,408,673	1,520,695
9,924,456	10,665,172	11,378,047	11,671,976	12,524,361	11,144,224
-	-	-	-	15,022	-
422,560	1,427,905	859,364	1,908,742	5,205,925	5,462,717
<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>	<u>169,479,379</u>
79,376	76,289	127,035	105,915	100,086	118,423
-	-	-	-	552,067	841,003
-	-	89,572	-	663,161	-
481,672	532,354	595,683	647,858	676,028	545,810
431,683	455,097	224,981	482,692	293,507	452,262
882,981	2,138,408	2,738,464	6,009,825	3,872,649	357,573
125,894	124,459	113,956	133,195	144,402	120,397
2,064,382	2,137,074	2,406,551	2,602,435	2,117,649	2,070,791
1,314,534	482,388	757,937	865,899	1,780,203	7,521,418
2,219,011	2,513,220	1,707,372	1,829,418	1,082,529	859,784
691,853	820,649	795,369	881,430	1,011,581	1,053,653
2,010,101	2,226,520	2,204,191	-	-	-
3,325,255	5,710,000	5,530,960	16,754,925	28,711,722	53,676,933
17,112,045	7,558,101	8,833,421	56,095,168	52,329,020	1,143,358
<u>30,738,787</u>	<u>24,774,559</u>	<u>26,125,492</u>	<u>86,408,760</u>	<u>93,334,604</u>	<u>68,761,405</u>
<u>28,649,440</u>	<u>36,143,342</u>	<u>57,339,692</u>	<u>76,380,979</u>	<u>75,822,336</u>	<u>100,717,974</u>
3,076,624	-	1,879,804	-	-	-
1,370,688	3,626,565	1,681,905	5,796,009	215,720,384	77,307,418
(10,166,110)	(14,271,795)	(12,587,792)	(16,249,978)	(225,300,453)	(87,866,915)
<u>(5,718,798)</u>	<u>(10,645,230)</u>	<u>(9,026,083)</u>	<u>(10,453,969)</u>	<u>(9,580,069)</u>	<u>(10,559,497)</u>
22,930,642	25,498,112	48,313,609	65,927,010	66,242,269	90,158,478
98,120,124	121,050,766	146,548,878	197,537,832	264,835,301	331,077,570
-	-	3,241,628	1,370,459	-	-
<u>\$ 121,050,766</u>	<u>\$ 146,548,878</u>	<u>\$ 198,104,115</u>	<u>\$ 264,835,301</u>	<u>\$ 331,077,570</u>	<u>\$ 421,236,050</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governing board	\$ 90,319	\$ 95,254	\$ 95,339	\$ 84,522
Executive office	-	-	-	-
Regional Services	-	-	-	-
Human resources	391,536	417,090	414,168	420,839
Administration	243,282	227,160	212,179	207,070
Capital development	176,607	325,567	148,599	119,210
Equal employ. opport./disadv. bus. enter.	116,928	116,490	113,083	103,090
Finance	1,244,476	1,633,541	1,836,632	2,782,260
General counsel	301,688	344,592	285,655	454,961
Communications and public affairs	358,988	561,363	485,016	657,384
DATA/GoDurham	135,446	311,070	876,172	958,996
FORTIFY	-	-	-	662,597
Transit services	-	-	-	1,236,447
Capital outlay and debt payments	<u>7,800,113</u>	<u>8,441,265</u>	<u>4,292,866</u>	<u>10,358,856</u>
Totals	<u>\$ 10,859,383</u>	<u>\$ 12,473,392</u>	<u>\$ 8,759,709</u>	<u>\$ 18,046,232</u>

