



COUNTY OF DURHAM, NORTH CAROLINA  
**Annual Comprehensive  
Financial Report**

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FOR THE YEAR ENDED JUNE 30, 2025



County of Durham,  
North Carolina



# Annual Comprehensive Financial Report

for the fiscal year ended June 30, 2025

Crystally Wright  
Chief Financial Officer

Prepared by  
the Durham County Finance Department



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County of Durham, North Carolina



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# Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM







## Letter of Transmittal

March 18, 2026

Residents of Durham County  
The Honorable Chair and Members of the Board of County Commissioners  
Durham County  
Durham, North Carolina

State law requires that all general-purpose local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Durham County for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of Durham County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Durham County 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 Durham County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Durham County'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.

Durham County's financial statements have been audited by Mauldin & Jenkins, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Durham County for the fiscal year ended June 30, 2025, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that Durham County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and

North Carolina state law for state funds. Information related to this single audit, including the schedule of financial assistance, findings and questioned costs, and the independent auditors' report on the internal control structure and compliance with applicable laws and regulations, are presented in a separate document.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Durham County's MD&A can be found immediately following the report of the independent auditors.

## Profile of the Government

Durham County, incorporated in 1881, is located in the piedmont part of the state and considered to be one of the top growth areas in the state and country. Durham County currently occupies a land area of 299 square miles and serves a population of 343,628. Durham County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Durham County has operated under the commissioner-manager form of government since 1930. Policy-making and legislative authority are vested in a governing board consisting of the chair, vice chair and three other members. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager (county manager), attorney, and tax administrator. The county manager is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for hiring the heads of the various departments. Effective with the 2004 election, the board members currently serve four-year terms. The chair and the vice chair of the board are voted upon by the board in their first meeting which is in December after being sworn into office.

Durham County provides a full range of services, including sheriff and fire protection, emergency medical, human services (public health and social services), elections, register of deeds, animal control, youth home, criminal justice, and cultural and recreational. Funding is provided for the educational services of Durham Public Schools and Durham Technical Community College. Funding is provided for the cultural and recreational services of the North Carolina Museum of Life and Science. Also, the County funds services in conjunction with the City of Durham through interlocal agreements, including economic and physical development, emergency communications, environmental engineering, and inspections. Solid waste services are provided through contracting with a private company. Mental health services that include substance abuse and developmental disabilities are provided through a contract with a Managed Care Organization (MCO), Alliance Behavioral Healthcare, Inc. In accordance with standards of the Governmental Accounting Standards Board (GASB) defining the governmental reporting entity, this report includes all funds and component units (except as noted below) that are controlled by or dependent upon the County's governing body. Component units are legally separate entities for which Durham County is financially accountable. The Durham County Board of Alcoholic Beverage Control (ABC Board) is a discretely presented component unit of Durham County. The ABC Board is presented as a proprietary fund in its own financial statement. Additional information on the ABC Board can be found in Note A.1 in the notes to the financial statements. The Durham County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt for private businesses for economic development purposes. The Authority is governed by a seven member board, all of whom are appointed by the County Commissioners. The County Commissioners can remove any board member of the Authority with or

without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the financial statements. The Authority does not issue separate financial statements. Other governmental type entities within the County that have substantial autonomy and separate governmental characteristics are the Durham Public School Administrative Unit, Durham Technical Community College, Raleigh-Durham Airport Authority, the Special Airport District of Durham and Wake Counties, Central Pines Regional Council, GoTriangle, Durham and Wake Counties Research and Production Service District and Advisory Committee, Durham Convention and Visitors Bureau, and Alliance Behavioral Healthcare, Inc. These entities have not met the established criteria for inclusion in the reporting entity and are excluded from this report.

The annual budget serves as the foundation for Durham County's financial planning and control. All agencies of Durham County are required to submit requests for appropriation to the county manager on or before March 15th of each year. The county manager uses these requests as the starting point for developing a proposed budget. The county manager then presents this proposed budget to the commissioners for review prior to May 31 of each year. The board is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of Durham County's fiscal year. The adopted budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). However, the appropriations are formally budgeted and approved on a functional basis. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other major funds and nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the other supplementary section of this report.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Durham operates.

## **Local Economy**

### **Economic Development**

Durham County's economy continues to expand due to growth in jobs, wages, capital investment, and population. The most recently published data shows that 17 people move to Durham County daily. The County has the highest average private sector wages of any county in North Carolina (\$97,531) and has added nearly 3,700 new jobs in the past year. The County is home to an extremely-well educated workforce (57% have a bachelor's degree or higher compared to only 36% nationally), and in latest list of Most-Educated Cities in the U.S., WalletHub ranked the Durham-Chapel Hill MSA the second-most educated region in the United States. In January 2025, the non-profit think tank Heartland Forward named the Durham-Chapel Hill MSA as one of the top 20 "most dynamic" metropolitan areas (out of nearly 400) in America, ranking Durham high on indicators such as employment, average annual pay, real GDP growth, per capita income, and measures of entrepreneurial activity. Additionally, CNBC recently named North Carolina its top state for doing business, an honor the State has received 3 out of the last 4 years.

## Research and Development

The local economy is heavily influenced by life sciences, manufacturing, higher education and associated research, technology, and increasingly, clean energy. In 2024, Jones Lang Lasalle (JLL) named the Research Triangle the nation's "top biomanufacturing hub." Most recently, Biogen announced a \$2 billion dollar investment in its Research Triangle Park facilities, including those in Durham County. In March, Merck announced the opening of its \$1 billion, 225,000-square-foot facility in Treyburn Corporate Park. As of July 2025, 20 active projects are considering Durham County, totaling \$8 billion in potential investment and up to 5,000 potential new jobs.

Durham County is home to the famous Research Triangle Park, formed in 1959 by business leaders, government officials, and leaders from Duke University (Durham), North Carolina State University (Raleigh), and the University of North Carolina at Chapel Hill. The Research Triangle Park (RTP) consists of 7,000 acres of land, of which 80% is within Durham County. RTP is the longest-operating research park in the country. RTP is also the nation's largest and most successful research and development-oriented business park. There are more than 375 tenant companies and organizations located in RTP that represent some of the world's largest and most prestigious corporate and government organizations in scientific and technological research. According to a recent impact study from the RTP Foundation, Research Triangle Park supports approximately \$16 billion dollars in value in Durham County and \$25 billion dollars in value in North Carolina.

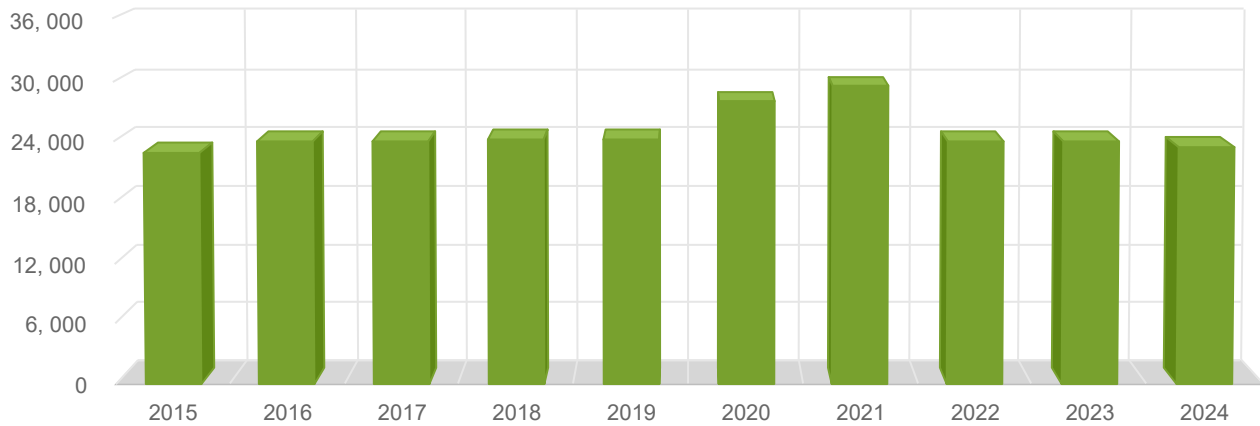
Businesses in RTP employ approximately 60,000 full-time employees. In addition, RTP's first live, work, and play development is under way in Hub RTP, a \$1.5 billion, 100-acre project that will bring office space, retail experiences, lab space, hotel rooms, apartment units, and 16 acres of greenspace. This includes a 220,000 square foot office and life science space to be developed by Longfellow Real Estate Partners, a 1,200-unit multi-family complex developed by Mid-American Apartments, a 125,000 square foot mixed-use building developed by White Point Partners, and a 283,000 SF luxury Renaissance Hotel with 254 keys. Additionally, RTP Foundation is advancing a rezoning initiative and land covenant updates to permit greater density and land utilization in the park, such as mixed-use campuses and housing. The covenants change was recently approved by RTP's "owners and tenants," and the Durham County rezoning is expected to occur in Fall 2025 or early 2026.

## Health Care

The City of Durham is called the City of Medicine because of its vibrant healthcare industry, which includes more than 1,200 medical- and health-related companies that are in Durham County. There is a wide spectrum of major medical centers in the area, including Duke University Medical Center. In July 2025, US News & World Report ranked Duke University School of Nursing #5 "best graduate nursing school" and #1 "best nursing school for Nurse Practitioner: Family." Duke NC is on the Best Hospitals Honor Roll. It is nationally ranked in 11 adult and 9 pediatric specialties and rated high performing in 1 adult specialty and 19 procedures and conditions. US News & World Report "Best Regional Hospitals" ranked Duke #1 as "Best Hospitals in Raleigh-Durham, NC." Duke is a world-class academic and health care system that educates future clinical and scientific leaders while transforming medicine locally and globally through innovative medical research. The result is that Durham County has four times the national average of physicians, three times the national average of nurses, and nearly one third of all workers in the labor force work in a health or medical-related industry.



### Manufacturing



Source: Employment Security Commission (ESC)

Durham County has enjoyed a modest manufacturing environment over the years. The manufacturing sector experienced a slight decrease in employment from 24,106 in 2023 to 23,508 in 2024, which is a loss of 598 (2.48 percent) manufacturing jobs. Despite decreases in per capita income and rising unemployment, the local economy has managed to remain stable, supported by an increase in retail sales. (see pages xvii - xx).

### Telecommunications

Durham’s telecommunications infrastructure is among the most advanced in the nation, providing high-speed multimedia transmission. Durham County enjoys superior broadband connectivity delivered by multiple service providers. According to the 2020 County Broadband Statistics report compiled by BroadbandNow Research, 99.2% of Durham County residents have access to wired broadband services of at least 100 Mbps.

### Quality of Life

Durham County Government continues to be a leader in innovation among well-known communities! Once again, Durham County received multiple NACo (National Association of Counties) Achievement Awards – the fifth straight year with multiple honors for the work done by staff. Seven awards were presented to our departments: County Manager’s Office, Elections, Durham County Library, Social Services, Information Services & Technology, and Public Information. Durham County also maintained its top 10 status in the Digital Counties Survey with a 9th place ranking among the country’s counties with a population of 250,000-499,999.

Durham County continues to attract major corporate entities in both life sciences and clean energy much to the envy of other communities. We are home to KBI Biopharma, Eli Lilly, GlaxoSmithKline, IQVIA, and bioMérieux. Durham is the #1 medium-sized city for “Women in Tech Talent” according to Coworking Café. We are first for metro areas between 500,000 and one million people.

Accolades highlighting Durham’s outstanding quality of life and celebrating our distinction as a destination of choice continue to emerge. CNN Travel calls us “One of the most underrated cities

in the U. S.”; Livability calls us, “One of the best places to live in the U.S.”; “Durham among 20 best mid-sized cities in the U. S.” says HGTV; NC Tech Association referred to our community as “#6 Top tech innovation metro area”.

Our reputation as the South’s Tastiest Town, first announced by Southern Living, continues to thrive. Visitors as well as our residents marvel and enjoy the various food options. Our favorites continue to reach new heights. Chef Ricky Moore of Saltbox Seafood Joint was awarded Best Chef in the Southeast by the James Beard Foundation and M Sushi is NC’s Only Spot on the Top 100 Restaurants in America List by OpenTable. The Food Truck phenomenon continues to expand with most weekends featuring food truck rodeos across the community. We have even established a location called, “The Can Opener” where food trucks are permanently parked! Throughout the year, Durham hosts various themed food festivals. So exciting, and oh so tasty is our food scene!

Those who love the performing arts know that the Durham Performing Arts Center or DPAC is among some of the best venues in the region. DPAC boasts “something for everyone”, according to its website. This award-winning venue features Broadway productions, concerts, family shows and special events for audiences of all ages. Pollstar has ranked DPAC among the Top Ten in America in ticket sales and attendance 16 Times!

For baseball fans, Durham is home to the legendary Durham Bulls Baseball Team. Just recently the Bulls celebrated their 30th season at their venue known as DBAP or Durham Bulls Athletic Park. This team regularly hosts special activities and celebrated the recent anniversary with a free hot dog giveaway! Durham Memorial Stadium hosts a variety of classic sports, including Shaw University Football and soccer games, the National Association of Intercollegiate Athletics (NAIA) Football Championship, North Carolina Senior Football Games, local club soccer, the Carolina Flyers ultimate frisbee team and more.

Finally, as the home of two national championship winning college teams in basketball and football and more, the Duke Blue Devils and the North Carolina Central University Eagles, Durham is a sports fan’s dream community!



## Major Employers

Listed below are the largest business and institutional employers in Durham County.

### Company or Institution

Aisin North Carolina Corp (formerly AW North Carolina)	International Business Machines (IBM)
Amazoncom Services Inc	Intervet Inc
Basf Corporation	IQVIA Rds Inc
Biogen Idec US Limited Partnership	KBI Biopharma Inc
Cisco Systems Inc	Labcorp
City of Durham	NC Central Univesity
Duke University & Health System	Netapp Inc
Durham County Government	Research Triangle Instistute
Durham Public Schools	UBS Finanical Services
Environmental Protection Agency	Veterans Administration of Veterans Affairs
Fidelity Investments	Wal-Mart Associates Inc
Glaxosmithkline LLC	Wolfspeed Inc (formerly Cree, Inc.)
Harris Teeter LLC	

## Capital Investment

Many companies are either locating in Durham County or expanding their already existing operations in the County. Major economic development announcements in Durham County recently have included Biogen (<\$2.0B), Eli Lilly (\$450M), IONNA world headquarters (\$10M), Kempower (\$41M), and United Therapeutics (\$500M).

## Economic Development Statistics

### Per Capita Income Trends from 2017 to 2024

Per capita income data for the last eight calendar years for the Durham Metropolitan Statistical Area (MSA), the Raleigh Metropolitan Statistical Area, North Carolina, and the United States are presented in the following table. In 2023 and forward, the data are presented for Durham and Wake Counties, as opposed to MSA, to be more in line with presenting relevant information.

	2017	2018	2019	2020	2021	2022	2023	2024
Durham	\$ 52,277	\$ 52,727	\$ 54,423	\$ 56,703	\$ 54,093	\$ 60,330	\$ 59,070	\$ 64,059
Wake	52,444	56,207	57,851	60,884	60,884	71,205	76,357	81,322
North Carolina	44,233	46,216	47,766	50,305	56,173	58,109	61,831	64,855
United States	51,731	54,606	56,490	58,510	64,143	65,470	69,815	72,512

Source: Bureau of Economic Analysis

Note: The Bureau of Economic Analysis makes comprehensive revisions to the per capita income estimates annually. The latest revision was November 2024 for county data and September 2025 for state and national data.

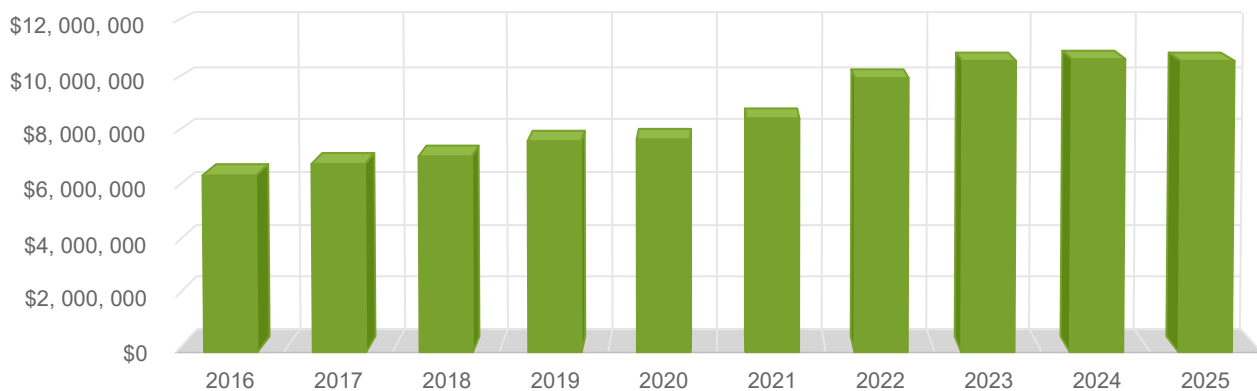
## Retail Sales

Total retail sales in the County for the past ten fiscal years are shown in the following table.

### Durham County Retail Sales from 2016 to 2025 Percent Growth Over Previous Year

Year Ended June 30,	Total Taxable Sales (000's)	Percent Growth Over Previous Year
2016	\$ 6,458,506	5.92%
2017	6,884,030	6.59%
2018	7,195,550	4.53%
2019	7,771,144	8.00%
2020	7,811,731	0.50%
2021	8,612,784	10.25%
2022	10,073,809	16.96%
2023	10,661,429	5.83%
2024	10,766,356	0.98%
2025	10,669,278	-0.90%

### Durham County Retail Sales from 2016 to 2025 Annual Retail Sales

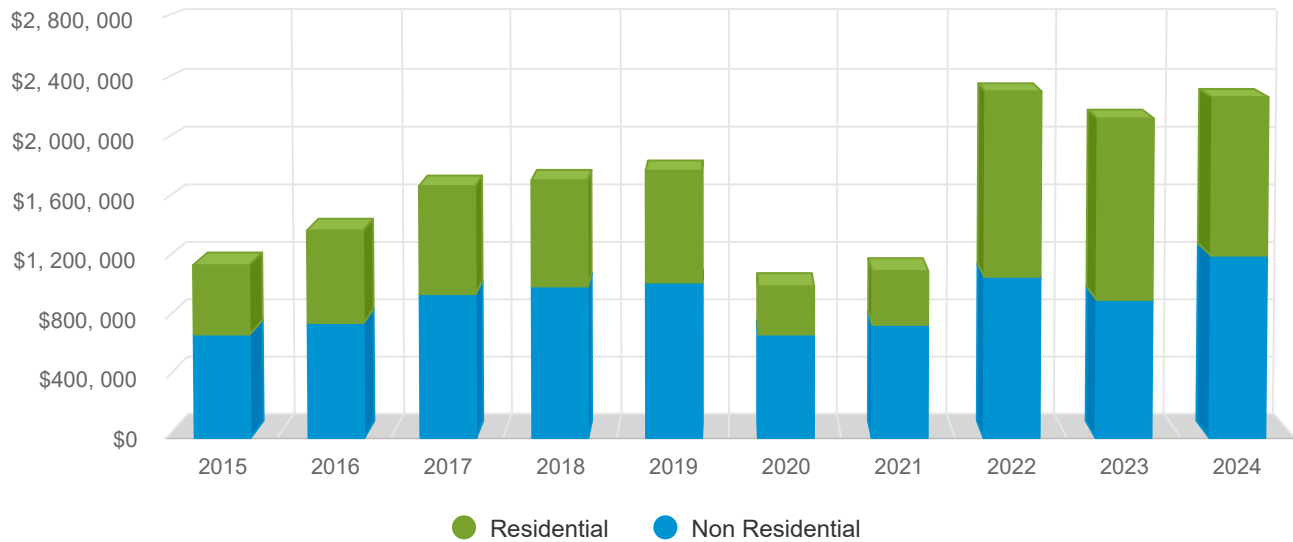


Durham’s retail sales decreased in fiscal year 2025, following several years of overall growth. The long-term increase has been driven in part by continued development of new businesses, both small and large, throughout the area. In fiscal year 2025, the total taxable retail sales reported were over \$10.66 billion, a decrease of over \$0.09 billion (-0.90%) from the prior year.

## Construction Activity

The following table illustrates construction activity in Durham County for the past ten calendar years with reference to the value of all building permits issued in the County.

Durham County Construction Permit Values in Thousands from 2015 to 2024

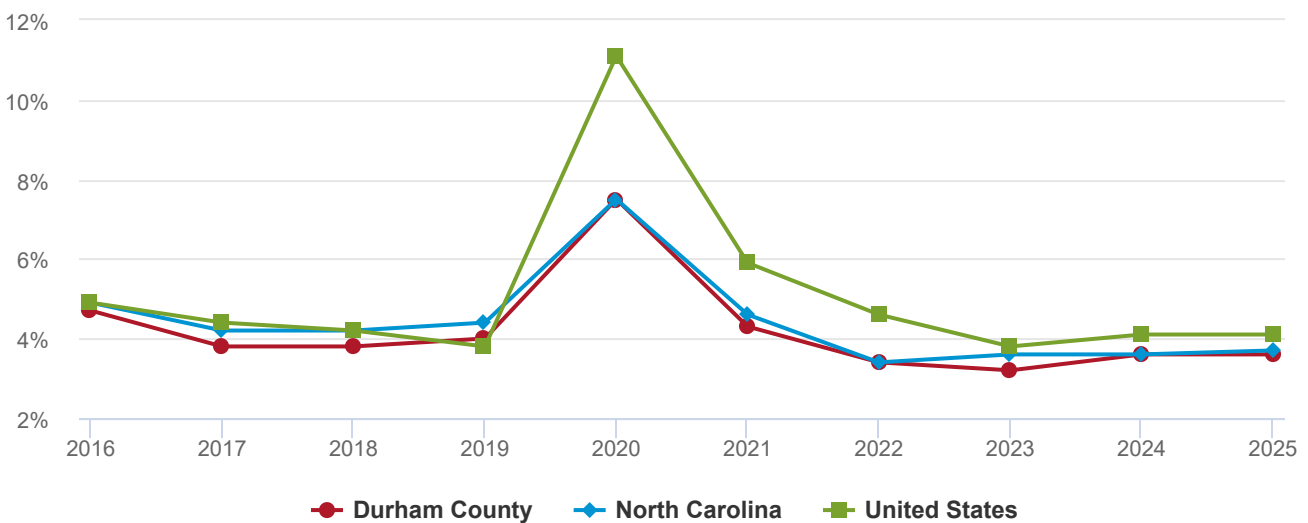


The total number of occupied dwelling units in 2024 for Durham County was 150,314, which included 3,701 (an increase of 1,568 from the prior year) permits issued for new residences and improvements, repairs, and expansions of existing residences. From calendar year 2023 to 2024, there was an overall increase (\$141.8 million) in the value of all construction building permits issued in the County. The increase was due to an increase in the value of the nonresidential construction.

### Unemployment

The percentage of unemployment in the County, State, and the United States for the past ten fiscal years (as of June 30) is as follows.

