



Durham County Government Financial

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Discussion Topics

>Financial Condition

>Peer Comparisons

>Next Steps



County of Durham,
North Carolina
**Annual
Comprehensive
Financial Report**

2024

For the year ended
June 30, 2024

2025 Annual Comprehensive Financial Report

- > Mauldin & Jenkins will present the Audit to the Audit Committee and BOCC in March 2026.
- > Durham County continues to demonstrate fiscal strength and stability.

The background of the slide is a repeating pattern of the Durham County logo and the text "DURHAM COUNTY". The logo consists of two interlocking circles, with the text "DURHAM COUNTY" above and "1881" below. The pattern is light blue and covers the entire slide.

Financial Condition

Durham County Remains Financially Strong

<u>Indicator</u>	<u>FY2025 Est.</u>	<u>Status</u>
Total Net Position	\$166.1M	Stable
Expenditure Control	No reserves used	Disciplined
Governmental Fund Balance (ALL Funds)	\$437.9M	Strong
AAA Bond Rating	Maintained	Highest Rating



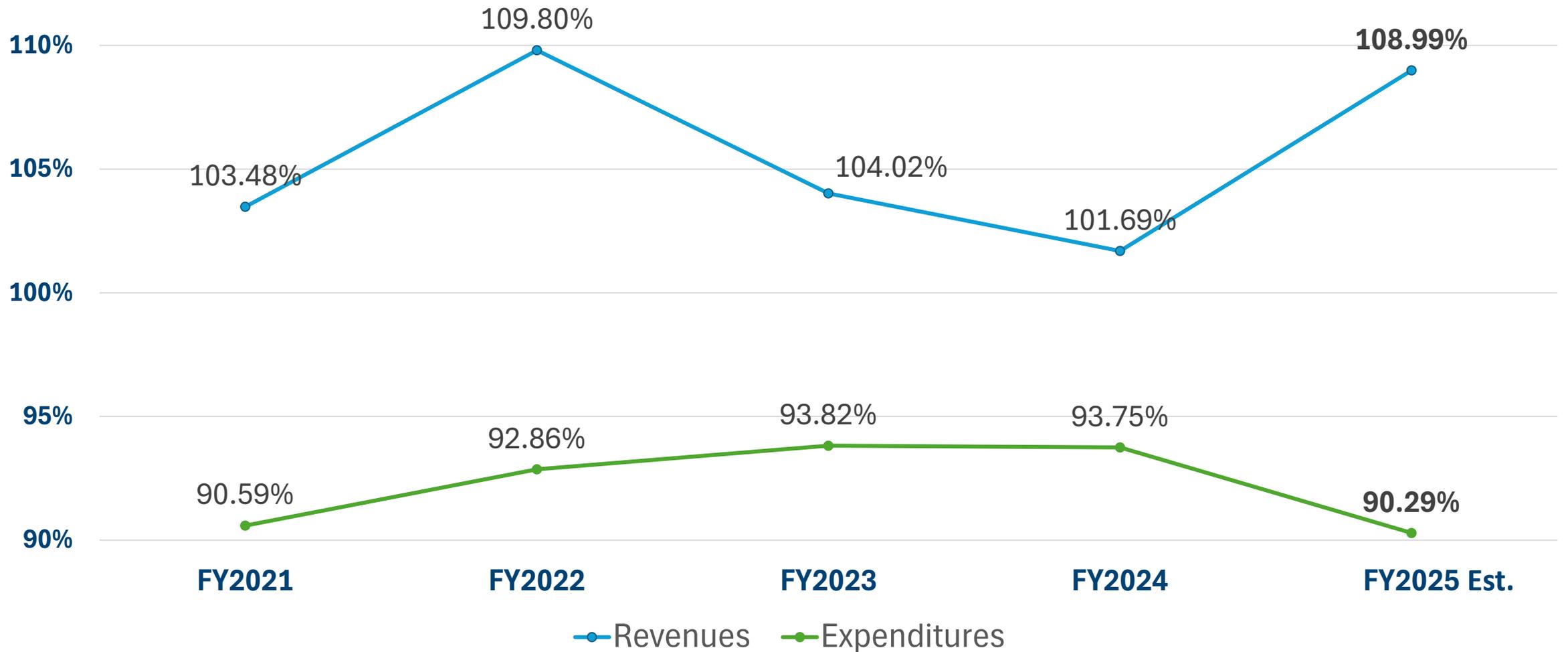
Durham County Remains Financially Strong:

FY 2025 Efforts to Increase Fund Balance Reserves

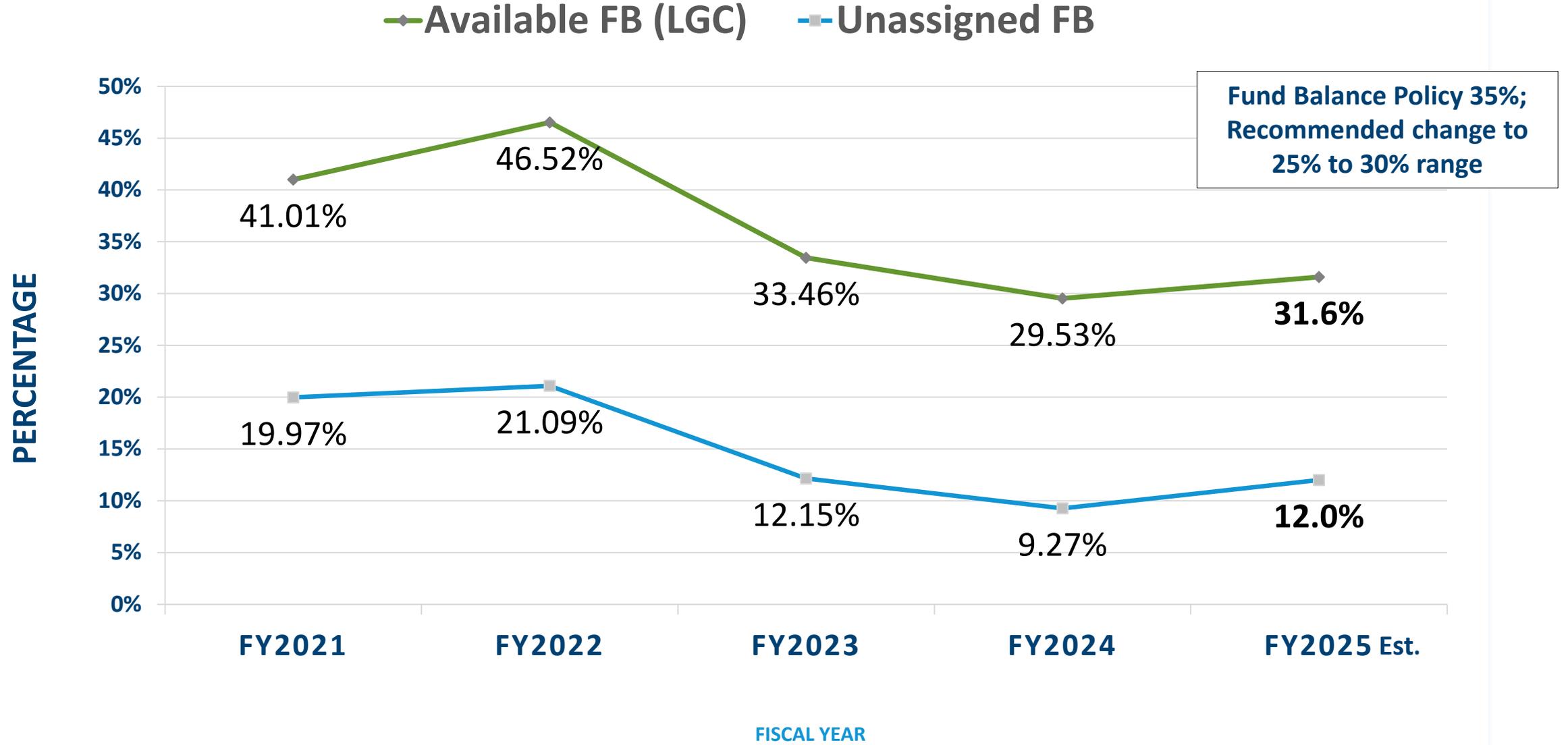
- > Planned efforts occurred to control spending and reduce fund balance use to increase reserve levels. (i.e., freezing vacant positions, deferring or reprioritizing non-essential operating expenditures and capital projects.)
- > Spending adjustments occurred to bring fund balance utilization in line with established policy ranges. Financial Advisors have recommended an adjustment to the fund balance policy from 35% to a range of 25% to 30%. Action will be presented to the Board in March 2026.
- > Disciplined spending controls and a deliberate reduction in fund balance usage were implemented to maintain reserve levels sufficient to meet policy requirements, required to sustain credit ratings, and provide a financial cushion against unanticipated expenditures or revenue shortfalls.
- > Comprehensive reviews of departmental budgets occurred to identify inefficiencies, eliminate redundant expenditures, and redirect savings toward shoring up fund balance reserves. These ongoing efforts are underway and will continue through FY 2026-27.