Table 5

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 79,376	\$ 76,289	\$ 127,035	\$ 105,915	\$ 100,086	\$ 118,423
-	-	-	-	552,067	841,003
-	-	89,572	-	663,161	-
481,672	532,354	595,683	647,858	676,028	545,810
431,683	453,265	224,981	482,692	293,507	452,262
882,981	2,141,315	2,738,465	6,009,825	3,872,649	357,573
125,894	124,459	113,956	133,195	144,402	120,397
2,064,382	2,137,074	2,406,551	2,602,435	2,117,649	2,070,791
1,314,534	479,762	757,937	865,899	1,780,203	7,521,418
2,219,011	2,514,771	1,707,372	1,829,418	1,082,529	859,784
691,853	820,649	795,369	881,430	1,011,581	1,053,653
2,010,101	2,226,520	2,204,191	-	-	-
3,325,255	5,710,000	5,530,960	16,754,925	28,711,722	53,676,933
<u>17,112,045</u>	<u>7,558,101</u>	<u>8,833,421</u>	<u>56,095,168</u>	<u>52,329,020</u>	<u>1,143,358</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>	<u>\$ 68,761,405</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Vehicle registration taxes	\$ 5,487,720	\$ 5,526,485	\$ 5,607,530	\$ 5,737,329
Vehicle rental taxes	8,386,658	8,682,107	9,016,305	9,586,666
Special revenue taxes	-	-	4,700,299	28,516,774
Intergovernmental revenues:				
Federal Transit Administration	1,157,504	7,215,611	1,962,812	1,585,087
NC Department of Transportation	201,738	1,081,999	273,562	297,032
Indirect cost credits	828,614	996,423	931,772	1,056,150
Farebox	-	-	-	-
Investment income	864,930	1,602,445	300,381	333,698
Other	386,569	488,633	2,290,074	2,495,399
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 17,313,733</u>	<u>\$ 25,593,703</u>	<u>\$ 25,082,735</u>	<u>\$ 49,608,135</u>

Table 6

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 10,662,625	\$ 9,413,400	\$ 9,671,756	\$ 18,516,428	\$ 19,015,982	\$ 18,560,212
9,924,456	10,665,172	11,378,047	11,671,976	12,524,361	11,144,224
30,561,753	31,536,121	54,179,262	122,793,936	129,911,500	130,876,707
4,304,010	3,292,902	3,496,814	2,752,624	87,428	-
748,813	605,838	607,457	189,492	181,995	-
993,524	1,072,250	1,098,951	1,126,395	1,408,673	1,520,695
-	-	-	-	15,022	-
422,560	1,427,905	859,364	1,908,742	5,205,925	5,462,717
1,770,486	2,904,313	2,173,533	3,830,146	806,054	1,914,824
<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>	<u>\$ 169,479,379</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		
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Executive Office	-	-	-	-	-	-	-	-	-	3
General counsel	2	2	2	3	4	3	6	6	3	7
Communications and public affairs	4	8	9	10	11	11	15	20	17	11
Finance	10	10	16	13	14	13	14	15	15	15
Human resources	4	4	3	4	4	4	4	5	5	4
Administration	2	2	2	2	2	2	2	3	3	5
EEO/DBE	1	1	1	1	1	1	1	1	1	1
Capital development	8	8	9	13	13	20	27	26	34	12
Regional bus	125	126	152	167	177	174	173	168	178	166
Ridesharing	22	22	25	23	34	33	22	18	21	21
Totals	<u>178</u>	<u>183</u>	<u>219</u>	<u>236</u>	<u>260</u>	<u>261</u>	<u>264</u>	<u>262</u>	<u>277</u>	<u>245</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Services consumed:			
Fare paid boardings	<u>1,287,157</u>	<u>1,578,598</u>	<u>1,769,200</u>
Services supplied:			
Regular route revenue miles	2,286,433	2,205,018	2,242,560
Paratransit miles	■	■	■
Deadhead, training and maintenance miles	<u>395,714</u>	<u>520,888</u>	<u>680,659</u>
Total miles driven	<u>2,682,147</u>	<u>2,725,906</u>	<u>2,923,219</u>
Regular route revenue hours	109,103	107,738	109,576
Paratransit miles	■	■	■
Deadhead, training and maintenance hours	<u>20,151</u>	<u>21,793</u>	<u>21,860</u>
Total bus hours	<u>129,254</u>	<u>129,531</u>	<u>131,436</u>

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

Table 9

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</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>	<u>1,346,709</u>
2,383,071	2,630,942	2,819,804	2,831,146	2,809,815	2,822,999	2,418,443
			505,190	599,410	593,229	406,543
<u>719,696</u>	<u>805,479</u>	<u>868,384</u>	<u>305,391</u>	<u>495,402</u>	<u>826,022</u>	<u>790,220</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>	<u>3,615,206</u>
115,369	128,510	137,348	140,448	143,057	143,627	123,173
			23,686	27,816	27,554	18,167
<u>22,912</u>	<u>25,791</u>	<u>27,811</u>	<u>28,131</u>	<u>31,232</u>	<u>26,461</u>	<u>25,161</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>166,501</u>