Unemployment Trends – Local, State and National Levels



### Unemployment Trends

	County	State	National
2016	4.7%	4.9%	4.9%
2017	3.8%	4.2%	4.4%
2018	3.8%	4.2%	4.2%
2019	4.0%	4.4%	3.8%
2020	7.5%	7.5%	11.1%
2021	4.3%	4.6%	5.9%
2022	3.4%	3.4%	4.6%
2023	3.2%	3.6%	3.8%
2024	3.6%	3.6%	4.1%
2025	3.6%	3.7%	4.1%

As of June 2025, the County’s unemployment rate was 3.6%, unchanged from June 2024. The County’s unemployment rate compares favorably to the State and National rates of 3.7% and 4.1%, respectively. The County’s primary commitments remain job creation and maintaining a strong economy.

The Facility Master Plan, originally approved in fiscal year 2000, was centered on sound planning and solid financial research and laid the groundwork for the future building needs of the County. The most recent Master Plan, amended in fiscal year 2024, reflects the changes in facility needs and options for the County. The Facility Master Plan, as currently amended, serves as the basis for the facility projects included in the Capital Improvement Plan.

### Capital Improvement Plan

The County maintains a 10-year Capital Improvement Plan (CIP), which is fully updated every two years. During the 2019-2020 fiscal year, the Board of County Commissioners (BOCC) updated the 2020-2029 Capital Improvement Plan (CIP). The plan itself provides a blueprint which the County uses to meet the growing facility needs of the schools, libraries, museums, court system, public safety, human service agencies, general government needs, and open space. The CIP also provides a financial overview of the financing options for existing capital projects as well as those capital projects not implemented but projected in the 10-year plan. Annually, the financing options are reviewed, as are the projects and their estimated costs. New adoption of the CIP is slated for the 25-26 Fiscal Year as this process has been delayed to the COVID 19 Pandemic and associated issues.

Accomplishments during the past fiscal year include the completion of the following construction projects: Board of Elections Renovation – Phase 1A (interior) and 1B (exterior) the Stanford L. Warren Library Envelope and Interior Improvements, leasehold improvements in the Administration II – Anjappar Indian Restaurant and the 500 E. Main St. Parking Deck and Market-Rate Housing Development. Several projects are currently in the construction phase including the following: 300 E. Main St. Affordable Housing Wrap (nearing completion); Extensions to the County Fiber Network through collaboration with the Duke Fiber Project; The Shoppes of Hope Valley Shopping Center Phase Reroofing and HVAC Rooftop Unit Replacement, the Sheriff’s Training Facility (Electra Road), Detention Center Security and A/V Infrastructure Upgrades and the 500 E. Main St. Affordable Housing Development. Other projects are in various stages of design, bidding, preliminary activities, and/or regulatory approvals include the following: Triangle Wastewater Treatment Plant Administration II Building; Fire Station #19 (County EMS and City Fire Station Co-location – Hwy 54 & Davis Dr.);

Emergency Operations Center and Backup 911 Call Centers, Redwood Solid Waste Convenience Center Upgrades; (Shoppes at Hope Valley Renovations - Project Build and Community Intervention and Support Services; the Justice Services Department Transition House and the DSS Main St. Hazardous Materials Mitigation. Phase I of the Comprehensive Facilities Assessment is underway, which will identify projects in accordance with the Renewable Energy Plan Implementation. Feasibility studies and updates for the Animal Shelter and Fleet Maintenance Facility and others have also been completed and are being used in upcoming 2025-2034 CIP discussions/presentations to the BOCC. County staff are also working in partnership with the City of Durham Fire Department to ensure alignment and schedules for budgeting and project delivery for three potential Fire/EMS Co-locations including Kemp Road (Far East), Martin Luther King Jr. Blvd. (southern Durham) and a Duke West location. County staff is continuing to work with the UNC School of Government's Development Finance Initiative on the Pre-Development Processes to determine the long-range plan for the DSS Main St. Facility and the balance of the Shoppes of Hope Valley Shopping Center.

In 2008, the County adopted a High-Performance Building Policy incorporating sustainable design into County building projects. The Policy requires that new construction over 10,000 square feet shall achieve a minimum rating of LEED (Leadership in Energy and Environmental Design) "Gold", that new construction between 4,000 and 10,000 square feet shall achieve a minimum rating of LEED "Silver", and that renovation projects obtain a "Certified" rating. Currently, the County has thirteen LEED certified buildings that have been completed which include the following: 1) Triangle Wastewater Treatment Plant Administrative Building I – "Certified", 2) East Regional Library – "Certified", 3) North Regional Library – "Silver", 4) South Regional Library – "Gold", 5) Animal Control Office Building - "Silver", 6) Southwest Library Renovation and Addition – "Silver", 7) the Criminal Justice Resource Center Third Floor Renovation – "Silver", 8) Durham County Courthouse – "Gold", 9) the Human Services Facility – "Silver", 10) the Main Library Renovation - "Gold", 11) Administration II Building Renovation - "Silver", and 12) Fire/EMS Station #17 – LEED "Gold" and 13) the Durham County Youth Home. The County is also seeking various levels of LEED Certification for the Judicial Building Annex Renovation, Administration I Renovation, the new EMS Station 1, and Fire/EMS #18 that were recently completed or nearing completion and under the construction phase review by the United States Green Building Council (USGBC). Additional projects identified in the CIP will also be designed using sustainable design and construction guidelines, including the Fire/EMS Station #19, Emergency Operations Center and Backup 911 Call Center, TWWTP Administration Building II, Sheriff's Training Facility (Electra Road), Animal Shelter and Fleet Maintenance Facility and others.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded Durham County the Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the twenty-first consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Manager and the Board of County Commissioners for their unfailing support in maintaining the highest standards of professionalism in the management of Durham County's finances.

Respectfully submitted,



Claudia Odom Hager  
County Manager



Crystally Wright  
Chief Financial Officer



## Durham County Board of County Commissioners



Nida Allam  
Chair



Dr. Michael Lee  
Vice Chair



Stephen Valentine



Michelle Burton



Wendy Jacobs

## Durham County Administration



Claudia Hager  
County Manager



Crystally Wright  
Chief  
Financial Officer



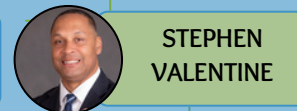
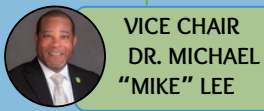
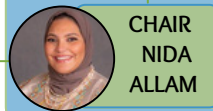


# DURHAM COUNTY ORGANIZATIONAL CHART (REORGANIZATION)

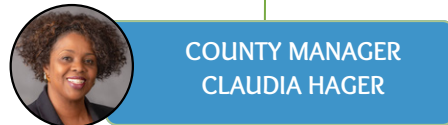
## Residents of Durham County



## DURHAM COUNTY COMMISSIONERS



**COUNTY ATTORNEY**  
LARISSA WILLIAMSON



**TAX ADMINISTRATOR**  
KEYAR DOYLE

**CLERK TO THE BOARD**  
MONICA WALLACE

**DEPUTY COUNTY  
MANAGER**  
VACANT

**DEPUTY COUNTY  
MANAGER**  
MAURICE JONES

**INTERNAL AUDIT**  
RICHARD EDWARDS  
(INTERIM)

**ASSISTANT COUNTY  
MANAGER**  
Dwane BRINSON

**ASSISTANT COUNTY  
MANAGER**  
JOANNE PIERCE

**FINANCE**  
CRYSTALLY WRIGHT

**HUMAN RESOURCES**  
KATHY EVERETT-PERRY

**TRANSPORTATION**  
ELLEN BECKMANN

**COMMUNITY  
PARTNERSHIPS AND  
ENGAGEMENT**  
SHANNON TRAPP

**TAX  
ADMINISTRATION\*\***  
KEYAR DOYLE

**EMERGENCY  
SERVICES**  
MARK LOCKHART

**SOCIAL SERVICES\*\***  
MAGGIE CLAPP

**VETERAN  
SERVICES**  
LINZIE ATKINS

**BUDGET AND  
MANAGEMENT**  
KEITH LANE

**INFORMATION  
SERVICES &  
TECHNOLOGY**  
GREG MARROW

**ECONOMIC  
DEVELOPMENT**  
ANDREW MIRACLE

**BUSINESS ENGAGEMENT  
AND OUTREACH**  
TAMMIE HALL

**SOIL & WATER\*\***  
EDDIE CULBERSON

**YOUTH HOME**  
ANGELA NUNN

**PUBLIC HEALTH\*\***  
ROD JENKINS

**LIBRARY  
SERVICES**  
VACANT

**BOARD OF  
ELECTIONS\*\***  
DEREK BOWENS

**ORGANIZATIONAL  
EFFECTIVENESS**  
JOHN KEEFER

**PUBLIC  
INFORMATION**  
DEBORAH CRAIG-RAY

**GENERAL SERVICES**  
MOTIRYO  
KEAMBIROIRO

**REGISTER OF DEEDS\*\***  
SHARON DAVIS

**JUSTICE SERVICES**  
ROSHANNA PARKER

**COMMUNITY  
INTERVENTION &  
SUPPORT SERVICES**  
KRYSTAL HARRIS

**COOPERATIVE  
EXTENSION**  
DONNA REWALT

**CITY/COUNTY  
DEPARTMENT LIAISON**  
GIS\*\*

**ENGINEERING**  
JAY GIBSON

**CITY/COUNTY  
DEPARTMENT LIAISON\*\***  
PLANNING &  
INSPECTIONS

**SHERIFF\*\***  
CLARENCE BIRKHEAD

**SENIOR EXECUTIVE  
LEADERSHIP TEAM**  
\*\* LIAISON DEPARTMENTS





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Durham  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



A photograph of the Durham County Courthouse, a grand neoclassical building with white columns and arches. The words "DURHAM COUNTY" are visible on the upper part of the facade. The building is set against a clear blue sky. In the foreground, there are green trees and a parking lot with several cars. A large blue circular graphic element is on the left side of the page.

# Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM





## Independent Auditor's Report

**To the Board of County Commissioners  
Durham County  
Durham, North Carolina**

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Durham County, North Carolina** (the "County") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Durham County ABC Board (the "ABC Board"), which is the County's discretely presented component unit. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of the other auditor.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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### Required Supplementary Information

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

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, the "Capital Assets, Long-Term Debt and Other Information" as listed in the table of contents, (collectively, "the supplementary information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

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

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

[mjcpa.com](http://mjcpa.com)**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

*Mauldin & Jenkins, PLLC*

Raleigh, North Carolina  
March 18, 2026



## Management's Discussion and Analysis

As management of Durham County, North Carolina (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages xi-xxi.

### Financial Highlights

- The assets and deferred outflows of resources of Durham County exceeded its liabilities and deferred inflows of resources at the close of the 2025 fiscal year by \$166,219,501 (*total net position*). However, of this amount, unrestricted net position has a deficit balance of (\$130,845,410) (*unrestricted net position*) for governmental activities which is primarily because of the debt the County has issued on behalf of the school system, Durham Technical Community College and the Museum of Life and Science to fund capital outlay as required by State law. The assets funded by the County are owned by the Durham Public School System, Durham Technical Community College and the Museum of Life and Science and are capitalized in their financial statements. Therefore, the County, as the issuing government, has incurred a liability without a corresponding increase in assets.
- The government's total net position decreased by \$7,335,564, a decrease of 4.23 percent, due to a decrease in the governmental activities' net position and an increase in the business-type activities' net position of \$16.28 million and \$8.95 million, respectively. See Note O for explanation of restatement of beginning net position.
- As of the close of the 2025 fiscal year, the County's governmental funds reported combined ending fund balances of \$437,925,072, a decrease of \$16,719,796 in comparison with the prior year before restatement. Approximately 23.49 percent of this total amount, or \$102,862,465, is *restricted or non-spendable*.
- At the end of the current fiscal year, fund balance available for appropriation for the general fund was \$215,272,365 or 31.6 percent of total general fund expenditures, compared to fiscal year 2024 which was \$196,097,810 or 29.47 percent of total general fund expenditures, which reflects an increase 7.24 percent.
- The net change in fund balance for fiscal year 2025 in the general fund was an increase of \$16,467,018. The primary reasons for the increase were the excess revenues over expenditures of over \$119.0 million, less transfers out of over \$106.9 million plus transfers in of over \$4.0 million, and leases and subscriptions issued of \$325,752.
- The County's total governmental activities long-term liabilities increased by \$14,080,553 (1.29 percent) during the 2025 fiscal year. The key factors in this increase were issuances Bond Anticipation Notes (BANs) of \$80,726,966; the increase in the LGERS pension obligation of \$4,102,300, the increase of compensated absences of \$483,993 and the net increase in the LEOSSA liability of \$84,466. These increases were offset by the annual reductions in debt in the amounts of \$22,320,000 in General Obligation Bonds (GO Bonds), \$27,615,000 in LOBs, \$7,508,425 in amortization of bond premiums, the net decrease in lease and subscription liability of \$889,947 and \$1,513,618, respectively, and the net decrease in OPEB obligation of \$11,115,642. Durham County continues to maintain its AAA bond rating.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Durham County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Durham County.

## Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary 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 County's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide the reader with a broad overview of the County's finances, using the full-accrual basis of accounting, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include general government, public safety, transportation, economic and physical development, environmental protection, human services, education, cultural and recreational and interest and fiscal charges.

Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include sewer utility and stormwater services offered by Durham County. The final category is the component units. Durham County ABC Board is legally separate from the County; however, the County is financially accountable

for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

The government-wide financial statements can be found on pages 27-29 of this report.

**Fund financial statements.** The fund financial statements provide a more detailed look at the County'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. Durham County, 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 County's budget ordinance. All the funds of Durham County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for those functions reported as *governmental activities* in the government-wide financial statements. Most of the County'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 fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resource 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 County's programs. The relationship between governmental 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 County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the American Rescue Plan Act (ARPA) fund, the Opioid Settlement fund, the capital projects fund, and the debt service fund, all of which are major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Durham County adopts an annual budget for its general fund, as required by General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the general fund and the community health trust fund demonstrates how well the County complied with the budget ordinance and whether the County 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 Statement of Revenues, Expenditures and Changes in Fund Balance. 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; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found on pages 30-37 of this report.

**Proprietary funds.** Durham County has two kinds of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its sewer utility and stormwater operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities, only in more detail. The proprietary fund financial statements provide separate information for the sewer utility which is a major fund of the County and the stormwater which is a non-major fund of the County.

The basic proprietary fund financial statements can be found on pages 38-41 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. Durham County has eleven fiduciary funds, two of which are private-purpose trust funds and nine of which are custodial funds.

The basic fiduciary fund financial statements can be found on pages 42-43 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 can be found on pages 47-110 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Durham County's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found on pages 113-119 of this report.

Following the required supplementary information, combining statements referred to earlier are provided to show details in connection with non-major governmental funds. Budgetary information for each fund as required by the North Carolina General Statutes and detailed comparative statements, including annually budgeted funds, can also be found in this section. Combining and individual fund statements and schedules can be found on pages 127-169 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$166,219,501 as of June 30, 2025. Net position is reported in three categories: net investment in capital assets, restricted net position and unrestricted net position.

The County's net position decreased by \$7,335,564 for the fiscal year ended June 30, 2025. One of the largest portions, in the amount of \$124,484,479, reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Durham County's Net Position

	Governmental Activities		Business - type Activities		Total	
	2025	2024, restated	2025	2024, restated	2025	2024, restated
Current and other assets	\$ 544,146,713	\$ 581,917,820	\$ 75,480,237	\$ 66,168,884	\$ 619,626,950	\$ 648,086,704
Capital assets	632,743,176	606,937,621	69,571,410	70,728,657	702,314,586	677,666,278
Total assets	1,176,889,889	1,188,855,441	145,051,647	136,897,541	1,321,941,536	1,325,752,982
Total deferred outflows of resources	83,341,211	98,470,573	957,331	1,116,895	84,298,542	99,587,468
Long-term liabilities outstanding	1,101,951,221	1,099,799,665	9,504,246	10,499,911	1,111,455,467	1,110,299,576
Other liabilities	69,781,598	89,921,602	1,448,509	1,034,430	71,230,107	90,956,032
Total liabilities	1,171,732,819	1,189,721,267	10,952,755	11,534,341	1,182,685,574	1,201,255,608
Total deferred inflows of resources	57,303,012	59,999,677	31,991	41,239	57,335,003	60,040,916
Net position:						
Net investment in capital assets	61,949,096	53,700,724	62,535,383	62,173,685	124,484,479	115,874,409
Restricted	100,091,583	107,068,865	11,864,522	10,203,666	111,956,105	117,272,531
Unrestricted	(130,845,410)	(123,164,519)	60,624,327	54,061,505	(70,221,083)	(69,103,014)
Total net position	\$ 31,195,269	\$ 37,605,070	\$ 135,024,232	\$ 126,438,856	\$ 166,219,501	\$ 164,043,926

The second portion of the County's net position, in the amount of \$111,956,105, represents resources that are subject to external legal restrictions that limit the County's ability to access and use these funds beyond the purpose for which they were provided. Unexpended bond proceeds, grant funding and statutorily restricted revenues are included in this category. The debt related to the unspent/unexpended bond proceeds is not included in the restricted net position.

The remaining portion of net position is unrestricted net position. This balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. As of June 30, 2025, the unrestricted net position is a deficit of (\$70,221,083). The unrestricted deficit is attributable primarily to the general obligation bonds issued by the County for the public schools, Durham Technical Community College, and the Museum for Life and Science. Even though the debt has been issued to finance the acquisition, construction and renovation for the public schools, Durham Technical Community College and the Museum of Life and Science, the Governmental Accounting Standards Board has determined that it is not capital debt of the County since it is not financing assets owned by the County. Therefore, this debt is reflected within the unrestricted portion of net position rather than as part of the category net investment in capital assets. The unrestricted net position for the governmental activities has a deficit balance of (\$130,845,410) while the other two categories of net position, net investment in capital assets and restricted net position, and all three categories of net position of the business-type activities are positive. The unrestricted net position for the business-type activities has a positive balance of \$60,624,327.

## Durham County's Changes in Net Position

	Governmental Activities		Business - type Activities		Total	
	2025	2024, restated	2025	2024, restated	2025	2024, restated
Revenues						
Program revenues:						
Charges for services	\$ 46,523,347	\$ 40,690,905	\$ 23,987,465	\$ 22,263,436	\$ 70,510,812	\$ 62,954,341
Operating grants and contributions	105,888,076	95,063,327	178,139	-	106,066,215	95,063,327
Capital grants and contributions	8,293,924	2,263,807	430,028	135,576	8,723,952	2,399,383
General revenues:						
Taxes	569,833,511	537,862,879	-	-	569,833,511	537,862,879
Investment and interest income	18,353,603	18,141,726	1,667,647	1,117,660	20,021,250	19,259,386
Other revenues	1,192,086	1,343,163	-	-	1,192,086	1,343,163
Total revenues	<u>750,084,547</u>	<u>695,365,807</u>	<u>26,263,279</u>	<u>23,516,672</u>	<u>776,347,826</u>	<u>718,882,479</u>
Expenses:						
General government	126,500,805	112,974,080	-	-	126,500,805	112,974,080
Public safety	114,195,029	109,677,188	-	-	114,195,029	109,677,188
Transportation	1,607,568	1,311,317	-	-	1,607,568	1,311,317
Economic and physical development	16,589,754	13,130,041	-	-	16,589,754	13,130,041
Environmental Protection	14,391,663	13,396,439	-	-	14,391,663	13,396,439
Human services	122,496,541	136,690,860	-	-	122,496,541	136,690,860
Education	324,117,793	292,887,030	-	-	324,117,793	292,887,030
Cultural and recreational	22,112,888	19,510,407	-	-	22,112,888	19,510,407
Interest and fiscal charges	24,356,751	24,155,932	-	-	24,356,751	24,155,932
Sewer utility	-	-	14,740,674	14,172,698	14,740,674	14,172,698
Stormwater	-	-	2,573,913	2,570,617	2,573,913	2,570,617
Total expenses	<u>766,368,792</u>	<u>723,733,294</u>	<u>17,314,587</u>	<u>16,743,315</u>	<u>783,683,379</u>	<u>740,476,609</u>
Increase (decrease) in net position	<u>(16,284,245)</u>	<u>(28,367,487)</u>	<u>8,948,692</u>	<u>6,773,357</u>	<u>(7,335,553)</u>	<u>(21,594,130)</u>
Net position, beginning as previously reported	37,605,070	48,485,381	126,438,856	119,665,499	164,043,926	168,150,880
Prior period adjustment (Note O)	9,874,445	17,487,176	(363,316)	-	9,511,129	17,487,176
Net position, beginning, restated	47,479,515	65,972,557	126,075,540	119,665,499	173,555,055	185,638,056
Net position, ending	<u>\$ 31,195,270</u>	<u>\$ 37,605,070</u>	<u>\$ 135,024,232</u>	<u>\$ 126,438,856</u>	<u>\$ 166,219,502</u>	<u>\$ 164,043,926</u>

For the year ended June 30, 2025, GASB Statement No. 101, Compensated Absences, was implemented. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This change restated and reduced the beginning net position of governmental activities in the government-wide statements by \$18,130,479 and the business-type activities and proprietary funds by \$363,316.

Because the County funds Durham Public Schools, Durham Technical Community College's, and the Museum of Life and Science's capital needs but does not carry the resulting assets on the County's financial statements, the County reports a net deficit on the statement of net position for governmental activities. Despite this deficit reported in governmental activities, the County's finances are strong as evidenced by:

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of 99.74 percent for the current levy year.

- Planning and management of revenues and expenses through the use of financial models for capital and debt service.
- Continued low cost of bonded debt that is a direct result of the County's high bond rating by the rating agencies of Moody's and Standard and Poor's. The County considers this unique achievement to be a key factor in keeping the interest costs low on the County's outstanding debt.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.
- A multi-year budget forecast (5 years) for the County's general fund and debt service fund.

**Governmental activities.** The governmental activities net position decreased by \$16,284,246 (34.30 percent). Revenues increased in fiscal year 2025 compared to fiscal year 2024 by over \$26.7 million (3.69 percent). Expenses increased by over \$24.50 million (3.30 percent). The general revenues accounted for the bulk of the increase in revenues. In fiscal year 2025, property taxes levied for general purposes and for fire districts increased by over \$39.48 million (10.14 percent) and \$23 thousand (0.20 percent), respectively. This increase was primarily because of the increase in assessed property values, a three cent increase in the tax rate, and the County's continued collection efforts including participation in the North Carolina Local Government Debt Setoff Clearinghouse Program. Investment and interest income increased by over \$211.9 thousand (1.17 percent), which is primarily because of improved market conditions.

Charges for services increased for governmental activities by \$5.83 million. This increase was attributable to the increase in public safety of \$5.35 million and environmental protection of \$542 thousand. The increase was offset by a decrease in the general government charges of \$1.23 million in 2025 and over \$1.38 million in decreased charges for register of deeds due to a cooling housing market and higher interest rates. Environmental protection increased due to the gain of 700 households via new construction and an increase in the solid waste fee. Charges for public safety increased due to greater levels of services provided and a higher fee structure for emergency medical services. There were increases in revenues for economic and physical development, cultural and recreational, human services, and transportation functions.

The operating grant program revenues for governmental activities increased by \$12.88 million (13.85 percent). The human services function increased by over \$298.8 thousand primarily due to an influx of federal and state grants from a variety of sources, ongoing support for Covid-19, and funds for the medicaid transformation and expansion. General government revenue increased by over \$8.59 million. Changes in the public safety, economic development, environmental protection, and cultural and recreational functions were not as significant.

The capital grants and contributions for education increased by \$1.57 million due to more construction activity that was funded with Public School Building (PSBCF) revenue sources.