FY2021 - FY2025 Annual Revenues & Expenditures as a % of Budget - General Fund



Durham County Government General Fund's Fund Balance Percentage Trends



PEER COMPARISONS

Peer comparisons represent data from the three counties included in the Big Ten North Carolina local governments: Durham, Guilford, and Wake. Municipalities include the cities of Durham, Greensboro, and Raleigh.

2025 Peer General Fund Reserves Comparisons % of Revenues & Expenditures to Budget and Growth/Use of Fund Balances For Durham, Guilford, & Wake

	<u>Durham</u>	<u>Guilford</u>	<u>Wake</u>
Fund balances			
Non-spendable	\$3,107,351	\$444,222	\$1,016,446
Restricted:			
Stabilization by State Statute	72,394,759	111,274,246	124,012,787
Restricted for other purposes	7,035,302	-	
Committed	97,623,732	175,361,346	561,426,077
Assigned	28,791,716	22,751,244	-
Unassigned, general	<u>81,820,058</u>	<u>58,185,646</u>	<u>-</u>
Total fund balance	<u><u>\$290,772,918</u></u>	<u><u>\$367,996,704</u></u>	<u><u>\$687,947,090</u></u>
Total Expenditures and Transfers Out	<u><u>\$681,234,451</u></u>	<u><u>\$776,304,152</u></u>	<u><u>\$2,038,413,067</u></u>
Fund balance expressed as a % of expenditures	<u><u>31.6%</u></u>	<u><u>33.0%</u></u>	<u><u>27.5%</u></u>
Unassigned fund balance expressed as a % of expenditures	<u><u>12.01%</u></u>	<u><u>7.50%</u></u>	<u><u>0.00%</u></u>

* Forsyth and Mecklenburg Counties are unavailable for comparisons at this time.

Source: Annual Comprehensive Financial Report



2024 Peer General Fund Reserves Comparisons % of Revenues & Expenditures to Budget

Peer Counties	Revenues				Expenditures				Fund Balance		
	Budget	Actual	Variance	% of Budget	Budget	Actual	Variance	% of Budget	Beginning	Growth/Use	Ending
Durham	641,869,014	652,746,927	10,877,913	101.69%	599,891,095	558,296,280	41,594,815	93.07%	288,167,256	(10,908,297)	277,258,959
Forsyth	538,340,448	533,158,311	(5,182,137)	99.04%	583,766,992	534,237,747	49,529,245	91.52%	219,192,876	(9,023,520)	210,169,356
Guilford	790,497,086	787,059,259	(3,437,827)	99.57%	733,520,029	658,269,858	75,250,171	89.74%	277,488,135	57,056,383	334,544,518
Mecklenburg	1,580,777,066	1,638,578,493	57,801,427	103.66%	1,671,422,554	1,563,251,474	108,171,080	93.53%	707,198,985	(9,716,498)	697,482,487
Wake	1,858,700,683	1,885,577,715	26,877,032	101.45%	1,397,010,998	1,338,410,997	58,600,001	95.81%	591,686,223	30,775,563	622,461,786



Next Steps

- > Monitor reserve levels for policy compliance.
- > Monitor cash flow stability
- > Closely monitor expenditure trends.
- > Maintain AAA bond rating.

DCO