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

<u>FUNCTION/PROGRAM</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Business-type activities:			
39 - Passenger buses	-	-	-
37 - Passenger buses	12	-	-
36 - Passenger buses	20	36	36
30 - Passenger buses	23	23	23
16 - Passenger buses	5	5	5
16 - Passenger handicap accessible vans	-	-	-
15 - Passenger vans	53	28	12
14 - Passenger handicap accessible vans	-	-	-
12 - Passenger handicap accessible van	10	40	47
12 - Passenger vans	-	-	-
10 - Passenger handicap accessible van	-	7	14
8 - Passenger handicap accessible vans	-	6	2
8 - Passenger vans	-	-	-
7 - Passenger vans	4	16	14
7 - Passenger handicap accessible van	-	-	-
Service truck	3	4	4
Supervisor vehicles	2	2	3
	<u>2</u>	<u>2</u>	<u>3</u>
Total Vehicles	<u>132</u>	<u>167</u>	<u>160</u>

Source: Information provided by Authority Bus Operations.

Table 10

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
-	-	-	-	3	3	3
-	-	6	6	-	-	-
36	42	36	36	36	46	51
23	30	20	20	20	20	20
5	5	5	5	5	4	-
-	-	6	6	6	10	6
3	2	2	2	-	-	-
-	-	-	-	5	6	9
47	58	55	55	3	-	2
-	-	-	-	54	46	16
16	15	7	12	6	9	7
2	-	1	1	-	-	1
-	-	2	2	2	-	-
14	16	14	14	14	14	8
-	-	3	3	-	-	-
4	4	4	4	4	4	4
2	2	4	4	6	7	7
<u>152</u>	<u>174</u>	<u>165</u>	<u>170</u>	<u>164</u>	<u>169</u>	<u>134</u>

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**RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
INSURANCE IN FORCE
JULY 1, 2020 - JUNE 30, 2021**

Table 11

		Limits
<u>Real and Personal Property</u>		
Real Property	\$	22,488,946
Personal Property		1,468,219
Inland Marine		4,170,538
Business Income		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

Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population Estimates¹</u>	<u>Personal Income² (thousands of dollars)</u>	<u>Per Capita Personal Income³</u>	<u>School Enrollment⁴</u>	<u>Unemployment Rate⁵</u>
2020	331,807	*	*	32,928	7.60%
2019	320,639	*	*	32,343	4.00%
2018	308,941	16,058,004	50,698	32,629	3.80%
2017	301,243	14,904,230	47,825	32,907	3.80%
2016	293,647	14,064,619	45,931	33,144	4.70%
2015	290,874	13,394,612	44,507	33,626	5.40%
2014	284,437	12,611,613	42,830	33,296	5.30%
2013	277,588	11,921,155	41,376	32,484	7.60%
2012	275,960	11,454,941	40,963	32,671	8.20%
2011	271,238	10,567,605	38,654	32,566	8.40%

* Information not yet available

(1) The 2011-2020 estimates are from the Durham City/County Planning Department.

(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.

2011-2018 is actual per capita income provided by Bureau of Economic Analysis, last update November 14, 2019.

(4) Durham County Public Schools, 2011-2020 Final Average Daily Membership.

(5) North Carolina Department of Commerce.

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

Note: This is the latest information currently available.

ORANGE COUNTY, NORTH CAROLINA

Table 12-Orange

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)
2011	133,801	\$ 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	20,398	4.0%	2,087
2020	146,521	9,840,004	67,158	34.70	20,408	5.5%	4,853

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.