In certain functional areas, increases in the governmental activities' expenditures closely paralleled inflation and growth in the demand for services. The County's total governmental activities' expenditures increased by over \$24.50 million (3.30 percent).

Education expenditures increased by \$31.23 million (10.66 percent). This increase in expenditures was for education-related construction primarily for Durham Public Schools (DPS) and Durham Technical Community College (DTCC).

Human services expenditures decreased by almost \$19.0 million (13.44 percent) due in large part to decreases in medicaid expansion, public and mental health for covid-related expenditures, and community intervention and support services for medicaid expansion.

Interest and fiscal charges increased by over \$200.8 thousand (0.83 percent) due to no debt being issued during fiscal year 2025 and a decrease in outstanding debt.

Public safety expenditures decreased by \$2.84 million (2.42 percent) which is mainly due to decreases of \$2.1 million in the offices of the Sheriff and the County Jail for various operational costs. There were additional decreases of \$1.23 million for the Office of Emergency Services. Other increases were for the youth home, animal control, and emergency communications center totaling \$490 thousand.

General government expenditures increased by over \$9.10 million (7.76 percent) due to increase in ARPA expenditures (\$5.6 million), increase in general services expenditures (\$3.5 million), increase in information technology systems (IS&T) (\$3.5 million), increase in human resource expenditures (\$2.1 million), increase in tax administration expenditures (\$1.8 million), and increase in county administration (\$1.5 million). These increases were netted against increases in operational expenditures for several departments totaling \$5.6 million.

Economic and physical development expenditures increased by over \$3.15 million (23.49 percent) due to increases in other economic and physical development (\$1.8 million); increases in ARPA related expenditures (\$1.6 million), increases in industrial extension (\$1.1 million) These increases were offset by decreases in planning, cooperative extension payments, industrial extension and economic development totaling \$789 thousand.

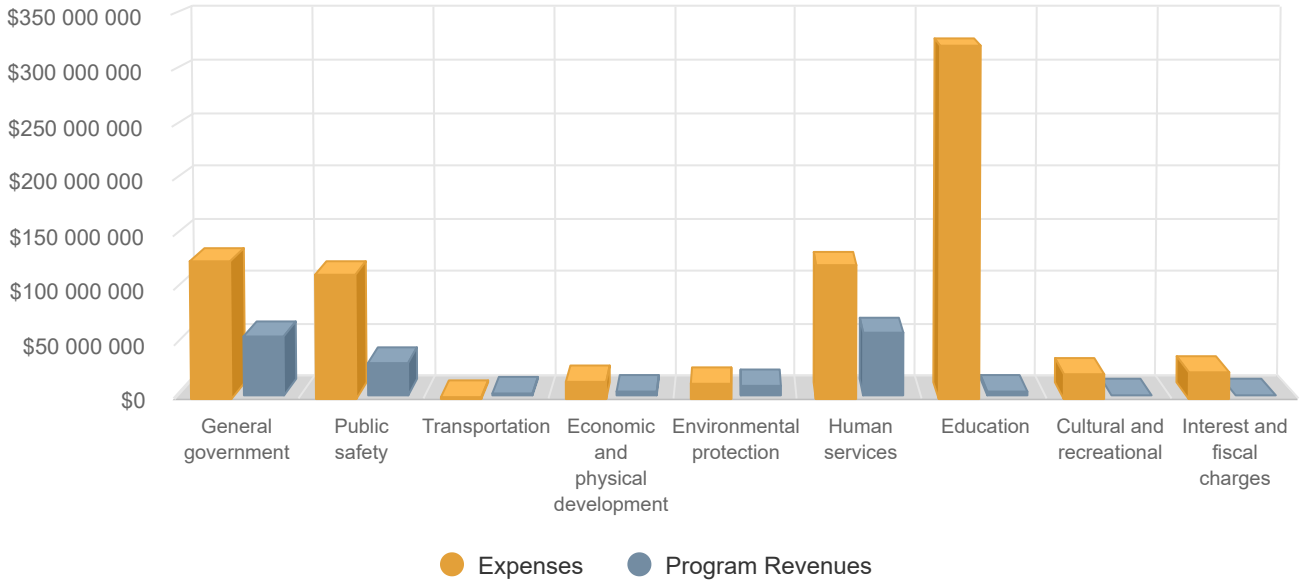
Environmental protection expenditures increased by \$666 thousand (4.9 percent) due to operating costs having remained overall flat for fiscal year 2024.

Cultural and recreational expenditures increased by almost \$1.76 million (8.61 percent) due mostly to increased spending on the construction costs of the County's library system of almost \$466 thousand, pension costs of \$491 thousand, and allocation of joint venture costs of \$510 thousand.

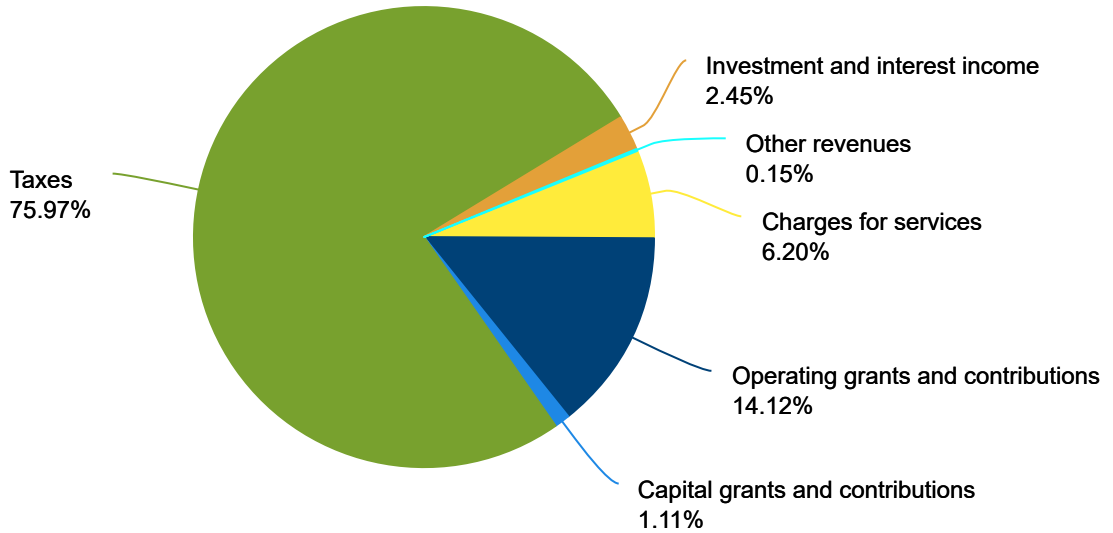
Transportation increased almost \$254 thousand due to an increase in expenditures of \$270 thousand for transportation operating costs (transit tracker database; bicycle, pedestrian, greenway plan, and other transit plan initiatives).



**Expenses and Program Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities**



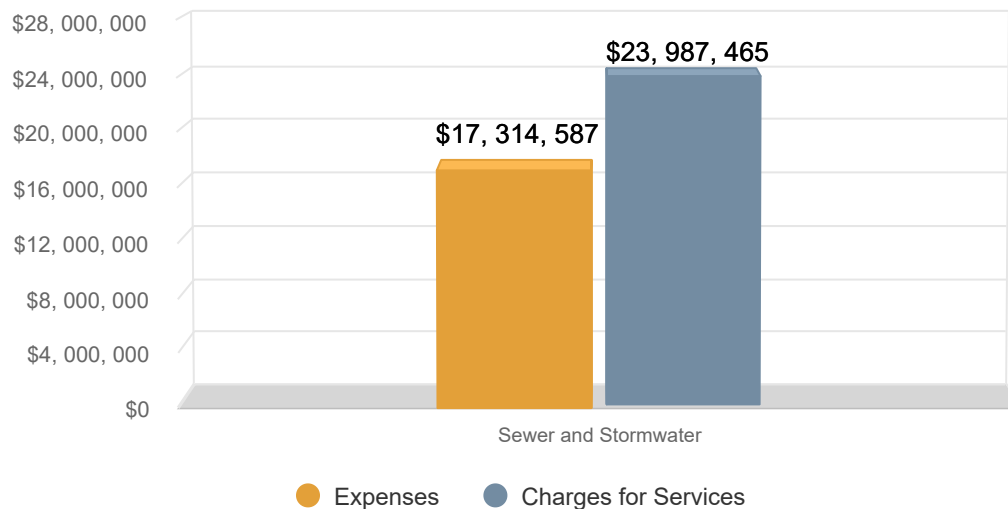
**Business-type activities.** Business-type activities increased the County’s net position by \$8,948,692 accounting for 121.99 percent of the total change in the government’s net position. Key elements of this are as follows:

- Expenses increased \$207,956 (1.22 percent) primarily because of increases in operating expenses related to increases in maintenance expenses (\$391,770) which was offset by a decrease in personnel expenses (\$110,936). The operating margin year-over-year increase was \$2.44 million

as a result of the increased revenue from services provided. There were no debt issuance costs for fiscal year 2025.

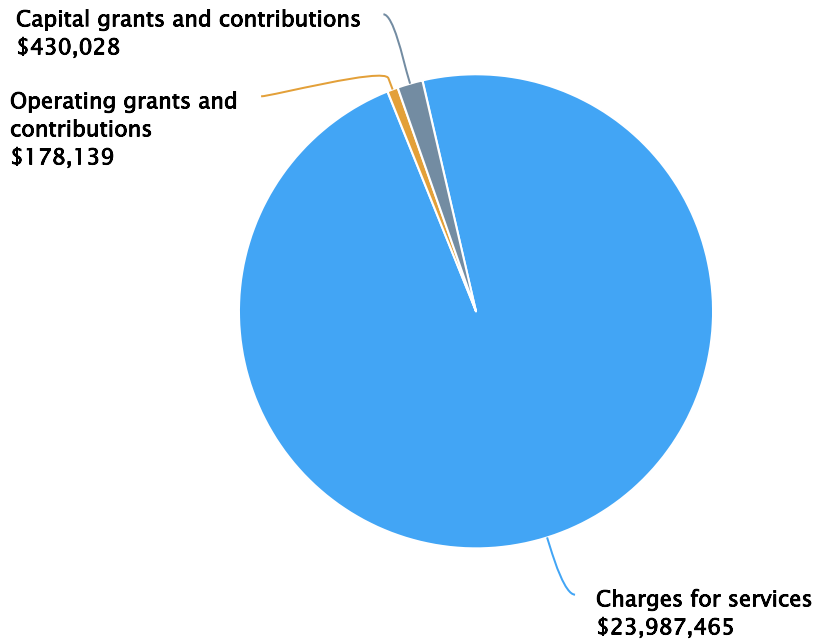
- Revenues increased by \$1,724,029 (7.74 percent). This change is the result of the \$2.7 million increase in charges for services provided by Sewer Utility and Stormwater. The increase in charges for services revenue is offset by a \$0.96 million decrease in nonoperating revenues including sewer connection fees, construction permits, inspection fees, and miscellaneous revenue. In fiscal year 2025, the sewer consumption rates and stormwater utility fee rates increased 12 and 25 percent, respectively.
- Investment and interest income increased by \$549,987 (49.21 percent) primarily because of improved market conditions because of a stable economy and fiscal policies.
- There were capital contributions for sewer utility for the partial funding of the purchase of capital equipment in the amount of \$430,028. There were no capital contributions to Stormwater in fiscal year 2025.

**Expenses and Charges for Service Revenues – Business-type Activities**





## Revenues by Source – Business-type Activities



### Financial Analysis of the County’s Funds

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

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

As of the end of the fiscal year, the County’s governmental funds reported combined ending fund balances of \$437,925,072, a decrease of \$16,719,796 in comparison with the prior year before restatement. Approximately 18.68 percent of this total amount (\$81,821,615) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it is 1) non-spendable (\$3,105,795), 2) restricted by revenue source for specific purposes, programs, and services (\$27,361,912), or 3) because it is restricted by State Statute (\$72,394,758).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, Durham County’s fund balance available for appropriation in the general fund was \$215,272,365, while total fund balance reached \$290,772,918. The Board of County Commissioners of Durham County has determined that the County should maintain an available fund balance of 35 percent of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting cash flow needs of the County. As of June 30, 2025, the County has an available fund balance of 31.6 percent of general fund expenditures, while total fund balance represents 43.19 percent of that same amount. The percentage of available fund balance to total general fund expenditures increased from 29.47 percent

for fiscal year 2024 to 31.6 percent for fiscal year 2025, an increase of 13.56 percent. The net change in the general fund balance for fiscal 2025 was an increase of \$16,467,018. The primary reason for the increase is that transfers out (\$107.2 million) are greater than the sum of excess revenues over expenditures (\$94.5 million) and other financing sources (\$1.8 million).

Key factors in the increase of the fund balance in the County's general fund during the current fiscal year are as follows:

- The general fund taxes increased by 6.62 percent or \$34,463,099. This increase is the result of increased collections in the current year levies of \$29,858,419 (8.36 percent) and increased occupancy tax revenue of \$167,830 (3.44 percent). The increase in tax levies is primarily because of the natural year-over-year growth in assessed property values, a 4.65 cent property tax rate increase, and efficient collection methods of staff. The negative change in the option sales tax is mainly due to decreased taxable sales activity as well as decreased collections of taxes from online sales. This is the first year of decreased local option sales tax collections due to changes in retail and online spending patterns and economic normalization after strong growth years. Other tax revenues did not change materially since the prior year.
- Intergovernmental revenues of the general fund increased by 5.65 percent or \$4,410,456. The increase is primarily because of increases in intergovernmental revenues for Finance (\$1.1 million, ABC Board (\$1 million), and Other (\$6.9 million), which was offset by decreases in intergovernmental revenues for Public Health (\$2.3 million), and Community Intervention Support Services (\$2 million). These increases are due to increase in state hold harmless funds, an increase in ABC board profit distribution, and a return of funds from local agencies. The decreases were due to overall reduced federal funding for human services programs in public health and community intervention and support services.
- Charges for services increased by \$5,538,043 (14.88 percent). This is attributable to increases in charges for services for Office of Emergency Services of \$4.8 million, General governmental charges of \$1 million, register of deeds of \$372 thousand, and increase in collection fees of \$313 thousand. These increases were offset by a decrease in charges for Elections registration lists of \$789 thousand and a decrease in charges for public protection \$180 thousand. These increases in charges for services were mainly due to the Office of Emergency Services experiencing an increase of charges related to medicaid for EMS, General governmental charges increase due to an increase in charges for services related to shared revenue for business personal property audit fees, increase in Register of Deeds due to increase in collections of pension related service charges, and increase of Collection fees due to increase in revenue related to the collection fees received from the City of Durham. The decreases that offset the increases are mainly due to decrease in election registration lists because of decreased election activity during the fiscal year. Public protection experienced decreased charges due to decreased revenue due to youth home services. Changes in environmental protection, social services, and other charges for service revenues were immaterial.
- Investment earnings decreased by \$436.40 thousand (3.72 percent) mainly due to improved market conditions and rent decreased by \$118,371 (13.54 percent), which is due to fluctuations in market interest rates and investment balances during the fiscal year.
- Licenses and permits decreased by \$43,628 (14.26 percent) mainly because of decreases in cablevision and franchise fees of \$44 thousand. The change in wine and beer license and other licenses and permits revenue was immaterial.

- Other revenues decreased by \$47,378 (3.82 percent) primarily because of a \$44 thousand net increase in miscellaneous and other revenues combined with a \$55 thousand decrease in proceeds from sale of confiscated property.
- General government expenditures increased by \$9,868,024 (11.99 percent) mostly because of increases in service contracts related to Information Services and Technology, County Manager, Human resources, Tax, Elections, and General Services totaling \$9.4 million. Variances in expenditures for other departments within the general government functional area were less significant.
- Public safety increased by \$2,053,735 (2.25 percent) mostly because of increases in County sheriff expenditures of \$872 thousand due to increased costs for the upfitting of patrol vehicles. The Youth Home expenditures increased by \$486 thousand due to expanded comprehensive medical services and enhanced treatment and support programs for residents. Animal control increases of \$389 thousand are attributable to primarily due to expanded animal care services, increased veterinary and medical treatment costs, and operational enhancements to support shelter capacity and animal welfare initiatives. The office of emergency services increased by \$208 thousand due to reflecting costs associated with Fundamental and Enhanced Commissioning Services for the new Durham County and City Emergency Operations Center. Variance in expenditures in other departments within the public safety functional area were less significant.
- Transportation expenditures increased by \$270,292 (21.00 percent) primarily due to increased funding for the Transit Plan initiative.
- Environmental protection increased by \$337,029 (4.67 percent) primarily due to the increase in expenditures for environmental engineering of over \$163 thousand and the increases solid waste of \$146 thousand. Solid waste expenditures rose due to increased costs of contract services with the City of Durham due the increased volume of municipal solid waste and yard waste. Environmental engineering expenditures increased due to sublease for future Childcare Center and acquisition of Bottomland Forest. Other expenditures increased by just over \$27 thousand.
- Economic and physical development increased by \$1,295,858 (14.67 percent) primarily because of increases in industrial extension expenditures of \$1.1 million; increases in cooperative extension policy payments, soil and water conservation, open space management and other economic development expenditures totaling \$2.3 million. These decreases were offset by decreases in ARPA related economic development expenditures of \$1.86 million.
- Human services' expenditures decreased by \$15,584,532 (11.80 percent). This change is due to the decreases in mental health for behavioral health services (\$9.4 million), decreases in public health related to decreased funding for grant initiatives (\$937 thousand), and decreases in other services supporting community partners (\$6 million).
- Education increased by \$20,837,236 (9.99 percent) from the prior fiscal year. Of this increase, Durham Public Schools received increased funding for operating expenditures of \$24.65 million offset by a decrease in capital expenditures of \$4 million. Durham Technical Community College's operating and capital funding increased \$725,018. Other education decreased by \$537,487 primarily related to decreases in the pre-k and early childhood programs.
- Cultural and recreational expenditures increased by \$580,449 (3.34 percent), with an increase for the library system of \$680 thousand due to normal inflationary costs for community outreach, digital inclusion, and literacy programming. Moreover, this increase was offset by a decrease of \$100 thousand for other cultural and recreational expenditures to support the NC Museum of Life and Science.

The American Rescue Plan Fund has a total fund balance of zero. This fund is used to account for monies allocated to state and local governments by the American Rescue Plan Act (ARPA). ARPA funds can support several priorities including a public health response due to COVID-19, addressing negative economic impacts, replacing public sector revenue loss, and funding premium pay for essential workers. The federal dollars can also address water, sewer, and broadband infrastructure. In fiscal year 2025, the fund recognized revenue of \$26,030,956, which was mostly expended on general government activities.

The Opioid Settlement Fund has a total fund balance of \$7,299,818. This fund accounts for monies awarded to the States and local governments to be used for opioid drug abatement and remediation programs. In fiscal year 2024, the County determined that revenues received from the opioid settlement are exchange transactions. In the prior year, the County implemented GASB 100 (Accounting Changes and Error Corrections) for fiscal year 2024. In addition, due to having to recognize a receivable and deferred revenue for all future payouts of the settlement, the Opioid Settlement Fund is reported as a major fund.

The primary revenue activity was the recognition of intergovernmental revenue of \$1,939,757, which was a decrease of \$2.6 million or 57.47 percent. Investment revenue of \$130 thousand increased by \$74 thousand or 132.60 percent. Expenditures increased by \$711 thousand or 1038.56 percent for increased program expenditures for human services needs of citizens affected by the opioid epidemic.

The Capital Projects Fund has a total fund balance of \$31,020,652. This money is restricted and assigned as a financing resource to be used for the acquisition and construction or improvement of major capital facilities other than those financed by proprietary funds. The net decrease in fund balance during the current year in the capital projects' fund was \$33,506,549 due to resources for the issuance of debt, transfers in, and revenue being less than the expenditures for the acquisition and construction or improvement of major capital facilities for the County, School System, Durham Technical Community College, and the Museum of Life and Science. The County's activity was recorded to construction in progress in capital assets of the County while the Schools System's, Durham Technical Community College's and the Museum of Life and Science's activity was recorded in their capital assets as they hold title to those assets.

The primary revenue activity was the recognition of other financing sources, such as issuance of installment purchases of \$80.7 million, and transfers in (\$26.8 million). The fund also recognized intergovernmental revenues (\$4.29 million) and investments (\$2.9 million). For expenditures, there was construction activity in the amount of \$147,494,508. In addition, there were other financing uses in the transfers out of \$773,943 from the Capital Projects Fund to the General Fund and the Debt Service Fund.

The Debt Service Fund has a total fund balance of \$103,091,058, all of which is financing resources to be used for the retirement of the County's general long-term debt other than debt issued for and serviced by proprietary funds. The net increase in fund balance during the current year in the Debt Service Fund was \$1,140,559 because the revenues and other financing sources were more than the annual retirement of the principal and interest of the County's general long-term debt, debt issuance costs, and other financing uses.

The primary funding activity was the recognition of other financing sources such as the transfers in (\$100.0 million). The fund also recognized charges for services (\$523 thousand) and investments (\$3.68 million). In the expenditures, there was principal and interest for the retirement of general

long-term debt in the amounts of \$50.3 million and \$31.0 million, respectively. Other financing uses, transfers out, were \$21.7 million.

**Proprietary funds.** Durham County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position of the enterprise funds amounted to \$60,624,327. There was an increase in total net position of \$8,948,692. Other factors concerning the finances of this fund have already been addressed in the discussion of Durham County's business-type activities.

## General Fund Budgetary Highlights

The County's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget & Fiscal Control Act of North Carolina General Statutes, and includes all appropriations required for debt service. The General Fund is the most significant fund budgeted.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services or initiate new programs where timing is critical. Amendments to the General Fund budget totaled \$33,832,627 and can be summarized, briefly, as follows:

- \$8,952,659 in increases allocated to the general government were primarily to honor commitments from fiscal year 2024; fund increases in various service contracts for the Tax Administration, Court Facilities, and Detention Center departments, and support internal reorganizations.
- \$2,726,616 in increases allocated to public safety were primarily to honor commitments from fiscal year 2024; appropriate unspent restricted funds in fiscal year 2025; distribute grant funding for various grant initiatives for the Office of the Sheriff and the Office of Emergency Services.
- \$1,226,215 in increases allocated to economic and physical development were primarily to redistribute budgeted personnel expenses from other functional areas, funding from endowments, and honor commitments from fiscal year 2024.
- \$2,746,831 in increases allocated to environmental protection were primarily to redistribute budgeted personnel expenses from other functional areas, honor commitments from fiscal year 2024, and to recognize grant awards to provide retrofits and limited home repair to low-to-moderate income households.
- \$9,328,042 in increases allocated to human services were primarily to honor commitments from fiscal year 2024 and recognize extensive grant awards supporting multiple County programs for community intervention, Covid-19, communicable diseases, women's health, and the emergency rental program.
- \$351,162 in increases allocated to cultural and recreational were primarily to honor commitments from fiscal year 2024, appropriate unspent restricted funds in fiscal year 2025, and recognize state grant funds.
- \$109,673 in increases allocated to education were primarily to increase Durham Pre-K funds for childcare services, and fund contracts to support youth enrichment and learning activities.

- \$1,368,253 in increases allocated to transportation were primarily to honor commitments from fiscal year 2024 and allocate funding for the Bus Rapid Transit Plan and the Transit Plan management.
- \$7,299,768 in increases allocated to Capital Outlay to cover capital expenditures of the departments.

Of this increase, \$7,722,191 was to be funded from intergovernmental and other revenues. Operating transfers-in increased funding by \$1,584,750. The remaining \$25,078,870 was to be budgeted from available fund balance. During the year, revenues were less than budgetary estimates by \$1,983,790 while other financing sources exceeded budgetary estimates by \$133,930. Expenditures were far less than budgetary estimates with a positive variance of \$61,822,105, thus eliminating the need to draw upon existing fund balance.

## Capital Asset and Debt Administration

**Capital assets.** Durham County's capital assets for its governmental and business-type activities as of June 30, 2025 totaled \$702,314,586 (net of accumulated depreciation/amortization). These assets include land, easements, buildings, water systems, improvements, office furniture and equipment, machinery and equipment, computer hardware, computer software, vehicles, construction in progress, and right-to-use leases and subscriptions. The total increase in the County's net capital assets for the current fiscal year was \$24,648,308 (3.64 percent). Governmental activities increased \$25,805,555 (4.25 percent) and business-type activities decreased by \$1,157,247 (1.64 percent).

Major capital asset events during the current fiscal year included the following:

- Construction for the Durham Public School Projects continued in fiscal year 2025 in the amount of \$84,969,469. The County did not capitalize this construction activity because the County does not hold title to these properties.
- Property acquisition for Durham Technical Community College occurred in fiscal year 2025 in the amount of \$9,471,425. The County did not capitalize this construction activity because the County does not hold title to this property.
- Construction activity for Library (Main and Stanford L. Warren) upgrades continued in the amount of \$1,681,633 during fiscal year 2025.
- Construction for the Museum of Life and Science occurred in fiscal year 2025 in the amount of \$3,227,842. Construction occurred to reinvent and modernize the Museum of Life and Science's learning environments, improve and expand visitor infrastructure, and make sustainability upgrades. The County did not capitalize this construction activity because the County does not hold title to this property.
- Construction activity for environmental protection and economic development occurred in the amount of \$26,059,071. Of this amount, the County capitalized the entire amount. Of the construction activity that was capitalized for environmental protection, the major activities were in environmental engineering for the Elections Office S. Roxboro renovation (\$10,711,998), the 500 Block Parking Deck (\$5,426,210), the Snow Hill Road Pump Station (\$6,473,011) and the Emergency Operations Center (\$1,912,078). Additional activity occurred on the 300 Block Parking Deck, Lincoln Community Health Parking Lot expansion, Open Space/Farmland Preservation, Administration Building II upgrade, Judicial Annex Building Renovation, Geer St Temp Fleet Main Facility, Project Build Renovations at Shoppes at Hope Valley, the Santee Road project, and DSS main street renovations.

- Construction activity for the general government occurred in the amount of \$10,102,042. Of this amount, the County capitalized \$10,094,949. The remaining amount of \$7,093 was not capitalized as the County does not hold title to these properties. Of the construction activity that was capitalized for general government, the major activities were the general services Detention Center capital infrastructure project (\$3,042,144), the general services Detention Center Window Replacement (\$735,390), the Slater Road Lift Station (\$1,471,191), the IS&T IT hardware replacement project (\$1,185,818), '21 IT hardware replacement (\$1,036,370), and the the general services Ongoing HVAC Replacement project (\$674,370). Other activity occurred for various general services projects including county security improvements and County Building Envelope Upgrade; various IT projects including IST Hardware and Software, Audio-Visual Technologies, and '21 telecommunications projects.
- Construction activity for public safety occurred in the amount of \$13,420,887. The County capitalized the entire amount which was mainly for the Multi-Department Radios and Towers (\$7,498,527), the new Youth Home (\$1,377,090), Sheriff Firing Range Renovations (\$582,002), Station #18 - Co-Location for Office of Emergency Services (\$372,953), Detention Center Food Doors (\$467,300), the Sheriff Body Worn Camera project (\$1,385,640), Sheriff IT Server Room Upgrades (\$685,688), and the Sheriff IT Life Cycle Replacement project (\$721,311).
- In governmental activities, major capital asset increases, net of disposals, occurred in the asset classes of buildings (\$13,839,020), machinery and equipment (\$1,083,580), computer software (\$1,404,473) and vehicles (\$1,083,580). Right-to-use leases and subscriptions decreased by \$1,087,724.

**Durham County's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		Business - type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 18,230,462	\$ 10,121,435	\$ 5,817,902	\$ 5,817,902	\$ 24,048,364	\$ 15,939,337
Easements	3,053,493	3,053,493	5,000	5,000	3,058,493	3,058,493
Improvements- water and sewer lines	-	-	12,066,599	12,230,511	12,066,599	12,230,511
Buildings	313,788,845	311,885,228	28,779,922	31,152,355	342,568,767	343,037,583
Water systems	2,131,631	2,182,238	-	-	2,131,631	2,182,238
Office furniture and equipment	804,498	740,120	-	-	804,498	740,120
Machinery and equipment	2,756,331	2,926,477	3,832,166	5,577,247	6,588,497	8,503,724
Computer hardware	860,840	4,234,377	29,808	51,780	890,648	4,286,157
Computer software	1,119,696	321,036	-	-	1,119,696	321,036
Vehicles	8,422,747	8,296,588	323,036	147,767	8,745,783	8,444,355
Right-to-use leases/subscriptions	5,490,575	7,852,849	-	-	5,490,575	7,852,849
Construction in progress	276,084,058	255,323,780	18,716,977	15,746,095	294,801,035	271,069,875
<b>Total</b>	<b>\$ 632,743,176</b>	<b>\$ 606,937,621</b>	<b>\$ 69,571,410</b>	<b>\$ 70,728,657</b>	<b>\$ 702,314,586</b>	<b>\$ 677,666,278</b>

Additional information on the County's capital assets can be found in Note D on pages 73-75 of this report.

**Long-term debt.** At the end of the current fiscal year, Durham County had total debt outstanding of \$811,522,884. Of this amount, \$211,517,108 comprises bonded debt backed by the full faith and credit of the government. Also included is \$1,893,944 of bonded debt secured by a pledge of

and lien upon, and payable solely from, the net receipts of the enterprise system, and in certain circumstances, by proceeds of the revenue bonds, investment earnings and certain net insurance and other proceeds. The revenue bonds are additionally secured by and payable from money and securities of certain funds, accounts and sub-accounts held by the trustee under the trust agreement and the first supplemental trust agreement. The balance consists of limited obligation bonds in the amount of \$432,365,151, installment notes in the amount of \$1,371,921, BANs in the amount of \$154,158,125, other financing agreements in the amount of \$5,230,261, leases in the amount of \$4,587,692, and subscriptions in the amount of \$398,682. The general obligation bond anticipation notes are also backed by the full faith and credit of the government.

The County's total debt, excluding accrued compensated absences, total OPEB liability, net LGERS pension liability, and LEOSSA total pension liability, decreased by \$11,097,088 (1.35 percent) during the current fiscal year. The key factors in this decrease were issuances of limited obligation installment financing contracts of \$49,531,638, bond anticipation notes of \$30,454,210, and general obligation bonds of \$24,704,987. These increased amounts were offset by annual governmental and business-type-debt retirements of \$4,988,909.

### **Durham County's Outstanding Debt** **General Obligations, Revenue Bonds, Installment Purchases and Other Financing Agreements**

	Governmental Activities		Business - type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 211,517,108	\$ 252,295,492	\$ -	\$ -	\$ 211,517,108	\$ 252,295,492
Revenue bonds	-	-	1,893,944	2,785,831	1,893,944	2,785,831
Limited obligation bonds	432,365,151	479,089,682	-	-	432,365,151	479,089,682
Installment notes payable	1,371,921	1,726,462	-	-	1,371,921	1,726,462
Bond Anticipation Notes	154,158,125	73,431,159	-	-	154,158,125	73,431,159
Leases	4,587,692	5,477,639	-	-	4,587,692	5,477,639
Subscription-based technology	398,682	1,912,300	-	-	398,682	1,912,300
Other financing agreements	-	-	5,230,261	5,901,407	5,230,261	5,901,407
<b>Total</b>	<b>\$ 804,398,679</b>	<b>\$ 813,932,734</b>	<b>\$ 7,124,205</b>	<b>\$ 8,687,238</b>	<b>\$ 811,522,884</b>	<b>\$ 822,619,972</b>

The County maintains bond ratings from Moody's Investors Service, Inc. and Standard & Poor's Rating Services of Aaa and AAA, respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation. The current debt limitation for the County is \$4,266,357,462. The amount of debt relevant to the statutory limit is \$603,641,921, which yields a legal debt margin of \$3,662,715,541. The net bonded debt per capita is \$616.

Additional information on the County's long-term debt can be found in Note E on pages 76-82 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the County is 3.6 percent as of June 2025, which is consistent with the rate of 3.6 as of June 2024. The County's unemployment rate is less than the state's unemployment rate of 3.7 percent and the national rate of 4.1 percent as of June 2025.

- The construction activity for non-residential and residential construction was \$2.2 billion for calendar year 2024 compared to almost \$2.1 billion for the calendar year 2023.
- The manufacturing sector employment had a decrease of 2.48 percent (598 positions) for calendar year 2024 (23,508) compared to calendar year 2023 (24,106).
- Retail sales are reported on total taxable sales based on sales and use tax returns. The total taxable sales for Durham County for 2025 reported were \$10.669 billion compared to \$10.766 billion reported for fiscal year 2024, a decrease of \$0.097 billion (0.90 percent). The decrease in retail sales is due to unexpected changes in the economy.
- Major Economic development announcements for 2024 were over \$75 million, and economic announcements occurring for 2025 amounted to over \$2 billion.
- The per capita income for Durham County for 2023 is \$64,059, an increase of 8.45 percent over 2022. Wake County has a per capita income of \$81,322. The per capita for North Carolina increased from 2023 to 2024 to \$64,855, an increase of 4.89 percent, while the per capita for the nation increased to \$72,512, an increase of 3.86 percent. The source for this information is the Bureau of Economic Analysis (BEA).
- Inflationary trends in the region compare favorably to the national indices.

All these factors were considered in preparing the County's budget for the 2026 fiscal year.

At the end of the current fiscal year, fund balance available for appropriation for the general fund was \$215,272,365 or 31.6 percent of total general fund expenditures, an increase of \$19.17 million or 9.78 percent, respectively, from the previous fiscal year. The County has appropriated \$28,791,716 million of this amount for spending in the 2025 fiscal year budget.

**Governmental Activities:** Property taxes in the current fiscal year 2025 levy are based on the assessed values as of January 1, 2019, effective date of the County's last general reappraisal. For fiscal year 2025, the budgeted property tax collection percentage approved by the Board of County Commissioners remains at 99.60 percent given the unexpected changes in the economy. Moreover, the County has taken a conservative approach to property valuation and is relying on the natural year-to-year growth of 3.9% percent, providing an additional \$17.8 million in revenue for fiscal year 2026. The tax rate assessed for the 2025 fiscal year is \$0.7987, which was \$0.7522 for the prior fiscal year. For fiscal year 2026, the County will establish a "revenue-neutral" property tax rate to limit the property tax rate growth after the revaluation tax rate is established. As such, the "revenue-neutral" tax rate for fiscal year 2026 will increase \$0.025 cents to \$0.4785 for the general fund and will increase \$0.01 cents to \$7.57 for the capital financing fund. The total increase in tax rate will be \$0.035 cents to \$55.42. A transfer from the community health trust fund, a special revenue fund, is budgeted for the 2025 fiscal year as a funding source for health-related spending.

**Business-Type Activities:** The sewer rates were increased for fiscal year 2025 in the sewer utility fund. The consumption rate charge was increased by 13 percent from \$6.36/hundred cubic feet to \$7.19/hundred cubic feet for all customers, both residential and industrial, effective July 1, 2025. The consumption rate charges increase from \$7.19/hundred cubic feet to \$8.05/hundred cubic feet in fiscal year 2026. The rate increases for both years were necessary to maintain operational expenses, capital costs, and funds to service debt. There were increases and/or new construction inspection, development review, industrial user, monitoring, and surcharge fees related to sewer utilities for fiscal year 2025.

The County moved stormwater services from the general fund to a new stormwater proprietary (enterprise) fund effective July 1, 2020. In doing so, the stormwater rate structures for its fees and charges for services were evaluated and restructured, effective July 1, 2020, to ensure that the user fees would be sufficient to fund these services. The stormwater rates/fees for fiscal year 2025 increased 25 percent from \$64 to \$80. The fee increased from \$80 to \$96 for fiscal year 2026. These increases for both years were to cover the cost of complying with Falls Lake and Jordan Lake rules designed to restore water quality in the lakes by reducing the amount of pollution entering upstream.

### **Requests for Information**

This financial report is designed to provide a general overview of the County'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 Chief Financial Officer, 201 East Main Street, 7th Floor, Durham, NC 27701. You can also visit our website at <http://www.dconc.gov>.



# Basic Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM



Basic Financial Statements

Statement of Net Position  
June 30, 2025

	Governmental Activities	Business Type Activities	Total Primary Government	Durham County ABC Board
<b>Assets</b>				
Cash and cash equivalents / investments	\$ 383,401,280	\$ 60,500,176	\$ 443,901,456	\$ 4,798,408
Cash and cash equivalents / investments - restricted	44,528,966	11,864,522	56,393,488	-
Receivables:				
Accounts receivable	2,159,902	697,969	2,857,871	-
Restricted opioid receivables	15,266,068	-	15,266,068	-
Stormwater fees receivable	-	390,472	390,472	-
Accrued interest receivable	1,556,237	124,139	1,680,376	-
Net property taxes receivable	2,884,570	-	2,884,570	-
Water services receivable	(1,843)	-	(1,843)	-
Beer and wine tax receivable	1,460	-	1,460	-
Occupancy tax receivable	57,810	-	57,810	-
Solid waste receivable	36,006	-	36,006	-
Animal taxes receivable	272	-	272	-
Net emergency medical services receivable	4,642,341	-	4,642,341	-
WSR loan receivable	2,550,000	-	2,550,000	-
Parking deck receivable	9,765,000	-	9,765,000	-
Leases	7,066,959	-	7,066,959	-
Inventory	2,212,402	-	2,212,402	12,166,511
Due from other governments - federal and state agencies	49,442,910	332,670	49,775,580	-
Due from other governments - local	9,380,208	1,561,039	10,941,247	-
Due from other agencies - other	20,313	-	20,313	-
Prepaid expenses	270,360	9,250	279,610	406,514
Investment in joint venture	8,171,767	-	8,171,767	-
Pension assets - ROD Supplemental Plan	334,913	-	334,913	-
Derivative financial instrument	398,812	-	398,812	-
Capital assets:				
Nondepreciable:				
Land	18,230,462	5,817,902	24,048,364	5,923,338
Easements	3,053,493	5,000	3,058,493	-
Construction in progress	276,084,058	18,716,977	294,801,035	1,491,344
Depreciable:				
Land improvements - sewer lines and systems	-	30,740,128	30,740,128	-
Buildings	488,085,078	56,854,766	544,939,844	10,094,784
Water systems	2,530,425	-	2,530,425	-
Office furniture and equipment	2,763,316	-	2,763,316	2,917,559
Machinery and equipment	18,854,549	11,337,795	30,192,344	-
Computer hardware	27,601,053	107,951	27,709,004	-
Computer software	18,356,912	73,157	18,430,069	-
Vehicles	32,439,893	959,150	33,399,043	348,896
Accumulated depreciation	(260,746,638)	(55,041,416)	(315,788,054)	(4,435,445)
Right of use assets	10,931,271	-	10,931,271	3,115,129
Accumulated amortization	(5,440,696)	-	(5,440,696)	(1,322,373)
Total capital assets, net of accumulated depreciation and amortization	632,743,176	69,571,410	702,314,586	18,133,232
Total assets	1,176,889,889	145,051,647	1,321,941,536	35,504,665

The notes to the financial statements are an integral part of this statement.

## Basic Financial Statements

### Statement of Net Position (Continued)

#### June 30, 2025

	Governmental Activities	Business Type Activities	Total Primary Government	Durham County ABC Board
<b>Deferred outflows of resources</b>				
ROD pension deferrals	\$ 194,980	\$ -	\$ 194,980	\$ -
LGERS pension deferrals	55,448,796	869,154	56,317,950	1,312,276
LEOSSA pension deferrals	2,023,298	-	2,023,298	-
OPEB deferrals	17,669,539	-	17,669,539	28,783
Deferred charges on refundings	8,004,598	88,177	8,092,775	-
Total deferred outflows of resources	<u>83,341,211</u>	<u>957,331</u>	<u>84,298,542</u>	<u>1,341,059</u>
<b>Liabilities</b>				
Accounts payable	32,268,970	1,111,284	33,380,254	1,811,024
Arbitrage rebate payable	-	13,000	13,000	-
Accrued interest payable	2,806,101	22,453	2,828,554	-
Accrued payroll and related amounts withheld	11,524,711	261,958	11,786,669	253,563
Due to other governments - federal and state agencies	104,811	-	104,811	1,166,054
Due to other governments - local	934,388	-	934,388	1,499,871
Security deposits	5,759	39,814	45,573	-
Retiree and COBRA prepaid benefit contributions	234,469	-	234,469	-
Escrow - register of deeds	785,352	-	785,352	-
Unearned revenue	21,117,037	-	21,117,037	-
Current portion of long-term liabilities:				
Accrued compensated absences due within one year	13,787,570	227,951	14,015,521	-
Bonds and other notes payable due within one year	57,653,740	1,583,033	59,236,773	513,630
OPEB liability due within one year	5,506,859	-	5,506,859	-
LEOSSA liability due within one year	752,598	-	752,598	-
Long-term liabilities due in more than one year:				
Net pension liability - LGERS	104,066,098	1,689,396	105,755,494	2,356,346
Total pension liability - LEOSSA	9,780,555	-	9,780,555	-
Total OPEB liability	147,120,868	-	147,120,868	435,816
Accrued compensated absences	16,537,994	462,694	17,000,688	258,453
Bonds and other notes payable	746,744,939	5,541,172	752,286,111	3,493,579
Total liabilities	<u>1,171,732,819</u>	<u>10,952,755</u>	<u>1,182,685,574</u>	<u>11,788,336</u>
<b>Deferred inflows of resources</b>				
ROD pension deferrals	5,987	-	5,987	-
LGERS pension deferrals	422,179	31,991	454,170	12,835
LEOSSA pension deferrals	807,037	-	807,037	-
OPEB deferrals	49,623,882	-	49,623,882	-
Leases	6,443,927	-	6,443,927	-
Total deferred inflows of resources	<u>57,303,012</u>	<u>31,991</u>	<u>57,335,003</u>	<u>12,835</u>
<b>Net position</b>				
Net investment in capital assets	61,949,096	62,535,383	124,484,479	14,126,023
Restricted for:				
Stabilization by State Statute	72,394,758	-	72,394,758	-
Capital projects	14,767,999	11,864,522	26,632,521	1,825,093
Grants and technology	5,050,567	-	5,050,567	-
Fire services	243,528	-	243,528	-
Opioid settlement funds	7,299,818	-	7,299,818	-
Register of Deeds' Pension Plan	334,913	-	334,913	-
Unrestricted net position (deficit)	(130,845,410)	60,624,327	(70,221,083)	9,093,437
Total net position	<u>\$ 31,195,269</u>	<u>\$ 135,024,232</u>	<u>\$ 166,219,501</u>	<u>\$ 25,044,553</u>

The notes to the financial statements are an integral part of this statement.

### Statement of Activities Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Expense and Changes in Net Position			Durham County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 126,500,806	\$ 16,752,380	\$ 38,295,432	\$ -	\$ (71,452,994)	\$ -	\$ (71,452,994)	\$ -
Public safety	114,195,029	23,790,487	5,846,998	637,195	(83,920,349)	-	(83,920,349)	-
Transportation	1,607,568	2,198	1,187,860	-	(417,510)	-	(417,510)	-
Economic and physical development	16,589,754	89,137	3,511,529	-	(12,989,088)	-	(12,989,088)	-
Environmental protection	14,391,663	3,837,256	14,525	4,134,854	(6,405,028)	-	(6,405,028)	-
Human services	122,496,541	1,750,044	56,458,585	-	(64,287,912)	-	(64,287,912)	-
Education	324,117,793	24,670	-	3,521,875	(320,571,248)	-	(320,571,248)	-
Cultural and recreational	22,112,888	277,175	573,147	-	(21,262,566)	-	(21,262,566)	-
Interest and fiscal charges	24,356,751	-	-	-	(24,356,751)	-	(24,356,751)	-
Total governmental activities	766,368,793	46,523,347	105,888,076	8,293,924	(605,663,446)	-	(605,663,446)	-
Business-type activities:								
Sewer utility	14,740,674	19,921,261	-	430,028	-	5,610,615	5,610,615	-
Stormwater	2,573,913	4,066,204	178,139	-	-	1,670,430	1,670,430	-
Total business-type activities	17,314,587	23,987,465	178,139	430,028	-	7,281,045	7,281,045	-
<b>Total primary government</b>	<b>\$ 783,683,380</b>	<b>\$ 70,510,812</b>	<b>\$ 106,066,215</b>	<b>\$ 8,723,952</b>	<b>(605,663,446)</b>	<b>7,281,045</b>	<b>(598,382,401)</b>	<b>-</b>
<b>Component units:</b>								
Durham County ABC Board	\$ 61,826,447	\$ 61,910,665	\$ -	\$ -	-	-	-	84,218
<b>Total component units</b>	<b>\$ 61,826,447</b>	<b>\$ 61,910,665</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,218</b>
General revenues:								
Taxes								
Property taxes, levied for general purposes					428,848,508	-	428,848,508	-
Property taxes, levied for fire districts					11,456,261	-	11,456,261	-
Property taxes, levied for other districts purposes					3,315,190	-	3,315,190	-
Local option sales tax					120,182,883	-	120,182,883	-
Occupancy tax					5,054,667	-	5,054,667	-
Gross receipts tax					797,080	-	797,080	-
Vehicle registration tax					178,922	-	178,922	-
Investment and interest income					18,353,603	1,667,647	20,021,250	141,660
Other revenues					1,192,086	-	1,192,086	-
<b>Total general revenues</b>					589,379,200	1,667,647	591,046,847	141,660
<b>Change in net position</b>					(16,284,246)	8,948,692	(7,335,554)	225,878
<b>Net position, beginning</b>					37,605,070	126,438,856	164,043,926	24,818,675
<b>Accounting Changes and Error Corrections (Note O):</b>					9,874,445	(363,316)	9,511,129	-
<b>Net position, beginning of year, restated</b>					47,479,515	126,075,540	173,555,055	-
<b>Net position, ending</b>					<b>\$ 31,195,269</b>	<b>\$ 135,024,232</b>	<b>\$ 166,219,501</b>	<b>\$ 25,044,553</b>