Information provided by Orange County Finance Department

ORANGE COUNTY, NORTH CAROLINA

Table 13-Orange

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
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

Information provided by Orange County Finance Department

**Demographic and Economic Statistics
Last Ten Years**

Year	Population Estimates¹	Personal Income² (thousands of dollars)	Per Capita Personal Income³	School Enrollment⁴	Unemployment Rate⁵
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	50,257,552	50,835	153,039	4.9%
2015	998,691	53,028,913	53,625	155,000	4.7%
2016	1,024,198	56,592,270	54,549	156,644	4.2%
2017	1,046,791	60,216,950	56,162	158,374	3.6%
2018	1,072,203	64,461,643	59,014	160,429	3.6%
2019	1,092,305	*	*	160,471	3.9%
2020	1,111,761	*	*	161,907	7.1%

* 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 2019.

(3) Bureau of Economic Analysis Regional Economic Account - computed using Census Bureau midyear population estimates available as of March 2019.

(4) North Carolina Department of Public Instruction. 2018-2020 Wake County Public Schools District Facts.

(5) Employment Security Commission of North Carolina; 2018-2020 - North Carolina Department of Commerce-Labor & Economic Analytics Division.

WAKE COUNTY, NORTH CAROLINA

TABLE 13

**Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees¹	Rank	Percentage of Total County Employment²	Employees	Rank	Percentage of Total County Employment
Duke University & Health System	41,206	1	7.71%			
State of North Carolina	24,083	2	4.50%	24,739	1	5.86%
Wake County Public School System	17,000	3	3.18%	17,572	2	4.16%
Wal-Mart	16,200	4	3.03%			
WakeMed Health & Hospitals	9,773	5	1.83%	7,607	5	1.80%
North Carolina State University	9,019	6	1.69%	7,730	4	1.83%
Food Lion	8,600	7	1.61%			
Target	8,000	8	1.50%			
IBM Corporation	8,000	9	1.50%	10,500	3	2.49%
UNC Rex Healthcare	6,900	10	1.29%	4,800	7	1.14%
GlaxoSmithKline, Inc				4,900	6	1.16%
SAS Institute, Inc.				4,742	8	1.12%
Wake County Government				4,272	9	1.01%
Cisco Systems				3,800	10	0.90%
	<u>148,781</u>		<u>27.84%</u>	<u>90,662</u>		<u>21.47%</u>

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

(2) **Source:** North Carolina Department of Commerce

**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	2020			2014		
	Vehicle Rental Tax	Rank	Percentage of Total Sales	Vehicle Rental Tax	Rank	Percentage of Total Sales
Enterprise Rent a Car	\$ 6,122,082	1	55.01%	\$ 4,548,059	1	47.44%
Hertz Corporation	1,937,094	2	17.41%	1,826,887	2	19.06%
Avis Rent a Car System	941,077	3	8.46%	1,056,760	3	11.02%
Budget Rent a Car	880,599	4	7.91%	739,793	4	7.72%
DTG Operations, Inc.	585,133	5	5.26%	548,735	5	5.72%
U-Haul	339,130	6	3.05%	216,800	7	2.26%
Advantage Rent A Car	92,602	7	0.83%	11,591	12	0.12%
Payless Car Rental, Inc.	57,089	8	0.51%	-	-	0.00%
Capital Ford	30,119	9	0.27%	-	-	0.00%
University Ford Isuzu	28,797	10	0.26%	23,913	9	0.25%
E-Z Rent A Car LLC	26,263	11	0.24%	-	-	0.00%
Van Products	21,477	12	0.19%	-	-	0.00%
Fred Anderson Toyota	-	-	-	12,045	11	0.13%
Triangle Rent A Car	-	-	-	272,433	6	2.84%
Simply Wheelz, LLC	-	-	-	91,672	8	0.96%
ZipCar, Inc	-	-	-	13,338	10	0.14%
Other	67,710	N/A	0.61%	224,640	N/A	2.34%
Total	\$ 11,129,172		100.00%	\$ 9,586,666		100.00%

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

Information by agency for nine years ago not available.

This table is prepared based on actual cash receipts.