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements

**Balance Sheet  
Governmental Funds  
June 30, 2025**

	General Fund	American Rescue Plan Act	Opioid Settlement Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents / investments	\$ 251,547,242	\$ 126,334	\$ -	\$ 15,019,422	\$ 103,091,192	\$ 6,581,789	\$ 376,365,979
Cash and cash equivalents / investments - restricted	7,035,302	19,868,152	5,891,318	18,525,968	-	243,528	51,564,268
Receivables:							
Accounts receivable, net	2,159,902	-	-	-	-	-	2,159,902
Restricted opioid receivables	-	-	15,266,068	-	-	-	15,266,068
Accrued interest receivable	1,556,237	-	-	-	-	-	1,556,237
Net property taxes receivable	2,767,847	-	-	-	-	116,723	2,884,570
Solid waste receivable	36,006	-	-	-	-	-	36,006
Beer & Wine receivable	1,460	-	-	-	-	-	1,460
Occupancy tax receivable	57,810	-	-	-	-	-	57,810
Animal taxes receivable	272	-	-	-	-	-	272
Water services receivable	(1,843)	-	-	-	-	-	(1,843)
Net emergency medical services receivable	4,642,341	-	-	-	-	-	4,642,341
WSR loan receivable	-	-	-	2,550,000	-	-	2,550,000
Parking deck receivable	-	-	-	9,765,000	-	-	9,765,000
Leases	7,066,959	-	-	-	-	-	7,066,959
Inventory	2,212,402	-	-	-	-	-	2,212,402
Due from other governments - federal and state agencies	43,874,844	21,122	12,386	5,471,957	-	62,601	49,442,910
Due from other governments - local	9,380,208	-	-	-	-	-	9,380,208
Due from agencies - other	11,290	9,023	-	-	-	-	20,313
Due from capital project fund	3,047,554	-	-	-	-	-	3,047,554
Prepaid expenditures	270,360	-	-	-	-	-	270,360
<b>Total assets</b>	<b>335,666,193</b>	<b>20,024,631</b>	<b>21,169,772</b>	<b>51,332,347</b>	<b>103,091,192</b>	<b>7,004,641</b>	<b>538,288,776</b>
<b>Liabilities</b>							
Accounts payable	16,015,757	298,861	117,614	14,714,141	-	1,122,597	32,268,970
Accrued payroll and related amounts withheld	11,445,405	53,076	26,230	-	-	-	11,524,711
Due to other governments - federal and state agencies	104,811	-	-	-	-	-	104,811
Due to other governments - local	934,254	-	-	-	134	-	934,388
Due to general fund	-	-	-	3,047,554	-	-	3,047,554
Security deposits	5,759	-	-	-	-	-	5,759
Retiree and COBRA prepaid benefit contributions	234,469	-	-	-	-	-	234,469
Escrow - register of deeds	785,352	-	-	-	-	-	785,352
Unearned revenue	1,419,648	19,672,694	-	-	-	-	21,092,342
<b>Total liabilities</b>	<b>30,945,455</b>	<b>20,024,631</b>	<b>143,844</b>	<b>17,761,695</b>	<b>134</b>	<b>1,122,597</b>	<b>69,998,356</b>
<b>Deferred inflows of resources</b>							
Prepaid taxes	-	-	-	-	-	24,695	24,695
Net property taxes receivable	2,767,847	-	-	-	-	116,723	2,884,570
Solid waste receivable	36,006	-	-	-	-	-	36,006
Animal taxes receivable	272	-	-	-	-	-	272
Water services receivable	(1,843)	-	-	-	-	-	(1,843)
Net emergency medical services receivable	4,642,341	-	-	-	-	-	4,642,341
WSR loan receivable	-	-	-	2,550,000	-	-	2,550,000
Beer & Wine receivable	1,460	-	-	-	-	-	1,460
Occupancy tax receivable	57,810	-	-	-	-	-	57,810
Leases	6,443,927	-	-	-	-	-	6,443,927
Opioid settlement funds	-	-	13,726,110	-	-	-	13,726,110
<b>Total deferred inflows of resources</b>	<b>13,947,820</b>	<b>-</b>	<b>13,726,110</b>	<b>2,550,000</b>	<b>-</b>	<b>141,418</b>	<b>30,365,348</b>
<b>Fund balances</b>							
Non-spendable:	3,105,795	-	-	-	-	-	3,105,795
Restricted:							
Stabilization by State Statute	72,394,758	-	-	-	-	-	72,394,758
Restricted for other purposes	7,035,302	-	7,299,818	12,783,264	-	243,528	27,361,912
Committed:	97,623,732	-	-	-	-	-	97,623,732
Assigned	28,791,716	-	-	18,237,388	103,091,058	5,497,098	155,617,260
Unassigned	81,821,615	-	-	-	-	-	81,821,615
<b>Total fund balances</b>	<b>290,772,918</b>	<b>-</b>	<b>7,299,818</b>	<b>31,020,652</b>	<b>103,091,058</b>	<b>5,740,626</b>	<b>437,925,072</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 335,666,193</b>	<b>\$ 20,024,631</b>	<b>\$ 21,169,772</b>	<b>\$ 51,332,347</b>	<b>\$ 103,091,192</b>	<b>\$ 7,004,641</b>	<b>\$ 538,288,776</b>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
June 30, 2025**

Total fund balance - governmental funds	\$ 437,925,072
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.	632,743,176
Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds.	8,905,492
Deferred outflows of resources used in governmental activities represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds.	83,341,211
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.	23,896,726
Deferred inflows of resources used in governmental activities represent an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds.	(50,859,085)
Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,104,757,322)</u>
Net position of governmental activities	<u>\$ 31,195,269</u>

Basic Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2025**

	General Fund	American Rescue Plan Act	Opioid Settlement Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 554,887,857	\$ -	\$ -	\$ -	\$ -	\$ 14,767,283	\$ 569,655,140
Licenses and permits	262,330	-	-	-	-	-	262,330
Intergovernmental revenues	82,437,271	26,030,956	1,939,757	4,290,459	-	-	114,698,443
Investments	11,306,438	-	130,418	2,945,036	3,675,393	296,318	18,353,603
Rent	755,786	-	-	-	-	-	755,786
Charges for services	42,763,646	-	-	-	523,079	1,250,000	44,536,725
Other revenues	1,192,086	-	-	-	-	-	1,192,086
Total revenues	693,605,414	26,030,956	2,070,175	7,235,495	4,198,472	16,313,601	749,454,113
<b>Expenditures</b>							
Current:							
General government	92,164,641	20,746,767	-	7,093	-	-	112,918,501
Public safety	93,206,044	-	88,322	-	-	11,712,389	105,006,755
Transportation	1,557,481	-	-	-	-	-	1,557,481
Environmental protection	7,552,796	-	-	6,473,011	-	-	14,025,807
Economic and physical development	10,127,566	2,931,237	-	-	-	3,324,009	16,382,812
Human services	116,456,055	795,955	691,509	-	-	-	117,943,519
Education	229,472,334	-	-	94,440,894	-	-	323,913,228
Cultural and recreational	17,968,043	-	-	3,227,842	-	-	21,195,885
Debt service:							
Principal retirement	2,277,153	-	-	-	50,289,541	-	52,566,694
Interest and fiscal charges	105,736	-	-	-	31,028,667	-	31,134,403
Arbitrage penalties	-	-	-	-	35,104	-	35,104
Capital Outlay	3,675,013	1,471,191	-	43,345,668	-	-	48,491,872
Total expenditures	574,562,862	25,945,150	779,831	147,494,508	81,353,312	15,036,398	845,172,061
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	119,042,552	85,806	1,290,344	(140,259,013)	(77,154,840)	1,277,203	(95,717,948)
<b>Other financing sources (uses)</b>							
Transfers in	4,096,055	-	-	26,799,441	100,001,276	-	130,896,772
Transfers out	(106,997,341)	(85,806)	(48,124)	(773,943)	(21,705,877)	(1,285,681)	(130,896,772)
Lease liabilities issued	193,607	-	-	-	-	-	193,607
Subscription liabilities issued	132,145	-	-	-	-	-	132,145
Issuance of installment purchases	-	-	-	80,726,966	-	-	80,726,966
Total other financing sources (uses)	(102,575,534)	(85,806)	(48,124)	106,752,464	78,295,399	(1,285,681)	81,052,718
<b>Net change in fund balances</b>	16,467,018	-	1,242,220	(33,506,549)	1,140,559	(8,478)	(14,665,230)
<b>FUND BALANCE - BEGINNING</b>	277,739,402	-	4,678,662	64,527,201	101,950,499	5,749,104	454,644,868
<b>ACCOUNTING CHANGES AND ERROR CORRECTIONS (NOTE O):</b>	(3,433,502)	-	1,378,936	-	-	-	(2,054,566)
<b>FUND BALANCE, BEGINNING OF YEAR, RESTATE</b>	274,305,900	-	6,057,598	64,527,201	101,950,499	5,749,104	452,590,302
<b>FUND BALANCE - ENDING</b>	\$ 290,772,918	\$ -	\$ 7,299,818	\$ 31,020,652	\$ 103,091,058	\$ 5,740,626	\$ 437,925,072

The notes to the financial statements are an integral part of this statement.



**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Year Ended June 30, 2025**

Net changes in fund balances - total governmental funds	\$ (14,665,230)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation in the current year.	25,551,139
Deferred outflows of resources used in governmental activities represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds.	(15,129,362)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	235,435
Deferred inflows of resources used in governmental activities represent an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds.	1,429,498
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 the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities.	6,819,709
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(20,525,435)</u>
Change in net position of governmental activities	<u>\$ (16,284,246)</u>

The notes to the financial statements are an integral part of this statement.

## Basic Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Positive (Negative) Variance
	Original	Final		
<b>Revenues</b>				
Taxes				
Current levy	\$ 425,611,393	\$ 425,611,393	\$ 426,792,716	\$ 1,181,323
Prior years' levy	500,000	500,000	813,392	313,392
Tax penalties and interest	700,000	700,000	932,631	232,631
Advertising and selling	22,000	22,000	37,493	15,492
Payments in lieu of taxes	50,000	50,000	67,149	17,149
Local option sales tax	131,247,084	131,247,084	120,182,883	(11,064,201)
Animal tax	-	-	10	10
Occupancy tax	4,925,000	4,925,000	5,042,631	117,631
Gross receipts tax	675,000	675,000	797,080	122,080
Vehicle registration tax	250,000	250,000	178,922	(71,078)
Solid waste tax	35,000	35,000	27,963	(7,037)
White goods tax	25,000	25,000	14,987	(10,013)
Total taxes	<u>564,040,477</u>	<u>564,040,477</u>	<u>554,887,857</u>	<u>(9,152,621)</u>
Intergovernmental revenues				
Beer and wine tax	-	-	139,317	139,317
Social services	37,449,839	39,080,724	39,501,787	421,063
Public health	9,924,598	10,956,527	11,427,006	470,479
Community intervention and support services	1,175,920	1,175,920	225,857	(950,063)
Library	658,734	892,858	573,147	(319,711)
Finance	9,000,000	9,000,000	12,650,279	3,650,279
ABC Board	2,750,000	2,750,000	3,585,773	835,773
Other	12,419,393	16,508,637	14,334,105	(2,174,532)
Total intergovernmental revenues	<u>73,378,484</u>	<u>80,364,666</u>	<u>82,437,271</u>	<u>2,072,605</u>
Charges for services				
Elections registration lists	200	200	65,556	65,356
Register of deeds	6,165,000	6,165,000	5,719,297	(445,703)
General government charges	10,865,476	10,865,476	8,959,751	(1,905,725)
Collection fees	2,319,400	2,319,400	2,667,191	347,791
Public protection	1,951,351	1,951,351	1,704,370	(246,981)
Environmental protection	17,000	17,000	19,246	2,246
Solid waste fees	2,437,316	2,437,316	2,415,888	(21,428)
Facilities fees	244,000	244,000	224,231	(19,769)
Library fees and charges	101,500	101,500	78,142	(23,358)
Public health	468,563	468,563	600,194	131,631
Social services	3,000	3,000	3,822	822
Office of emergency services	18,107,968	18,107,968	20,285,104	2,177,136
Other charges	22,852	27,275	20,854	(6,421)
Total charges for services	<u>42,703,626</u>	<u>42,708,049</u>	<u>42,763,646</u>	<u>55,597</u>
Investment and rental income				
Investment earnings	6,030,000	6,761,586	11,306,438	4,544,852
Rent	760,200	760,200	755,786	(4,414)
Total investment and rental income	<u>6,790,200</u>	<u>7,521,786</u>	<u>12,062,224</u>	<u>4,540,438</u>

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Continued)  
General Fund  
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Positive (Negative) Variance
	Original	Final		
Licenses and permits				
Cablevision and franchise fees	\$ 350,000	\$ 350,000	\$ 247,637	\$ (102,363)
Wine and beer licenses	17,000	17,000	14,693	(2,307)
Total licenses and permits	367,000	367,000	262,330	(104,670)
Other revenues				
Miscellaneous	297,225	297,225	852,257	555,032
Confiscated property federal investigation	50,000	50,000	9,346	(40,654)
Inmate welfare	125,000	125,000	89,669	(35,331)
Sale of surplus property and materials	30,000	30,000	144,409	114,409
Other	85,000	85,000	96,405	11,405
Total other revenues	587,225	587,225	1,192,086	604,861
Total revenues	687,867,012	695,589,203	693,605,414	(1,983,790)
<b>Expenditures</b>				
Current:				
General administration				
Board of county commissioners	1,273,183	1,343,699	1,201,775	141,924
County manager	8,425,143	8,568,840	7,753,231	815,609
Finance	6,166,784	6,336,560	5,265,094	1,071,466
Tax	9,145,933	9,683,766	9,888,907	(205,141)
Legal	3,890,629	4,154,783	3,714,353	440,430
Court facilities	602,790	603,990	260,609	343,381
Human resources	10,062,377	12,172,766	11,419,208	753,558
Elections	3,525,589	3,546,050	3,240,303	305,747
Risk management and insurance	5,963,308	6,054,672	5,034,036	1,020,636
General services	21,164,940	22,348,850	20,817,122	1,531,728
Geographic information systems	535,488	535,488	535,488	-
Information systems and technology	18,181,530	20,115,574	19,141,965	973,609
Register of deeds	2,557,881	2,989,133	2,355,970	633,163
Other	1,822,179	3,816,242	1,536,580	2,279,662
Total general administration	93,317,754	102,270,413	92,164,641	10,105,772
Public safety				
Criminal justice partnership	8,144,366	7,840,386	6,681,902	1,158,484
County sheriff	31,337,168	32,274,192	31,895,371	378,821
County jail	23,451,301	24,149,397	18,887,433	5,261,964
Youth home	3,624,530	3,655,898	3,226,756	429,142
Animal control	3,253,782	3,208,967	3,455,706	(246,739)
Emergency communications center	1,805,077	1,805,077	1,639,459	165,618
Office of emergency services	28,652,073	29,997,346	27,093,517	2,903,829
Medical examiner	441,900	505,550	325,900	179,650
Total public safety	100,710,197	103,436,813	93,206,044	10,230,769
Transportation				
Airport authority	12,500	12,500	12,500	-
Go Triangle	195,768	195,768	178,922	16,846
County transportation	4,449,664	5,817,917	1,366,059	4,451,858
Total transportation	4,657,932	6,026,185	1,557,481	4,468,704

The notes to the financial statements are an integral part of this statement.

## Basic Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Continued)**  
**General Fund**  
**Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Positive (Negative) Variance
	Original	Final		
Environmental protection				
Solid waste	\$ 2,781,793	\$ 2,863,822	\$ 2,657,413	\$ 206,409
Environmental engineering	10,661,317	13,274,468	4,823,994	8,450,474
Other	66,671	118,322	71,389	46,933
Total environmental protection	13,509,781	16,256,612	7,552,796	8,703,816
Economic and physical development				
Planning	1,637,930	1,637,930	1,430,101	207,829
Cooperative extension	2,911,077	3,932,861	2,987,002	945,859
Soil and water conservation	1,103,099	1,183,927	1,224,174	(40,247)
Open space management	100,000	277,058	69,048	208,010
Industrial extension	2,657,731	2,597,062	2,588,201	8,861
ARPA	-	-	943	(943)
Other	1,801,976	1,809,190	1,828,097	(18,907)
Total economic and physical development	10,211,813	11,438,028	10,127,566	1,310,462
Human services				
Public health	39,558,207	41,969,948	38,414,874	3,555,074
Mental health	6,503,802	6,503,802	-	6,503,802
Social services	74,811,790	79,036,992	72,400,986	6,636,006
Community intervention and support services	4,797,063	5,219,720	3,743,690	1,476,030
ARPA	-	-	1,872	(1,872)
Other	380,356	2,648,798	1,894,633	754,165
Total human services	126,051,218	135,379,260	116,456,055	18,923,205
Education				
Durham public schools				
Current	206,601,332	206,601,332	206,601,332	-
Capital	2,000,000	2,000,000	2,000,000	-
Durham technical community college				
Current	11,872,083	11,872,083	11,872,083	-
Capital	560,000	560,000	560,000	-
Other education	9,503,403	9,613,076	8,438,919	1,174,157
Total education	230,536,818	230,646,491	229,472,334	1,174,157
Cultural and recreational				
Library	16,198,861	16,550,023	15,509,919	1,040,104
Other	2,458,124	2,458,124	2,458,124	-
Total cultural and recreational	18,656,985	19,008,147	17,968,043	1,040,104
Debt service:				
Principal retirement	-	-	2,277,153	(2,277,153)
Interest and fiscal charges	-	-	105,736	(105,736)
Total debt service	-	-	2,382,889	(2,382,889)

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Continued)  
General Fund  
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Positive (Negative) Variance
	Original	Final		
Capital Outlay				
General Government	\$ 4,553,250	\$ 11,158,288	\$ 3,154,267	\$ 8,004,021
Public safety	70,000	184,119	235,274	(51,155)
Environmental protection	-	184,750	7,086	177,664
Economic and physical development	-	3,590	-	3,590
Human services	-	307,497	193,612	113,885
Cultural and recreational	-	84,774	84,774	-
Total capital outlay	<u>4,623,250</u>	<u>11,923,018</u>	<u>3,675,013</u>	<u>8,248,005</u>
Total expenditures	<u>602,275,748</u>	<u>636,384,967</u>	<u>574,562,862</u>	<u>61,822,105</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>85,591,264</u>	<u>59,204,236</u>	<u>119,042,552</u>	<u>(63,805,895)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,377,375	3,962,125	4,096,055	133,930
Transfers out	(113,667,785)	(113,944,377)	(106,997,341)	6,947,036
Lease liabilities issued	-	-	193,607	193,607
Subscription liabilities issued	-	-	132,145	132,145
Appropriated fund balance	<u>25,699,146</u>	<u>50,778,016</u>	<u>-</u>	<u>(50,778,016)</u>
Total other financing uses	<u>(85,591,264)</u>	<u>(59,204,236)</u>	<u>(102,575,534)</u>	<u>(43,371,298)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>16,467,018</u>	<u>\$ (107,177,193)</u>
<b>FUND BALANCE - BEGINNING</b>			277,739,402	
<b>ACCOUNTING CHANGES AND ERROR CORRECTIONS (NOTE O):</b>			<u>(3,433,502)</u>	
<b>FUND BALANCE, BEGINNING OF YEAR, RESTATED</b>			<u>274,305,900</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 290,772,918</u>	

The following table presents a reconciliation of resulting basis differences in the fund balance (budgetary basis) at June 30, 2025 to the fund balance on a modified accrual basis (GAAP):

Fund Balance (Non-GAAP) June 30, 2025	\$ 290,772,918
Reconciling Adjustments:	
Other Financing Sources (Uses)	2,382,889
Lease and\ SBITA Capital Outlay	<u>(2,382,889)</u>
Fund Balance (GAAP Basis) June 30, 2025	<u>\$ 290,772,918</u>

The notes to the financial statements are an integral part of this statement.

## Basic Financial Statements

**Statement of Net Position  
Proprietary Funds  
June 30, 2025**

	Enterprise Funds		
	Sewer Utility Fund	Nonmajor Stormwater Fund	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents / investments	\$ 54,329,385	\$ 6,170,791	\$ 60,500,176
Cash and cash equivalents / investments - restricted	11,864,522	-	11,864,522
Receivables:			
Stormwater fees receivable	-	390,472	390,472
Accounts receivable	679,719	18,250	697,969
Accrued interest receivable	108,848	15,291	124,139
Total receivables	788,567	424,013	1,212,580
Due from other governments - federal and state agencies	329,712	2,958	332,670
Due from other governments - local	1,561,039	-	1,561,039
Prepaid expenses	9,250	-	9,250
Total current assets	<u>68,882,475</u>	<u>6,597,762</u>	<u>75,480,237</u>
Noncurrent assets			
Capital assets:			
Land	5,817,902	-	5,817,902
Easements	5,000	-	5,000
Land improvements - sewer and water lines	30,740,128	-	30,740,128
Building treatment plant	56,854,766	-	56,854,766
Machinery and equipment	11,329,725	8,070	11,337,795
Vehicles	730,362	228,788	959,150
Computer hardware	100,347	7,604	107,951
Computer software	73,157	-	73,157
Construction in progress	18,716,977	-	18,716,977
Total capital assets	124,368,364	244,462	124,612,826
Less accumulated depreciation and amortization	(54,893,072)	(148,344)	(55,041,416)
Net capital assets	<u>69,475,292</u>	<u>96,118</u>	<u>69,571,410</u>
<b>Total assets</b>	<u>138,357,767</u>	<u>6,693,880</u>	<u>145,051,647</u>
<b>Deferred outflows of resources</b>			
LGERS pension deferrals	781,983	87,171	869,154
Deferred charges on refundings	88,177	-	88,177
<b>Total deferred outflows of resources</b>	<u>870,160</u>	<u>87,171</u>	<u>957,331</u>
<b>Liabilities</b>			
Current liabilities			
Current portion of accrued compensated absences	164,722	63,229	227,951
Current portion of long-term debt	1,583,033	-	1,583,033
Accounts payable	1,102,520	8,764	1,111,284
Arbitrage rebate payable	13,000	-	13,000
Accrued interest payable	22,453	-	22,453
Accrued payroll and related amounts withheld	193,862	68,096	261,958
Security deposits	-	39,814	39,814
Total current liabilities	<u>3,079,590</u>	<u>179,903</u>	<u>3,259,493</u>

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements

**Statement of Net Position  
Proprietary Funds (continued)  
June 30, 2025**

	Enterprise Funds		
	Sewer Utility Fund	Nonmajor	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences	\$ 333,258	\$ 129,436	\$ 462,694
Net pension liability - LGERS	1,461,922	227,474	1,689,396
Long-term debt	5,541,172	-	5,541,172
Total noncurrent liabilities	7,336,352	356,910	7,693,262
<b>Total liabilities</b>	10,415,942	536,813	10,952,755
<b>Deferred inflows of resources</b>			
Pension deferrals - LGERS	34,796	(2,805)	31,991
<b>Net position</b>			
Net investment in capital assets	62,439,265	96,118	62,535,383
Restricted for capital projects	11,864,522	-	11,864,522
Unrestricted	54,473,402	6,150,925	60,624,327
<b>Total net position</b>	\$ 128,777,189	\$ 6,247,043	\$ 135,024,232

The notes to the financial statements are an integral part of this statement.

Basic Financial Statements

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2025**

	Enterprise Funds		
	Sewer Utility Fund	Nonmajor Stormwater Fund	Total
<b>Operating revenues</b>			
Charges for services	\$ 17,894,566	\$ 2,682,480	\$ 20,577,046
<b>Operating expenses</b>			
Personnel services	4,031,737	1,339,563	5,371,300
Utilities	718,057	-	718,057
Maintenance and other	4,776,340	1,205,800	5,982,140
Depreciation	5,009,595	28,550	5,038,145
Total operating expenses	14,535,729	2,573,913	17,109,642
<b>Operating income (loss)</b>	3,358,837	108,567	3,467,404
<b>Nonoperating revenue (expense)</b>			
Investment and interest income	1,482,523	185,126	1,667,649
Sewer connection fees	2,025,195	-	2,025,195
Construction permits	-	1,342,975	1,342,975
Inspection fees	1,500	40,702	42,202
Interest and fiscal charges	(204,947)	-	(204,947)
Miscellaneous	-	47	47
Intergovernmental revenues	-	178,139	178,139
Total nonoperating revenue (expense)	3,304,271	1,746,989	5,051,260
<b>Income before contributions</b>	6,663,108	1,855,556	8,518,664
Capital contributions	430,028	-	430,028
<b>Change in net position</b>	7,093,136	1,855,556	8,948,692
<b>Beginning net position</b>	121,946,192	4,492,664	126,438,856
<b>Accounting Changes and Error Corrections</b>	(262,139)	(101,177)	(363,316)
<b>Beginning net position, restated</b>	121,684,053	4,391,487	126,075,540
<b>Total net position, ending</b>	\$ 128,777,189	\$ 6,247,043	\$ 135,024,232

The notes to the financial statements are an integral part of this statement.

## Basic Financial Statements

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2025**

	Enterprise Fund		
	Sewer Utility Fund	Stormwater Fund	Total
<b>Operating activities</b>			
Cash received from customers	\$ 16,196,847	\$ 2,551,294	\$ 18,748,141
Cash paid to employees	(3,784,583)	(1,255,967)	(5,040,550)
Cash paid for operating plant	(5,096,378)	(1,204,230)	(6,300,608)
Sewer connection fees received	2,025,195	-	2,025,195
Construction permits received	-	1,342,975	1,342,975
Inspection fees received	1,500	40,702	42,202
Security deposits	-	(6,480)	(6,480)
Miscellaneous received	-	46	46
<b>Net cash provided from operating activities</b>	<u>9,342,581</u>	<u>1,468,340</u>	<u>10,810,921</u>
<b>Capital and related financing activities</b>			
Principal payments on long-term debt	(1,531,146)	-	(1,531,146)
Interest paid	(196,872)	-	(196,872)
Intergovernmental revenues	-	178,139	178,139
Acquisition and construction costs of capital assets	(3,408,588)	(42,282)	(3,450,870)
<b>Net cash provided from (used in) capital and related financing activities</b>	<u>(5,136,606)</u>	<u>135,857</u>	<u>(5,000,749)</u>
<b>Investing activities</b>			
Investment income and dividends	1,471,553	179,987	1,651,540
<b>Net cash provided from investing activities</b>	<u>1,471,553</u>	<u>179,987</u>	<u>1,651,540</u>
<b>Net increase in cash and cash equivalents/investments</b>	<u>5,677,528</u>	<u>1,784,184</u>	<u>7,461,712</u>
<b>Cash and cash equivalents/investments</b>			
<b>Beginning of year</b>	<u>60,516,379</u>	<u>4,386,607</u>	<u>64,902,986</u>
<b>End of year</b>	<u>\$ 66,193,907</u>	<u>\$ 6,170,791</u>	<u>\$ 72,364,698</u>
<b>Reconciliation of operating income to net cash provided from operating activities</b>			
Operating income	\$ 3,358,837	\$ 108,567	\$ 3,467,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	5,009,595	28,550	5,038,145
Nonoperating miscellaneous income	2,026,695	1,383,721	3,410,416
Change in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:			
Accounts receivable	(89,715)	(129,773)	(219,488)
Due from other governments - federal and state agencies	(158,017)	(1,414)	(159,431)
Due from other governments - local	(1,449,987)	-	(1,449,987)
Deferred outflows of resources for pensions	78,319	37,156	115,475
Accounts payable	402,643	1,570	404,213
Compensated absences and accrued payroll	74,622	26,133	100,755
Total adjustments	<u>5,983,744</u>	<u>1,359,773</u>	<u>7,343,517</u>
<b>Net cash provided from operating activities</b>	<u>\$ 9,342,581</u>	<u>\$ 1,468,340</u>	<u>\$ 10,810,921</u>
<b>Supplemental Schedule of Noncash Capital and Related Financing Activities:</b>			
Capital contributions	<u>\$ 430,028</u>	<u>\$ -</u>	<u>\$ 430,028</u>

The notes to the financial statements are an integral part of this statement.

## Basic Financial Statements

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	<u>Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 53,120	\$ 2,825,821
Accounts receivable	-	172,280
Taxes receivable for other governments, net	-	1,592,217
Due from governmental agencies	-	1,975,586
Total assets	<u>53,120</u>	<u>6,565,904</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	-	159,676
Due to public schools	-	271,951
Due to other governments	-	3,721,568
Unearned revenue	-	1,273
Total liabilities	<u>-</u>	<u>4,154,468</u>
<b>Net position</b>		
Held in trust/restricted for:		
Individuals, organizations, and governments	<u>53,120</u>	<u>2,411,435</u>
<b>Total net position</b>	<u>\$ 53,120</u>	<u>\$ 2,411,435</u>

The notes to the financial statements are an integral part of this statement.



**Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended June 30, 2025**

	<b>Private- Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Employee contributions	\$ 2,766	\$ -
Investment income	1,285	188,230
Collections for public schools	-	1,700,174
Tax collections for other governments	-	267,578,622
Collections on behalf of sheriff	-	705,098
Collections on behalf of inmates	-	673,099
Total additions	4,051	270,845,223
<b>Deductions</b>		
Benefit payments	2,700	-
Payments on behalf of sheriff	-	453,068
Payments on behalf of inmates	-	644,532
Collection distributions to public schools	-	1,650,457
Tax distributions to other governments	-	269,903,638
Administrative costs	-	2,910,351
Total deductions	2,700	275,562,046
<b>Change in net Position</b>	1,351	(4,716,823)
<b>Total net position - beginning</b>	51,769	7,128,258
<b>Total net position - ending</b>	\$ 53,120	\$ 2,411,435

The notes to the financial statements are an integral part of this statement.





# Notes to the Basic Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM



## A. Summary Of Significant Accounting Policies

The County of Durham (the “County”) was established in 1881 by the North Carolina General Assembly under North Carolina State Law [General Statute (G.S.) 153A-10]. The County is governed by a five-member board of commissioners and provides the following services: public safety, cultural and recreational, human services, economic and physical development, environmental protection, education and general administration.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States. The following is a summary of the more significant accounting policies:

### 1. Reporting Entity

The County is one of the 100 counties established in North Carolina under State Law [G.S. 153A-10]. The County was incorporated in 1881 and covers an area of 299 square miles and has operated under the Commissioner-Manager form of government since 1930. As required by GAAP, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. The discretely presented component unit below is reported in a separate column in the County’s government-wide financial statements to emphasize that it is legally separate from the County.

#### Discretely Presented Component Unit

##### Durham County Board of Alcoholic Control (ABC Board)

The ABC Board operates retail liquor stores within the County and investigates violations of laws pertaining to retail liquor sales. The five members of the ABC Board’s governing board are appointed by the Board of County Commissioners. The ABC Board is required by State Statute to distribute gross receipts remaining after distributions provided for therein to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a business-type activity.

Complete financial statements for the ABC Board may be obtained at its administrative office.

##### Durham County ABC Board

2634 Durham Chapel Hill Boulevard, Suite #10  
Durham, North Carolina 27707

##### Durham County Industrial Facility and Pollution Control Financing Authority

Durham County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board, all of whom are appointed by the County Commissioners. The County can remove any board member of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore,

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

it is not presented in the financial statements. The Authority does not issue separate financial statements.

**2. Government-wide and Fund Financial Statements**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government's net position (the County) and its component unit (the ABC Board). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally 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 County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. 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 County's funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - 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 nonmajor funds.

Proprietary funds distinguish operating from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues, primarily charges for services, result from exchange transactions associated with the principal activities of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses include professional and other services costs; personnel, utilities and maintenance; and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

*General Fund.* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and Federal and State grants. The primary expenditures are for public safety, economic and physical development, environmental, human services, education, cultural and recreational and general governmental services.

**A. Summary Of Significant Accounting Policies (Continued)**

*American Rescue Plan Act.* This fund accounts for the financial resources that are kept in a special revenue fund. American Rescue Plan Act (ARPA) revenues are unearned revenue until the Board determines their use. Once the use is determined the funds are transferred to the appropriate fund before being expended.

*Opioid Settlement Fund.* This fund is to account for revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

*Capital Projects Fund.* This fund accounts for the financial resources that are restricted, committed or assigned for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The capital projects fund is also used to accumulate funds to finance a capital improvement plan. The capital projects fund budget is adopted project ordinances on a project basis which are multi-year.

*Debt Service Fund.* This fund accounts for the accumulation of resources that are restricted, committed, or assigned for principal and interest related costs for all general long-term debt other than debt issued for and serviced by proprietary funds.

The County reports the following major enterprise fund:

*Sewer Utility Fund.* This fund is used to account for and report the revenues and expenses related to the provision of sewer service.

Additionally, the County reports the following fund and fund types:

*Non-major Funds.* The County also reports *Other Governmental Funds*, which are individually nonmajor, in total. The Bethesda Fire District, Lebanon Fire District, Parkwood Fire District, Redwood Fire District, New Hope Fire District, Eno Fire District, Bahama Fire District, Bethesda Service Tax District, Durham County Fire and Rescue Service Tax District, Special Park Tax District, Special Park Tax District - Transportation, and Community Health Trust Fund are all special revenue fund types. Special revenue funds account for and report the proceeds of specific revenue sources that are for specified purposes other than debt service or capital projects. These funds appear on the Combining Balance Sheet for Nonmajor Special Revenue Funds and the activity is shown on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Nonmajor Special Revenue Funds. Stormwater is reported as a non-major proprietary fund.

*Fiduciary Funds.* The County reports two types of fiduciary funds, *Private-Purpose Trust Funds* and *Custodial Funds*.

*Private-purpose Trust Funds.* Private-purpose trust funds are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

*Custodial Funds.* Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria.

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

*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 principal and interest on general long-term debt, claims and judgments, subscriptions, leases, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as receivable in these financial statements and are offset by allowance for doubtful accounts.

Sales tax distributions and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.



**A. Summary Of Significant Accounting Policies (Continued)**

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

4. Budgetary Data Control

The County’s budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Debt Service Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Funds and the Enterprise Capital Projects Funds, Opioid Settlement Fund, ARPA, and Special Revenue Funds.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds and at the project level for the multi-year funds. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

The County Manager is authorized to transfer budgeted amounts within a function up to 15% cumulatively and up to \$20,000 between functions of the same fund with a report to the Board of County Commissioners (BOCC) at the next regularly scheduled meeting. Any revisions that alter the total expenditures of any function which exceed \$20,000 whether by transfer or additional appropriated fund balance within a fund, all transfers between funds, and all transfers from the contingency account must be approved by the BOCC. The General Fund original budget and the amended final budget are reported in the basic financial statements. The original and the amended final budget for all other governmental major funds and nonmajor funds, the schedule of expenditures compared with project authorizations for the capital projects fund and the non-GAAP Basis for the major and nonmajor proprietary funds are reported in the Combining and Individual Fund Statements and Schedules elsewhere in this report.

The following summarizes the supplementary appropriations made for General and Debt Service Funds during fiscal year 2025:

	<u>Original Budget</u>	<u>Total Amendments</u>	<u>Revised Budget</u>
General	\$ 821,184,336	\$ 59,343,619	\$ 880,527,955
Debt Service	\$ 108,841,636	\$ 12,787,807	\$ 121,629,443

**Notes to the Financial Statements****A. Summary Of Significant Accounting Policies (Continued)**

## 5. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance

**Cash and Investments**

Pooled cash and investments are maintained and used by all funds except the American Rescue Plan Fund, and certain fiduciary funds. The fiduciary accounts are maintained in demand deposit accounts.

**Cash and Cash Equivalents**

All cash and investments are considered cash and cash equivalents. The Durham County ABC Board considers demand deposits and all highly liquid investments purchased with an original maturity of three months or less, to be cash and cash equivalents.

**Deposits and Investments**

All deposits of the County and the ABC Board are made in board-designated official depositories and are secured as required by North Carolina General Statute 159-31. The County and the ABC Board may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

All of the County's and the ABC Board's deposits are either covered by federal depository insurance or are collateralized by using one of two options. Under the Dedicated Method, all deposits over the federal depository insurance coverage are collateralized with securities held by the County's or the ABC Board's agent in the entity's name.

Under the Pooling Method, all uninsured deposits are collateralized with a pool of 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 County and the ABC Board, these deposits are considered to be held by their agent in the entities' names. 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 County or the ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows.

However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depositor using the Pooling Method.

At June 30, 2025, the County's deposits had a carrying amount of \$142,264,824 and bank balances of \$154,628,077. Of the carrying amount, \$2,878,941 was related to fiduciary funds. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$153,878,077 was covered by collateral held under the Pooling Method.



**A. Summary Of Significant Accounting Policies (Continued)**

At June 30, 2025, the ABC Board’s deposits had a carrying amount of \$2,218,080 and a bank balance of \$2,159,855. All of the bank balance was insured by federal depository insurance or collateralized under the Pooling Method. North Carolina General Statute 159-30 authorizes the County and the ABC Board to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States of America; 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 issues of commercial paper and bankers’ acceptances; and the North Carolina Capital Management Trust (NCCMT), a SEC-registered money market mutual fund allowable by G.S. 159-30(c) (8). It is the County’s policy to hold investments to maturity in order to realize full book value and interest earnings.

The County’s investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices.

The ABC Board’s investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by either quoted market prices, significant other observable inputs, or significant unobservable inputs. Non-participation interest earnings contracts and the NCCMT Government Portfolio, an SEC registered 2a-7 external investment pool, are measured at amortized cost, which is the NCCMT’s share price. The NCCMT Term Portfolio’s securities are valued based at fair value as determined by significant other observable inputs. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost. At June 30, 2025, the ABC Board’s investments were \$2,580,328.

As of June 30, 2025, the County had the following investments and maturities:

Investment Type	Fair Value	Valuation Measurement Method	Less than 6 Months		
			Less than 6 Months	6-12 Months	1-5 Years
US Government Agencies	\$ 36,725,700	Fair Value - Level 2	\$ 5,948,920	\$ -	\$ 30,776,780
Commercial Paper	3,953,440	Fair Value - Level 2	3,953,440	-	-
NC Capital Management Trust - Government Portfolio	317,729,921	Fair Value - Level 1	317,729,921	-	-
Certificate of Deposit	2,500,000	Fair Value - Level 1	2,500,000	-	-
<b>Total</b>	<b>\$ 360,909,061</b>		<b>\$ 330,132,281</b>	<b>\$ -</b>	<b>\$ 30,776,780</b>

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 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

\* The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)****Interest Rate Risk:**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of 12 months or less. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than five years.

**Credit Risk:**

The County has no formal policy regarding credit risk but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County invests in commercial paper bearing the highest credit rating, as determined by nationally recognized statistical rating organizations (NRSROs) and banker's acceptances where the accepting bank or its holding company are incorporated in North Carolina. As of June 30, 2025, the County held \$3,953,440 investments in commercial paper. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2025. The County's investments in US agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County's formal policy indicates that the County 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 who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Chief Financial Officer.

The ABC Board has no formal policy regarding custodial credit risk for deposits; however, it is the current informal policy to follow State requirements.

**Concentration of Credit Risk:**

The County places no limit on investments in Federal Agency issued obligations. The percentage of the County's investments in Federal Farm Credit Bank, Federal Home Loan Mortgage Corp, Federal Home Loan Bank and Fannie Mae are 13%, 22%, 46% and 19%, respectively. Investments in these securities comprise 10.2% of the County's total investment portfolio. All of the previously mentioned securities, owned by the County at June 30, 2025, were in a segregated safekeeping account in the County's name in the Trust Department of First Citizens Bank.

**Interest rate SWAP:**

Effective July 30, 2004, the County entered into a floating-to-floating or basis SWAP on \$125,810,000 of its outstanding fixed-rate Series 2000, 2001, 2002 A&B and 2004 A&B

**A. Summary Of Significant Accounting Policies (Continued)**

General Obligation Bonds. Effective September 1, 2009, the SWAP was modified to increase the notional amount to \$186,365,000 of its outstanding fixed-rate Series 2000, 2001, 2002 A&B, 2004 A&B, 2006 A&B, 2008A&B General Obligation Bonds and 2009A Certificates of Participation. Effective July 1, 2011, the SWAP was modified to increase the notional amount to \$216,051,000 of its outstanding fixed-rate Series 2000, 2001, 2002 A&B, 2004 A&B, 2006 A&B, 2008 A&B, 2010 A&B General Obligation Bonds and 2009 A&B Certificates of Participation.

On June 22, 2024, due to the scheduled phasing out of the LIBOR index, the County modified its Confirmation with the SWAP counterparty, The Bank of New York Mellon, to substitute the LIBOR based rate for a SOFR base rate. A spread of plus 0.42826% was calculated at the time of closing to create an equivalent effective rate at transition.

The notional amount of the SWAP Agreement is equal to the par value of selected associated bonds. The objective of the SWAP was to create economics (generate present value savings) similar to a 65% of SOFR synthetic fixed-rate financing without the County having to issue actual refunding bonds. The SWAP Agreement provides for the County to make payments to the counterparty based on the taxable-equivalent Bond Market Association (BMA) index and for the counterparty to make reciprocal payments based on a floating rate priced at six-month SOFR plus a net amount of 1.132%. In 2006 the Bond Market Association became SIFMA. The agreement matures March 1, 2031. The derivatives contract uses the International SWAP Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The basis SWAP agreement is an investment derivative under GASB Statement No. 53.

**Fair value:**

As of June 30, 2025, the SWAP had a positive fair value totaling \$387,353 estimated using the zero-coupon method. This method calculated the future net settlement payments required by the SWAPs, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the SWAPs. The positive fair value is reported as an asset, derivative financial instrument, in the Statement of Net Position. The fair value decreased by \$11,459 in fiscal year 2025. The changes in fair value are reported in investment income in the Statement of Activities.

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Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

(In Thousands)							
Associated Bond Issues	Notional Amount	Effective Date	Termination Date	Variable Rate Paid	Variable Rate Received	Fair Value	Counterparty Credit Rating
Series 2000, 2001, 2002 A&B, 2004 A&B, 2006 A&B, 2008 A&B 2009 A Certificates of Participation	\$ -	-	-	SIFMA SWAP Index/	1.132% + 6Month	\$ 387,353	Aa2/AA-/AA
General Obligation Bonds and Certificates of Participation	\$ 216,051,000	7/1/11	3/1/31	Divisor*	SOFR	\$ -	

\* Divisor equals .065 from Effective Date - 3/1/09 and 0.604 thereafter.

**Risks:**

The County is exposed to the following risks in connection with the SWAP:

**Credit risk:**

As of June 30, 2025, the County was exposed to credit risk, or economic loss due to a counterparty default on its outstanding SWAP in the amount of \$387,353 because the SWAP had a positive fair value. However, should the relationship between the tax-exempt and taxable interest rates change and the fair values of the SWAP become negative, the County would not be exposed to credit risk in the amount of the derivative’s fair value. Both County and the counterparty’s payment obligations under the SWAP are guaranteed by Aa2/AA-(S&P)/AA (Fitch) rated Bank of New York Mellon.

**6. Property Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes, in the current fiscal year 2025 levy, are based on the assessed values as of January 1, 2019, effective date of the county’s last general reappraisal. A general reappraisal (revaluation) of all real property is required to be performed at least once every eight years to establish market value, however the statutes allow for a shorter reappraisal cycle. The next general reappraisal (revaluation) will be effective January 1, 2026.

Property taxes, other than taxes for special districts and agency funds, are levied under the “single tax levy” concept whereby all tax revenues are recorded as revenues of the General Fund.

As of September 1, 2013, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by an allowance for uncollectible

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

taxes. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

## 7. Lease Receivable

Durham County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. For additional information, refer to the disclosures below.

## 8. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. Allowances are based on collection experience and management's evaluation of the current status of existing receivables.

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**A. Summary Of Significant Accounting Policies (Continued)**

Receivables for individual major and nonmajor funds at June 30, 2025, were as follows:

	Accounts	Accrued Interest	Taxes	Stormwater Fees	Solid Waste	Emergency Medical Services	Community Development Mortgage Loans	Lease Receivable	Restricted opioid receivables, net	Parking deck receivable	Due from Other Governments	Total
Governmental funds:												
General	\$ 2,254,578	\$ 1,556,237	\$ 2,917,256	\$ -	\$ 36,006	\$ 95,751,301	\$ 305,342	\$ 7,066,959	\$ -	\$ -	\$ 53,266,341	\$ 163,154,020
Capital projects	2,550,000	-	-	-	-	-	-	-	-	9,765,000	5,471,957	17,786,957
American Rescue Plan Act	-	-	-	-	-	-	-	-	-	-	30,144	30,144
Opioid	-	-	-	-	-	-	-	-	15,266,068	-	12,386	15,278,454
Other governmental	-	-	118,848	-	-	-	-	-	-	-	62,604	181,452
Total receivables	4,804,578	1,556,237	3,036,104	-	36,006	95,751,301	305,342	7,066,959	15,266,068	9,765,000	58,843,432	196,431,027
Allowance for doubtful accounts	(94,676)	-	(93,838)	-	-	(91,108,960)	(305,342)	-	-	-	-	(91,602,816)
Total governmental funds	<u>\$ 4,709,902</u>	<u>\$ 1,556,237</u>	<u>\$ 2,942,266</u>	<u>\$ -</u>	<u>\$ 36,006</u>	<u>\$ 4,642,341</u>	<u>\$ -</u>	<u>\$ 7,066,959</u>	<u>\$ 15,266,068</u>	<u>\$ 9,765,000</u>	<u>\$ 58,843,432</u>	<u>\$ 104,828,211</u>
Proprietary funds												
Sewer utility	\$ 679,719	\$ 108,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,890,751	\$ 2,679,318
Stormwater	18,250	15,291	-	390,472	-	-	-	-	-	-	2,958	426,971
Total receivables	697,969	124,139	-	390,472	-	-	-	-	-	-	1,893,709	3,106,289
Total proprietary funds	<u>\$ 697,969</u>	<u>\$ 124,139</u>	<u>\$ -</u>	<u>\$ 390,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,893,709</u>	<u>\$ 3,106,289</u>

The Community Development Mortgage Loans Receivable consists of certain proceeds from bonds that have been used to make non-interest-bearing loans to qualifying individuals in accordance with the County’s Community Development Program. These loans contain various provisions, including deferral periods and forgiveness of indebtedness if certain conditions are met. Due to the uncertainty of collectability, the full amount of the outstanding loans receivable balance as of June 30, 2025, of \$305,342 has been included in the allowance for doubtful accounts.

The notes to the financial statements are an integral part of this statement.



## A. Summary Of Significant Accounting Policies (Continued)

### 9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - deferred charges on refundings and pension and OPEB related deferrals.

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category - net property taxes receivable, solid waste receivable, animal taxes receivable, water services receivable, net emergency medical services receivable, WSR loan receivable, beer and wine tax receivable, occupancy tax receivable, parking deck receivable, leases, and other OPEB and pension related deferrals. In addition, certain unavailable revenues related to opioid settlement receivables are reported as deferred inflows of resources, but only on the balance sheet of the governmental funds.

### 10. Inventories and Prepaid Items

Inventories of the County are valued at cost using the first-in, first-out (FIFO) method. Inventories of the ABC Board are valued at current replacement cost which approximates the lower of cost or net realizable value. The County's General Fund inventory consists of expendable supplies held for consumption that are recorded as expenditures when consumed rather than when purchased. The General Fund inventories reported on the Balance Sheet are offset by non-spendable fund balance, which indicates that it does not constitute a resource available for appropriation even though it is a component of net current assets. The inventory of the ABC Board consists of liquor and wine held for sale. The cost of the ABC Board inventory is recorded as an expense as it is sold.