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, 2020

	Cumulative Amounts of All Projects	Prior Year	Actual Amount FY 20	Total	Variance From Cumulative Amount Positive (Negative)
REVENUES					
Special Sales Tax	\$ -	\$ -	\$ 82,114,524	\$ 82,114,524	\$ 82,114,524
Total revenues	<u>-</u>	<u>-</u>	<u>82,114,524</u>	<u>82,114,524</u>	<u>82,114,524</u>
EXPENDITURES					
Capital Planning					
GoTriangle	3,097,666	1,275,010	96,682	1,371,692	1,725,974
City of Raleigh	350,000	-	178,548	178,548	171,452
CAMPO	340,000	-	113,273	113,273	226,727
Community Funding Area					
Town of Garner	50,000	-	47,782	47,782	2,218
Town of Fuquay-Varina	13,750	-	9,000	9,000	4,750
Town of Rolesville	16,500	-	-	-	-
Commuter Rail					
GoTriangle	3,696,962	-	2,134	2,134	3,694,828
Reserve	41,663,409	-	-	-	41,663,409
Bus Rapid Transit					
City of Raleigh	25,315,545	60,000	3,988,202	4,048,202	21,267,343
Bus Infrastructure					
GoTriangle	15,598,824	687,230	1,900,769	2,587,999	13,010,825
City of Raleigh	12,873,119	1,693,409	838,881	2,532,290	10,340,829
Town of Cary	7,553,110	491,893	452,785	944,678	6,608,432
Town of Holly Springs	55,000	-	-	-	55,000
Bus Acquisition					
GoTriangle	9,000,000	-	2,493,983	2,493,983	6,506,017
City of Raleigh	26,386,943	3,958,863	13,208,993	17,167,856	9,219,087
Reserve	1,200,000	-	-	-	1,200,000
Allocation to Wake Capital Fund	132,698,797	-	-	-	132,698,797
Total expenditures	<u>279,909,625</u>	<u>8,166,405</u>	<u>23,331,032</u>	<u>31,497,437</u>	<u>248,412,188</u>
Revenues over expenditures	<u>(279,909,625)</u>	<u>(8,166,405)</u>	<u>58,783,492</u>	<u>50,617,087</u>	<u>(330,526,712)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	166,626,570	168,902,374	-	168,902,374	2,275,804
Total other financing sources	<u>166,626,570</u>	<u>168,902,374</u>	<u>-</u>	<u>168,902,374</u>	<u>2,275,804</u>
Excess of revenues over expenditures	<u>\$ (113,283,055)</u>	<u>\$ 160,735,969</u>	<u>\$ 58,783,492</u>	<u>\$ 219,519,461</u>	<u>\$ 332,802,516</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.

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***

To the 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 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, 2020, 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 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing 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, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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 Berkant". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 30, 2020

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

To the 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, 2020. 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, 2020.

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.



Raleigh, North Carolina
October 30, 2020

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF CORRECTIVE ACTION

FISCAL YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

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, 2020

Schedule of Prior Year Audit Findings

There were no findings that require action.

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Research Triangle Regional Public Transportation Authority
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended
June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Grant Number	Current Year Expenditures			
				Total	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:							
<u>Direct Programs:</u>							
<u>U.S. Department of Transportation</u>							
<u>Federal Transit Cluster</u>							
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507		NC-2016-027	\$ 34,602	\$ 27,682		\$ 6,920
Federal Transit-Capital Investment Grants	20.500		NC-2016-008				
Total Federal Transit Cluster				34,602	27,682	-	6,920
<u>Passed through the North Carolina Department of Transportation:</u>							
<u>Highway Planning and Construction Cluster</u>							
Operations CMAQ (FHWA) -Implementation Program	20.205	50061.3.4	18-CQ-118	55,567	44,454	11,113	-
Total Highway Planning and Construction Cluster				55,567	44,454	11,113	-
Total Federal assistance:				<u>90,169</u>	<u>72,136</u>	<u>11,113</u>	<u>6,920</u>
State Grants:							
<u>Direct Programs:</u>							
<u>North Carolina Department of Transportation</u>							
Operations State Maintenance Assistance Program	DOT-9	36234.73.15.2	20-SM-016	19,646,765	-	2,644,616	17,002,149
<u>Passed through the Triangle J Council of Governments:</u>							
Planning Transit Development Program	DOT-11		TDMGOTRI20	798,206	-	605,955	192,251
Total State assistance:				<u>20,444,971</u>	<u>-</u>	<u>3,250,571</u>	<u>17,194,400</u>
Total Assistance:				\$ 20,535,140	\$ 72,136	\$ 3,261,684	\$ 17,201,320

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.