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. These outlays are accounted for using the consumption method.

### 11. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as tangible or non-consumable assets with an acquisition cost of more than \$5,000 and intangible assets with an acquisition cost or acquisition value, if donated or gifted, of more than \$50,000. The estimated useful life of tangible, non-consumable, and intangible assets must be in excess of one year. Purchased or constructed capital assets are recorded at original cost at the time of acquisition or completion. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not increase the service capacity of the asset or materially extend assets' lives are not capitalized.

Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

The County maintains school construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to these Durham County Board of Education properties, and the construction has not been included in capital assets. The properties are reflected as capital assets in the financial statements of the Durham County Board of Education.

The County maintains museum construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to this Museum of Life and Science property, and the construction has not been included in the capital assets. The property is reflected as a capital asset in the financial statements of the Museum of Life and Science.

The County maintains community college construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to this Durham Technical Community College property, and the construction has not been included in the capital assets. The property is reflected as a capital asset in the financial statements of Durham Technical Community College.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the County are depreciated or amortized on a straight-line basis over the following estimated useful lives:

Description	Estimated Useful Lives
Buildings	40 years
Office furniture and equipment	7 years
Machinery and equipment	5 years
Vehicles	5 years
Computer hardware	3 years
Computer software	3 years
Sewer system	50 years
Water system	50 years
Construction in progress (CIP)	N/A
Right to use lease assets, see Note D	Term of the lease
Right of use subscription assets, see Note D	Term of the subscription
Easements	Indefinite, to be monitored for impairment

The ABC Board's capital assets are stated at cost and are being depreciated or amortized over their estimated useful lives on a straight-line basis as follows:

Description	Estimated Useful Lives
Buildings and Improvements	10 - 30 years
Vehicles	5 years
Furniture and equipment	5 - 15 years

The ABC Board defines capital assets as assets with an individual cost in excess of \$5,000 and an estimated life in excess of one year.



## A. Summary Of Significant Accounting Policies (Continued)

Leases and subscriptions are recognized on a straight-line basis over the terms of the lease agreement.

Upon disposition of an asset of the County and the ABC Board, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease. The related leases are discussed in the Leases subsection of the Long-term Obligations section of these notes.

The right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. The right-to-use subscription assets are amortized on a straight-line basis over the subscription term.

### 12. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. In addition, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### 13. Compensated Absences

Permanent employees of the County earn vacation leave at rates dependent on their work schedules and service tenure, up to a maximum of 25 days per year after 20 years. The maximum permissible accumulation is 30 days, and employees are paid for any accumulated vacation leave up to the maximum amount upon termination. At the end of each calendar year, accumulated vacation leave in excess of 30 days (in hours, based on an employee's work schedule) is converted to sick leave. Accumulated vacation leave and salary related payments at June 30, 2025 amounted to \$11,300,055. Of this amount, \$11,055,636 is recorded as a liability in the government-wide financial statements for governmental activities, and \$244,419,

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities. ABC Board employees may accumulate up to 30 days earned vacation and such leave is fully vested when earned. The ABC Board's accumulated earned vacation and related expenses at June 30, 2025 amounted to \$258,453.

The sick leave policies of the County provide for the unlimited accumulation of sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. With the implementation of GASB No. 101, the County now uses a five-year look-back period to estimate the amount of sick leave that is "more likely than not to be paid or used" and recognize that portion as a liability for compensated absence and salary-related payments. Estimated accumulated sick leave and salary-related payments at June 30, 2025 amounted to \$19,716,153. Of this amount, \$19,269,928 is recorded in the government-wide financial statements for governmental activities, and \$446,225 is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities. The ABC Board does not have an obligation for accumulated sick leave until it is actually taken, so no accrual for sick leave has been made.

**14. Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of funds will be front loaded. Per the terms of the memorandum of agreement (MOA), the County created a special revenue fund, the Opioid Settlement Fund to account for these funds. All funds are to be used for opioid abatement and remediation activities.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction.

Accordingly, the Opioid Settlement Major Special Revenue Fund received \$1,778,735 in cash during the year and recognized revenue of \$1,939,757. Additional revenue was also recognized for Governmental Activities.

**15. Reimbursements for Pandemic-related Expenditures**

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The American Rescue Plan will deliver \$350 billion for state, local, territorial, and tribal governments to respond to the COVID-19 emergency. Funding will also focus on infrastructure issues that face communities including efforts to bring back jobs. Durham County was allocated \$62,445,275 of fiscal recovery funds paid in two equal installments in July 2021 and July 2022.



**A. Summary Of Significant Accounting Policies (Continued)**

A total of \$16,790,750 and \$26,030,956 in ARPA funds have been expended as of June 30, 2024 and June 30, 2025, respectively. Total ARPA expenditures to-date are \$42,872,581. The BOCC has established an allocation plan and adopted a multi-year budget ordinance for the full amount. Funds must be obligated by a funds reservation by December 31, 2024 and Counties have until December 31, 2026 to expend all remaining funds. ARPA funds can support several priorities including a public health response due to COVID-19, address negative economic impacts, replace public sector revenue loss, and fund premium pay for essential workers. The federal dollars can also address water, sewer, and broadband infrastructure.

16. Encumbrances

As required by North Carolina General Statutes, encumbrance accounting is employed in the governmental funds. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute and restricted for other purposes in the restricted fund balance. Amounts outstanding at June 30, 2025 are as follows:

Major Funds		
General Fund	ARPA Fund	Capital Projects Fund
\$ 12,364,724	\$ 18,647,413	\$ 7,310,546

17. Net Position/Fund Balances

**Net Position**

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

- Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.
- Prepaid expenditures - portion of fund balance that is not an available resource because it represents payments to vendors that are applicable to future accounting periods.

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

- Leases Receivable, net - portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

*Restricted Fund Balance* - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

- Restricted for Stabilization of State Statute - North Carolina G.S. 159-8 prohibits units of government 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. 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 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, prepaids and lease receivables in excess of deferred inflows of resources for leases, as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.
- Restricted for tax technology - portion of fund balance that is restricted by revenue source for tax technology purposes.
- Restricted for Sheriff - portion of fund balance that is restricted by revenue source for Sheriff and law enforcement purposes.
- Restricted for fire marshal - portion of fund balance that is restricted by revenue source for fire marshal.
- Restricted for public health - portion of fund balance that is restricted by revenue source for public health.
- Restricted for museum - portion of fund balance that is restricted by revenue source for museum purposes.
- Restricted for social services programs - portion of fund balance that is restricted by revenue source for social services programs.
- Restricted for library programs - portion of fund balance that is restricted by revenue source for library programs.
- Restricted for criminal justice programs - portion of fund balance that is restricted by revenue source for criminal justice programs.
- Restricted for environmental protection programs - portion of fund balance that is restricted by revenue source for environmental protection programs.
- Restricted for register of deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds Office.

## Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

- Restricted for Special Butner - portion of fund balance that is restricted by revenue source for the Special Butner area of Durham County.
- Restricted for Opioid Settlement - portion of the fund balance that is restricted by revenue source to be used toward prevention and treatment of opioid addiction related to a national settlement with four pharmaceutical companies.
- Restricted for education - portion of fund balance restricted by revenue source that can be used only for school capital or school debt service for Durham Public Schools.
- Restricted for capital projects - portion of fund balance that is restricted by revenue source and can only be used for capital outlay in the County.

*Committed Fund Balance* - Portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Durham County's governing body, the Board of County Commissioners (highest level of decision-making authority). Note that only the highest-level action that constitutes the most binding constraint can be considered a commitment for fund balance classification purposes. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

- Committed for risk management - portion of fund balance that can only be used for catastrophic occurrences.
- Committed for public health - portion of fund balance that can only be used for public health purposes.
- Committed for debt service - portion of fund balance that can only be used for debt service.
- Committed for public arts - portion of fund balance that can only be used for public arts.
- Committed for sheriff inmate - portion of fund balance that can only be used for supporting items or services that directly benefit the inmates.
- Committed for education; article 46 - portion of fund balance that can only be used for education purposes.
- Committed for OPEB - portion of fund balance that can only be used for Other Post-Employment Benefits (OPEB).
- Committed for self-insured health benefits - portion of fund balance that can only be used for the County's self-insured benefits (medical and dental).
- Committed for LEO special separation allowance - portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

*Assigned Fund Balance* - portion of fund balance that has been assigned by the County's governing body for specific purposes. Per the County's Fund Balance Policy, only the County's governing body, the Board of County Commissioners, can authorize the assignment of fund balance. The Board has not delegated this level of authority.

- Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed.
- For remaining unrestricted and uncommitted fund balance for all governmental funds other than the general fund.

Notes to the Financial Statements

**A. Summary Of Significant Accounting Policies (Continued)**

The following schedule presents the fund balances at June 30, 2025:

	Major		Nonmajor			Total Governmental Funds
	General Fund	ARPA	Opioid Settlement Fund	Capital Projects Fund	Debt Service Fund	
<b>Fund balances</b>						
Non-spendable:						
Inventories	\$ 2,212,402	\$ -	\$ -	\$ -	\$ -	\$ 2,212,402
Prepaid expenditures	270,360	-	-	-	-	270,360
Leases	623,033	-	-	-	-	623,033
Restricted:						
Stabilization by State Statute	72,394,758	-	-	-	-	72,394,758
Tax technology	26,135	-	-	-	-	26,135
Sheriff	914,581	-	-	-	-	914,581
Fire marshal	-	-	-	-	243,528	243,528
Public health programs	538,726	-	-	-	-	538,726
Museum	1,717,871	-	-	-	-	1,717,871
Social services programs	1,205,968	-	-	-	-	1,205,968
Library programs	149,559	-	-	-	-	149,559
Criminal justice programs	64,452	-	-	-	-	64,452
Environmental protection programs	1,762,021	-	-	-	-	1,762,021
Register of deeds	647,286	-	-	-	-	647,286
Special Butner	8,703	-	-	-	-	8,703
Opioid settlement funds	-	-	7,299,818	-	-	7,299,818
Education	-	-	-	761	-	761
Restricted for capital projects	-	-	-	12,782,503	-	12,782,503
Committed:						
Risk management	6,008,690	-	-	-	-	6,008,690
Public health	151	-	-	-	-	151
Debt service	7,227,751	-	-	-	-	7,227,751
Public arts	693,096	-	-	-	-	693,096
Sheriff inmate	915,305	-	-	-	-	915,305
Education: Article 46	1,359,521	-	-	-	-	1,359,521
OPEB	73,554,469	-	-	-	-	73,554,469
Self-insured health benefits	6,172,878	-	-	-	-	6,172,878
LEO Special Separation Allowance	1,691,871	-	-	-	-	1,691,871
Assigned, reported in:						
General fund	28,791,716	-	-	-	-	28,791,716
Capital projects fund	-	-	-	18,237,388	-	18,237,388
Debt service	-	-	-	-	103,091,058	103,091,058
Assigned, reported in nonmajor:						
Special revenue	-	-	-	-	5,497,098	5,497,098
Unassigned	81,821,615	-	-	-	-	81,821,615
<b>Fund balances Total</b>	<b>\$ 290,772,918</b>	<b>\$ -</b>	<b>\$ 7,299,818</b>	<b>\$ 31,020,652</b>	<b>\$ 103,091,058</b>	<b>\$ 5,740,626</b>
						<b>\$ 437,925,072</b>

*Unassigned Fund Balance* - portion of fund balance that is the residual classification for amounts not restricted, committed, or assigned to specific purposes within the General Fund. In governmental funds other than the General Fund, it includes any residual negative balances which may not be classified as restricted or committed in those funds.

Durham County has guidelines established whereby the Chief Financial Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local funds, and County funds.

**A. Summary Of Significant Accounting Policies (Continued)**

Durham County has an adopted fund balance policy. Included in the policy for purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Chief Financial Officer may deviate from this priority after consultation with the County Manager. In addition, per the policy, the goal for the unassigned fund balance of the General Fund is 16% of total actual prior fiscal expenditures and the goal of total fund balance available as a percentage of expenditures is 35%. Once the 35% level has been achieved, the amount over 35% shall be used to fund the annual OPEB contribution to meet the OPEB obligation, pay-as-you-go capital projects or other non-recurring expenditures. In addition, the OPEB portion of the total fund balance for the general fund shall not exceed 25% of the total fund balance to ensure that the committed for OPEB portion of fund balance remains reasonably proportionate to the total fund balance for the general fund as a whole to include unassigned fund balance. Management has been instructed to conduct business in such a manner to achieve these goals. As of June 30, 2025, the County's unassigned fund balance as a percentage of expenditures and the total fund balance available as a percentage of expenditures were 12.01% and 31.60%, respectively.

**18. Defined Benefit Pension and OPEB Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"); and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). The County also administers a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers, the Law Enforcement Officers' Special Separation Allowance (LEOSSA). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms.

## Notes to the Financial Statements

**B. Reconciliation of Government-Wide and Fund Financial Statements**

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(438,688,712) consists of the following:

1. "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds."

Capital assets (net of accumulated depreciation)	\$ 627,252,601
Right to use assets (net of accumulated amortization)	<u>5,490,575</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 632,743,176</u>

2. "Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds."

Investment in joint venture	\$ 8,171,767.00
Derivative financial instrument	398,812
Pension asset - ROD	<u>334,913</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 8,905,492</u>

3. "Deferred outflows of resources used in governmental activities represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds."

Pension deferrals - LGERS	\$ 55,448,796
Pension deferrals - ROD	194,980
Pension deferrals - LEOSSA	2,023,298
OPEB deferrals	17,669,539
Deferred charges on debt refundings	<u>8,004,598</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 83,341,211</u>

Notes to the Financial Statements

**B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

4. “Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.”

Property taxes receivable (net)	\$ 2,884,570
Beer and wine tax receivable	1,460
Occupancy tax receivable	57,810
Solid waste receivable	36,006
Animal taxes receivable	272
Emergency medical services receivable (net)	4,642,341
Water services receivable	(1,843)
WSR loan receivable	2,550,000
Deferred opioid receivable	<u>13,726,110</u>
Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 23,896,726</u>

5. “Deferred inflows of resources used in governmental activities represents an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds.”

Pension deferrals — LGERS	\$ (422,179)
Pension deferrals — ROD	(5,987)
Pension deferrals — LEOSSA	(807,037)
Pension deferrals — OPEB	<u>(49,623,882)</u>
Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ (50,859,085)</u>

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## Notes to the Financial Statements

**B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

6. “Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.”

Bonds and other notes payable due within one year	\$ (57,653,740)
Bonds and other notes payable	(746,744,939)
OPEB liability due within one year	(5,506,859)
Total OPEB liability	(147,120,868)
Net pension liability — LGERS	(104,066,098)
LEOSSA liability due within one year	(752,598)
Total pension liability — LEOSSA	(9,780,555)
Accrued compensated absences due within one year	(13,787,570)
Accrued compensated absences	(16,537,994)
Accrued interest payable	<u>(2,806,101)</u>
Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ (1,104,757,322)</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$1,619,016 is comprised of the following:

1. “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. This is the amount by which capital outlay exceeded depreciation in the current year.”

Capital outlay	\$ 48,624,017
Donated Assets	395,000
Less: depreciation expense	(20,390,258)
Less: amortization expense	(2,272,173)
Plus (less): gain (loss) on capital assets	(551,030)
(Plus) less: (decrease) increase in investment in joint venture	<u>(254,417)</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 25,551,139</u>



**B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

2. “Deferred outflows of resources used in governmental activities represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds.”

ROD pension deferrals	\$ (46,444)
LGERS pension deferrals	(7,262,357)
LEOSSA pension deferrals	(795,872)
OPEB deferrals	(5,876,230)
Unamortized loss on debt refundings	<u>(1,148,459)</u>
Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ (15,129,362)</u>

3. “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.”

Increase (decrease) in property taxes receivable (net)	\$ 209,297
Increase (decrease) in emergency medical services receivable (net)	921,101
Decrease (increase) in deferred revenue of animal tax receivable	(10)
Increase (decrease) in deferred revenue of solid waste receivable	4,969
Increase (decrease) in water services receivable	(515)
Opioid settlement funds revenues	(911,607)
Increase (decrease) in Wine and beer tax receivable	164
Other	<u>12,036</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 235,435</u>

4. “Deferred inflows of resources used in governmental activities represents an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds.”

Increase (decrease) in pension deferrals - OPEB	\$ 827,997
Decrease (increase) in pension deferrals - LGERS	439,271
Decrease (increase) in pension deferrals - ROD	10,737
Increase (decrease) in pension deferrals - LEOSSA	<u>151,493</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 1,429,498</u>

## Notes to the Financial Statements

**B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

5. "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 the governmental funds. Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the purchases method and, therefore, are not reported as expenses in the statement of activities."

Increase (decrease) in pension asset	\$ (42,844)
(Increase) decrease in accrued interest payable	417,686
(Increase) decrease in accrued compensated absences	(483,993)
Increase (decrease) in pension liability - LEOSSA	(84,466)
Decrease (increase) in OPEB liability	11,115,642
Increase (decrease) in pension liability - LGERS	<u>(4,102,316)</u>
Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ 6,819,709</u>

6. "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items."

Principal repayments	\$ 52,566,694
Amortization of bond premium	7,508,425
Increase (decrease) in debt (net)	(80,726,966)
Termination of lease	344,417
(Increase) decrease in right to use liabilities	(253,109)
Arbitrage penalties	<u>35,104</u>
Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities	<u>\$ (20,525,435)</u>

**C. Lease Receivables**

Leases are financing of the right to use an underlying asset. As such, a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County has entered into lease arrangements to lease buildings and other assets owned by the County to others.

For the fiscal year ending June 30, 2025, the County had 2 active leases. The County recognized lease revenue of \$1,267,167 and interest revenue of \$151,147 under these leases.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2025 was as follows:

**Governmental Activities:**

	Beginning Balance	Increases/ Transfers In	Decreases/ Transfers Out	Ending Balance
Nondepreciable capital assets:				
Land	\$ 10,121,435	\$ 8,109,027	\$ -	\$ 18,230,462
Easements	3,053,493	-	-	3,053,493
Construction in progress	255,323,780	44,816,368	(24,056,090)	276,084,058
Total nondepreciable capital assets	<u>268,498,708</u>	<u>52,925,395</u>	<u>(24,056,090)</u>	<u>297,368,013</u>
Depreciable capital assets:				
Buildings	474,246,058	13,839,020	-	488,085,078
Water Systems	2,530,425	-	-	2,530,425
Office furniture and Equipment	2,516,354	255,877	(8,915)	2,763,316
Machinery and Equipment	17,770,969	1,259,524	(175,944)	18,854,549
Computer Hardware	27,523,569	129,595	(52,111)	27,601,053
Computer Software	16,952,439	1,404,473	-	18,356,912
Vehicles	30,582,757	2,802,834	(945,698)	32,439,893
Total depreciable capital assets	<u>572,122,571</u>	<u>19,691,323</u>	<u>(1,182,668)</u>	<u>590,631,226</u>
Less accumulated depreciation for:				
Buildings	162,360,830	11,935,403	-	174,296,233
Water Systems	348,187	50,607	-	398,794
Office furniture and Equipment	1,776,234	191,499	(8,915)	1,958,818
Machinery and Equipment	14,844,492	1,427,129	(173,403)	16,098,218
Computer Hardware	23,289,192	3,503,131	(52,110)	26,740,213
Computer Software	16,631,403	605,813	-	17,237,216
Vehicles	22,286,169	2,676,676	(945,699)	24,017,146
Total accumulated depreciation	<u>241,536,507</u>	<u>20,390,258</u>	<u>(1,180,127)</u>	<u>260,746,638</u>
Total depreciable capital assets, net	<u>330,586,064</u>	<u>(698,935)</u>	<u>(2,541)</u>	<u>329,884,588</u>
Depreciable right-to-use assets:				
Right-to-use assets-lease buildings	6,919,168	193,607	(1,070,756)	6,042,019
Right-to-use assets-subscriptions	5,099,827	132,145	(342,720)	4,889,252
Total amortizable capital assets	<u>12,018,995</u>	<u>325,752</u>	<u>(1,413,476)</u>	<u>10,931,271</u>
Less accumulated amortization for:				
Right-to-use assets-lease buildings	1,632,320	735,312	(683,118)	1,684,514
Right-to-use assets-subscriptions	2,488,941	1,536,861	(269,620)	3,756,182
Total accumulated amortization	<u>4,121,261</u>	<u>2,272,173</u>	<u>(952,738)</u>	<u>5,440,696</u>
Total amortizable right-to-use assets, net	<u>7,897,734</u>	<u>(1,946,421)</u>	<u>(460,738)</u>	<u>5,490,575</u>
Governmental activities capital assets, net	<u>\$ 606,982,506</u>	<u>\$ 50,280,039</u>	<u>\$ (24,519,369)</u>	<u>\$ 632,743,176</u>

During 2025, the County incurred expenses of \$84,969,469 for public school construction. The County maintains school construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to these Durham County Board of Education properties.

## Notes to the Financial Statements

**D. Capital Assets (Continued)**

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

## Governmental activities:

General government	\$ 16,724,968
Public safety	4,897,249
Environmental protection	111,120
Economic and physical development	3,105
Human Services	572,794
Educational	202,024
Cultural and recreational	151,171
Total depreciation and amortization expense	<u>\$ 22,662,431</u>

**Business-type Activities:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Ending Balance</u>
Nondepreciable capital assets:				
Land	\$ 5,817,902	\$ -	\$ -	\$ 5,817,902
Easements	5,000	-	-	5,000
Construction In Progress	15,746,095	2,970,881	-	18,716,977
Total nondepreciable capital assets	<u>21,568,997</u>	<u>2,970,881</u>	<u>-</u>	<u>24,539,879</u>
Depreciable capital assets:				
Land Improvements: Water and Sewer Lines	30,310,100	430,028	-	30,740,128
Buildings	56,854,766	-	-	56,854,766
Machinery and Equipment	11,108,859	228,936	-	11,337,795
Computer Hardware	107,951	-	-	107,951
Computer Software	73,157	-	-	73,157
Vehicles	708,098	251,052	-	959,150
Total depreciable capital assets	<u>99,162,931</u>	<u>910,016</u>	<u>-</u>	<u>100,072,947</u>
Less accumulated depreciation for:				
Land Improvements: Water and Sewer Lines	18,079,589	593,940	-	18,673,529
Buildings	25,702,411	2,372,433	-	28,074,844
Machinery and Equipment	5,531,612	1,974,017	-	7,505,629
Computer Hardware	56,171	21,972	-	78,143
Computer Software	73,157	-	-	73,157
Vehicles	560,331	75,783	-	636,114
Total accumulated depreciation	<u>50,003,271</u>	<u>5,038,145</u>	<u>-</u>	<u>55,041,416</u>
Total depreciable capital assets, net	<u>49,159,660</u>	<u>(4,128,129)</u>	<u>-</u>	<u>45,031,531</u>
Business-type activities capital assets, net	<u>\$ 70,728,657</u>	<u>\$ (1,157,248)</u>	<u>\$ -</u>	<u>\$ 69,571,410</u>



**D. Capital Assets (Continued)**

Capital assets activity for the ABC Board for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable capital assets:				
Land	\$ 2,930,654	\$ 2,992,684	\$ -	\$ 5,923,338
Work in Process	325,994	1,436,516	(271,166)	1,491,344
Total nondepreciable capital assets	<u>3,256,648</u>	<u>4,429,200</u>	<u>(271,166)</u>	<u>7,414,682</u>
Depreciable capital assets:				
Buildings and improvements	10,010,619	84,165	-	10,094,784
Furniture and Equipment	2,684,601	248,523	(15,565)	2,917,559
Vehicles	348,896	-	-	348,896
Total depreciable capital assets	<u>13,044,116</u>	<u>332,688</u>	<u>(15,565)</u>	<u>13,361,239</u>
Less accumulated depreciation for:				
Buildings and improvements	1,988,924	323,136	-	2,312,060
Furniture and Equipment	1,593,230	278,075	(15,565)	1,855,740
Vehicles	234,770	32,875	-	267,645
Total accumulated depreciation	<u>3,816,924</u>	<u>634,086</u>	<u>(15,565)</u>	<u>4,435,445</u>
Total depreciable capital assets, net	<u>9,227,192</u>	<u>(301,398)</u>	<u>-</u>	<u>8,925,794</u>
Depreciable right-to-use assets:				
Right-to-use assets-leased buildings	3,115,129	-	-	3,115,129
Total amortizable capital assets	<u>3,115,129</u>	<u>-</u>	<u>-</u>	<u>3,115,129</u>
Less accumulated amortization for:				
Right-to-use assets-leased buildings	831,553	490,820	-	1,322,373
Total accumulated amortization	<u>831,553</u>	<u>490,820</u>	<u>-</u>	<u>1,322,373</u>
Total amortizable right-to-use assets, net	<u>2,283,576</u>	<u>(490,820)</u>	<u>-</u>	<u>1,792,756</u>
ABC Board capital assets, net	<u>\$ 14,767,416</u>	<u>\$ 3,636,982</u>	<u>\$ (271,166)</u>	<u>\$ 18,133,232</u>

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## Notes to the Financial Statements

**E. Long-Term Obligations**

The following is a summary of transactions affecting the County's long-term obligations for the year ended June 30, 2025:

	Beginning Balance, as restated	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 222,055,000	\$ -	\$ 22,320,000	\$ 199,735,000	\$ 22,220,000
Leases	5,477,639	198,993	1,088,940	4,587,692	607,631
Subscriptions	1,912,300	59,600	1,573,218	398,682	325,286
Limited Obligations bonds	430,150,000	-	27,615,000	402,535,000	27,465,000
Bond Anticipation Notes	73,431,159	80,726,966	-	154,158,125	-
Unamortized bond premium	49,120,683	-	7,508,424	41,612,259	6,665,088
Direct installment placement financing	1,726,462	-	354,541	1,371,921	370,735
OPEB Liability	163,743,369	-	11,115,642	152,627,727	5,506,859
Accrued compensated absences	29,841,571	483,993	-	30,325,564	13,787,570
Net pension liability (LGERS)	99,963,798	4,102,300	-	104,066,098	-
Total pension liability (LEOSSA)	10,448,687	84,466	-	10,533,153	752,598
<b>Total</b>	<b>\$ 1,087,870,668</b>	<b>\$ 85,656,318</b>	<b>\$ 71,575,765</b>	<b>\$ 1,101,951,221</b>	<b>\$ 77,700,767</b>
Business-type activities					
State Revolving Loans	\$ 5,901,407	\$ -	\$ 671,146	\$ 5,230,261	\$ 671,146
Revenue bonds	2,645,000	-	860,000	1,785,000	880,000
Unamortized bond premium	140,831	-	31,887	108,944	31,887
Accrued compensated absences	610,365	80,280	-	690,645	227,951
Net pension liability (LGERS)	1,565,624	123,772	-	1,689,396	-
<b>Total</b>	<b>\$ 10,499,912</b>	<b>\$ 204,052</b>	<b>\$ 1,563,033</b>	<b>\$ 9,504,246</b>	<b>\$ 1,810,984</b>

For governmental activities and business-type activities, the respective portions of the net LGERS pension liability are liquidated by the General Fund, Sewer Utility Fund and Stormwater Fund.

For governmental activities and business-type activities, the total OPEB liability and total LEOSSA pension liability are liquidated by the General Fund.

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to eight percent (8%) of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2025, such statutory limit for the County was \$4,266,357,462 and applicable debt related to this debt limit was \$603,641,921 resulting in a legal debt margin of \$3,662,715,541.



## E. Long-Term Obligations (Continued)

### Leases

The County has entered into lease arrangements for buildings, land, other assets, and equipment. The right to use assets are intangible assets and are recorded in Note D - Capital Assets.

As of June 30, 2025, the County had 6 active leases. The leases have annual payments that range from \$13,684 to \$413,023 and interest rates that range from 0.2370% to 1.5942%. As of June 30, 2025, the total combined value of the lease liability is \$4,587,692.

### Subscriptions

The County has entered into subscription arrangements. The right to use subscription assets are intangible assets and are recorded in Note D - Capital Assets.

As of June 30, 2025, the County had 3 active subscriptions. The subscriptions have annual payments that range from \$7,718 to \$1,202,591 and interest rates that range from 2.0377% to 2.5827%. As of June 30, 2025, the total combined value of the subscription liability is \$398,682.

### Installment Purchases

When the County enters into a direct installment financing draw program, the County funds the expenditures up front and draws the amount expended on a monthly basis from the financing institution to reimburse County funds per the agreement for the agreed upon project or projects being financed. After the period, as per the agreement, the County issues debt at a fixed rate to repay/refund the financing institution for what was expended and funded in the financing draw program.

In September 2012, the County entered into a \$4,549,999 direct installment placement contract to finance energy and water conservation measures to reduce energy and water consumption and/or energy-related operating cost. The direct financing placement contract required principal and interest payments beginning in fiscal year 2015 with a fixed interest rate of 2.285%. As of June 30, 2025, the debt amount remaining is \$1,371,921.

### General Obligation Bonds

Durham County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the County. The County pledges full faith and credit and taxing power as security for general obligation bonds. There were no General obligation bonds issued in fiscal year 2025.

Interest requirements for the general obligation bonds are payable semi-annually at annual rates varying from 1.25% to 5.00%. General Fund revenues are used to repay general long-term debt obligations.

Additional information related to outstanding general obligation bonds can be found on page 81.

### Limited Obligation Bonds

Durham County issues LOBs for the acquisition and construction of major capital facilities. Limited obligation bonds are collateralized by specific assets of the county.

**Notes to the Financial Statements****E. Long-Term Obligations (Continued)**

LOBs issued in fiscal year 2013 are collateralized with the County's Justice Plaza (e.g., Justice Center, Jail and Parking Deck).

LOBs issued in fiscal years 2012 and 2016 were refundings for COPs 2009A and COPs 2009B, respectively, that are collateralized with the County's Health and Human Services Building.

LOBs issued in fiscal year 2019 are collateralized with the County's Administrative II Building.

LOBs issued in fiscal years 2020 partially refunded LOBs issued in fiscal years 2012 and 2013 that are collateralized with the County's Health and Human Services Building and the County's Justice Plaza (e.g., Justice Center, Jail and Parking Deck).

Additional LOBs issued in 2020 are collateralized with the County's Administrative I Building.

In April of 2023, the County closed on a \$192,465,000 Limited Obligation Bond issuance, which served as permanent financing for the outstanding balance of the \$225,000,000 draw program entered into in 2021 as well as additional "new-money" for a number of projects that were determined to be close to completion. The financing is comprised of a tax-exempt \$168,780,000 Series A and a \$23,685,000 taxable Series B. Both series are amortized with level principal over a 20-year term. This financing permanently closed the draw facility. This financing is collateralized with the Health and Human Services Complex and the new Northern High School.

In May of 2024, the County closed on a \$71,295,000 Limited Obligation Bond issuance, which served as permanent financing for a number of capital projects that had a significant amount of expenditures made and close enough to completion to provide the remaining funds needed. Both the tax-exempt Series A (\$36,970,000) and taxable Series B (\$30,760,000) are amortized with level principal over a 20-year term. The principal payments are structured to amortize the taxable series. This financing is collateralized with the Health and Human Services Complex and the new Northern High School.

Additional information related to outstanding limited obligation bonds can be found on page 81.

**Bond Anticipation Notes**

Durham County issues general obligation bond anticipation notes (BANs) for the acquisition and construction of major capital facilities. The BANs are general obligations of the County, and the County has pledged its faith and credit to the payment of principal and interest on the BANs. The BANs will be replaced by general obligation bonds. Interest requirements are payable monthly on the amount outstanding with the interest rates based upon market conditions.

The County authorized issuance of \$50,000,000 in April 2021 which was fully drawn and paid with the August 2023 GO permanent financing. Additionally, in August 2023, the County entered into a new \$185,000,000 BAN agreement as part of the 2022 GO Bond Referendum authorization.

During the fiscal year, there was \$80,726,966 in additional GO BANs drawn down.

Additional information related to outstanding bond anticipation notes can be found on page 81.

**E. Long-Term Obligations (Continued)****Revenue bonds**

The County also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

In fiscal year 2003, \$24,515,000 of revenue bonds were issued to finance the construction project to expand the existing wastewater treatment facilities. In fiscal year 2013, \$34,325,000 of refunded revenue bonds were issued to refund the 2003 revenue bonds outstanding. The bonds are payable through 2027. The amount of the pledge is equal to the remaining principal and interest \$1,851,982. Principal and interest paid for the year and total customer revenues were \$925,861 and \$19,281,165, respectively. Interest requirements for the revenue bonds are also payable annually at a fixed rate of 2.49%. These debt obligations are secured by a pledge of and lien upon, and payable solely from, the net receipts of the enterprise system and, in certain circumstances, by proceeds of the revenue bonds, investment earnings and certain net insurance and other proceeds. The revenue bonds are additionally secured by and payable from money and securities of certain funds, accounts and sub-accounts held by the trustee under the trust agreement and the first supplemental trust agreement. Sewer Utility Fund revenues are used to repay sewer utility long-term obligations.

Additional information related to outstanding revenue bonds can be found on page 81.

**State Revolving Loans**

The County has entered into two State Revolving Loans to finance water and sewer improvements. All State Revolving Loans are being serviced by revenues from the sewer utility fund.

Additional information related to outstanding state revolving loans can be found on page 81.

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## Notes to the Financial Statements

**E. Long-Term Obligations (Continued)**

General obligation bonds, installment purchases, certificate of participation bonds, revenue bonds and other financing agreements outstanding at June 30, 2025 are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Date Issued</b>	<b>Date Series Matures</b>	<b>Amount of Original Issue</b>	<b>Outstanding June 30, 2025</b>
<b>Governmental activities:</b>					
Public improvement refunding, Series 2014	2.00% to 5.00%	6/3/2014	4/1/2034	\$ 44,635,000	\$ 6,690,000
Public improvement refunding, Series 2015	3.00% to 5.00%	7/9/2015	10/1/2026	29,340,000	8,610,000
Public improvement refunding, Series 2016	3.00% to 5.00%	9/29/2016	10/1/2036	96,460,000	63,450,000
Public improvement, Series 2017	3.23%	3/16/2017	10/1/2026	3,800,000	760,000
Public improvement refunding, Series 2019	3.00% to 5.00%	3/5/2019	6/1/2039	44,220,000	30,940,000
Public improvement refunding, Series 2021	1.25% to 5.00%	2/23/2021	6/1/2040	61,805,000	47,900,000
Public improvement refunding, Series 2023	4.00% to 5.00%	8/17/2023	6/1/2043	45,980,000	41,385,000
Limited Obligation Bonds, 2012	2.00% to 5.00%	3/29/2012	6/1/2032	63,780,000	3,190,000
Limited Obligation Bonds, 2013	1.50% to 5.00%	3/28/2013	6/1/2043	112,470,000	3,745,000
Limited Obligation Bonds, 2016 Refunding	4.00% to 5.00%	4/1/2016	12/1/2030	34,590,000	17,095,000
Limited Obligation Bonds, 2018	3.00% to 5.00%	9/6/2018	10/1/2038	54,860,000	38,390,000
Limited Obligation Bonds, 2020A	2.375% to 3.085%	1/23/2020	6/1/2040	17,120,000	12,825,000
Limited Obligation Bonds, 2020B Refunding	1.69% to 3.085%	1/23/2020	12/1/2042	100,280,000	86,340,000
Limited Obligation Bonds, 2023A	5.00%	4/19/2023	6/1/2043	168,780,000	151,905,000
Limited Obligation Bonds, 2023B	3.985% to 5.064%	4/19/2023	6/1/2043	23,685,000	21,315,000
Limited Obligation Bonds, 2024A	5.00%	5/23/2024	6/1/2044	36,970,000	36,970,000
Limited Obligation Bonds, 2024B	4.69% to 5.125%	5/23/2024	6/1/2034	34,325,000	30,760,000
Installment purchase, utility purchase	2.285%	9/18/2012	9/18/2028	4,549,000	1,371,921
Bond Anticipation Notes	Variable Rate	8/10/2021	8/21/2026	4,066,403	154,158,125
Total governmental activities					<u>\$ 757,800,046</u>
<b>Business-type activities:</b>					
Refunding, Revenue Bonds 2012					
sewer plant expansion/improvements	2.49%	8/23/2012	6/11/2027	\$ 13,985,000	\$ 1,785,000
Enterprise State Revolving Loan I	2.22%	10/7/2012	5/1/2032	-	972,361
Enterprise State Revolving Loan II	2.22%	1/28/2011	5/1/2033	-	4,257,900
Total business-type activities					<u>\$ 7,015,261</u>
Total bonded indebtedness					<u>\$ 764,815,307</u>

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**E. Long-Term Obligations (Continued)**

The annual requirements as of June 30, 2025 to amortize outstanding debt and funds available for draw under installment purchase contracts including interest payments, exclusive of accrued compensated absences are as follows:

**Governmental activities:**

Year Ending June 30,	General Obligation Bonds		Limited Obligation Bonds		Installment Note Payable*		Lease Liabilities		Subscription Liabilities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 22,220,000	\$ 7,614,992	\$ 27,465,000	\$ 17,276,498	\$ 370,735	\$ 29,265	\$ 607,632	\$ 67,631	\$ 325,286	\$ 8,714	\$ 50,965,327	\$ 25,006,949
2027	20,010,000	6,685,168	27,410,000	16,063,418	387,800	20,700	520,822	59,541	73,396	1,604	48,554,284	22,840,677
2028	16,380,000	5,822,281	27,315,000	14,925,375	405,263	11,737	529,985	51,418	-	-	44,756,385	20,819,705
2029	16,340,000	5,015,981	27,175,000	13,798,894	208,123	2,378	555,942	42,903	-	-	43,776,108	18,868,671
2030	16,250,000	4,298,381	26,985,000	12,715,469	-	-	507,427	34,462	-	-	43,742,427	17,048,312
2031-2035	62,205,000	13,193,150	113,245,000	47,575,562	-	-	1,865,884	55,639	-	-	177,315,884	60,824,351
2036-2040	39,445,000	4,677,500	99,470,000	24,802,342	-	-	-	-	-	-	138,915,000	29,479,842
2041-2045	6,885,000	550,800	53,470,000	5,149,412	-	-	-	-	-	-	60,355,000	5,700,212
	<u>\$ 199,735,000</u>	<u>\$ 47,858,253</u>	<u>\$ 402,535,000</u>	<u>\$ 152,306,970</u>	<u>\$ 1,371,921</u>	<u>\$ 64,080</u>	<u>\$ 4,587,692</u>	<u>\$ 311,594</u>	<u>\$ 398,682</u>	<u>\$ 10,318</u>	<u>\$ 608,380,415</u>	<u>\$ 200,588,719</u>

NOTE: The installment note payable principal amount on the above schedule amortizing outstanding debt as of June 30, 2025 does not include outstanding bond anticipation notes (BANs) that are included in the summary of transactions affecting the County's long-term obligations for the year ended and in the outstanding debt with interest rates, date of issue, maturity dates, original issue amount and amount outstanding at year end. The BANs are not included in the above schedule because there is no annual payment. The County is authorized to utilize a draw-down program whereby funds are drawn to reimburse the County for capital project expenditures over a three-year period. At the end of the three years (or less), the County issues fixed rate debt to pay off this debt. In August 2023, the County entered into a new BAN agreement authorized up to \$185,000,000 to which the County had drawn \$154,158,125 as of June 30, 2025.

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**E. Long-Term Obligations (Continued)**

**Business-type activities:**

Year Ending June 30,	State Revolving Loan		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 671,146	\$ 116,112	\$ 880,000	\$ 44,447	\$ 1,551,146	\$ 160,559
2027	671,146	101,213	905,000	22,535	1,576,146	123,748
2028	671,146	86,313	-	-	671,146	86,313
2029	671,146	71,413	-	-	671,146	71,413
2030	671,146	56,514	-	-	671,146	56,514
2031-2035	1,874,531	80,145	-	-	1,874,531	80,145
	<u>\$ 5,230,261</u>	<u>\$ 511,710</u>	<u>\$ 1,785,000</u>	<u>\$ 66,982</u>	<u>\$ 7,015,261</u>	<u>\$ 578,692</u>

**Durham County ABC Board:**

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2026	\$ 513,630	\$ 64,162
2027	454,346	36,185
2028	265,187	23,236
2029	267,051	16,128
2030	276,902	8,761
Thereafter	165,093	2,416
	<u>\$ 1,942,209</u>	<u>\$ 150,888</u>

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## F. Commitments

### 1. Industrial Extension Policy

The Industrial Extensions Policy (IEP) provides for the expenditure of public funds for the promotion of local economic development when the BOCC considers such development serves a public purpose. The BOCC considers the promotion of local economic development when it assists in the creation of a more stable economy by providing displaced workers with continuing employment opportunities, attracting better paying and more highly skilled jobs, diversifying the local economy and creating a broader tax base from which Durham County can draw funding for other programs that benefit the general health, safety and welfare of the citizens. Any industrial enterprise seeking to qualify for economic development investment funds must provide the County with a written statement which includes specific information as outlined in the policy. They then must receive approval from the BOCC prior to the undertaking of construction. The Board evaluates each enterprise on a case-by-case basis prior to making a decision whether to provide economic development investment funds. Any enterprise desiring to use economic development investment funds must enter into a performance agreement with Durham County.

The determination of whether satisfactory progress has been made shall be the sole discretion of Durham County based upon the performance guidelines set out in the performance agreement. The BOCC views the promotion of local economic development as an investment in the future of Durham County.

The annual requirements to amortize reimbursements payable under this policy at June 30, 2025 are as follows:

Year Ending June 30,	Governmental activities	
	Principal	Interest
2026	\$ 3,010,587	\$ -
2027	3,010,587	-
2028	2,582,016	-
2029	1,653,444	-
2030	1,057,016	-
2031-2035	1,795,206	-
	<u>\$ 13,108,856</u>	<u>\$ -</u>

Interest requirements related to the Industrial Extensions Policy are nominal.

### 2. School Facilities

In 2021, the BOCC revised the approved Capital Improvement Plan (CIP) for fiscal years 2022-2031 that included new Durham Public school projects totaling \$581,000,000 funded through voter-approved general obligation bond referendums in November 2022 and proposed for November 2026. Total construction in progress for fiscal year 2025 for these projects was \$84,969,469 while total combined construction in progress since inception was \$574,574,431.

## Notes to the Financial Statements

**F. Commitments (Continued)**

## 3. Construction

The total ten-year estimated and funded project costs of the CIP through June of 2031 is \$1,913,277,993. The plan continues to serve as a blueprint to meet the growing facility needs of the County. The funding sources for the CIP include: General Obligation Bonds, Limited Obligation Bonds (LOB's), Bank Financing, County contributions (PayGo), Revenue Bonds (Enterprise Fund), and other miscellaneous revenues.

The CIP allocated funding for fiscal year 2025 in the amount of \$232,191,445. Funds provided approximately \$150,134,137 for education, \$7,431,120 for culture and recreation, \$31,468,126 for public safety, \$12,708,401 for capital projects of general governmental activities, \$18,920,000 for business-type activities, \$4,329,661 for environmental protection activities, and \$7,200,000 for human services activities.

As part of the ten-year CIP for fiscal years 2022-2031, a general obligation bond referendum totaling \$550,240,000 was approved by Durham County citizens as a funding source, and a planned \$258,200,000 general obligation bond referendum in FY 2026-2027. The referendums will fund \$581,000,000 for school facilities, \$56,600,000 for two parking decks with affordable housing, \$19,600,000 for business type activities, and \$22,100,000 for Public Safety. As of fiscal year-end, none of the November 2022 voter approved general obligations bonds was issued.

## 4. Capital commitments

The County had commitments at June 30, 2025 of \$15,671,080 for the expansion of the wastewater treatment plant and construction of sewer distribution systems.

Funding for the active projects for governmental activities and business-type activities include general obligation bonds, limited obligation bonds (LOBs), revenue bonds, general contributions, sewer utility contributions and other miscellaneous revenues.

## 5. Other commitments

Reimbursement for expenditures incurred from improvements to property of the Durham Public School System, Durham Technical Community College and various not-for-profit organizations are made upon request by the school systems, Community College and organizations. Because Durham County is not a party to the contracts, the unexecuted balances of such contracts are considered obligations of the Durham Public School System, Durham Technical Community College and various not-for-profit organizations. Additional payments, if any, to be made by Durham County, will be from future appropriations.

The County participates in a number of Federal and State of North Carolina awards and grant awards programs. The disbursement of funds under these programs are subject to a single audit in conformity with the provisions of the Single Audit Act, requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and North Carolina state law for state funds.

**F. Commitments (Continued)**

The amounts, if any, of expenditures which may be disallowed by the granting agencies resulting from such audit cannot be determined at this time, although the County expects they would be immaterial.

**G. Interfund Balances and Activities**

The following is a schedule of interfund receivable and payable balances as of June 30, 2025:

Due to:		
General Fund from Capital Projects Fund		
Amount due per BOCC approved interfund loan		<u>\$ 3,047,554</u>
Due from:		
Capital Projects Fund to General Fund		
Amount due per BOCC approved interfund loan		<u>\$ 3,047,554</u>

The due to General Fund from Capital Projects Fund is because of an interfund loan approved by the BOCC for advance funding to begin construction activity on capital projects.

**Transfers:**

The following is a summary of transfers for the year ended June 30, 2025:

	Transfers in:			
	General Fund	Capital Projects Fund	Debt Service Fund	Total
Transfers out:				
General fund	\$ -	\$ 7,585,258	\$ 99,412,083	\$ 106,997,341
Capital projects fund	184,750	-	589,193	773,943
Debt service fund	2,491,694	19,214,183	-	21,705,877
ARPA Fund	85,806	-	-	85,806
Opioid Settlement Fund	48,124	-	-	48,124
Nonmajor Special Revenue Funds	1,285,681	-	-	1,285,681
Total transfers	<u>\$ 4,096,055</u>	<u>\$ 26,799,441</u>	<u>\$ 100,001,276</u>	<u>\$ 130,896,772</u>

Transfers from the General Fund to the Capital Projects Fund and the Debt Service Fund are for funding general government construction projects per Durham County’s Capital Improvement Plan and general government debt payments, respectively.

Transfers from the American Rescue Plan Act (ARPA) Fund to the General Fund are for funding health-related expenditures.

Transfers from the Opioid Settlement Fund to the General Fund are for funding health-related expenditures.

Transfers from the Capital Projects Fund to the General Fund and the Debt Service Fund are for unspent unrestricted funds to support future general government construction projects and unspent funds, unrestricted and restricted, to support general government debt payments, respectively.

## Notes to the Financial Statements

**G. Interfund Balances and Activities (Continued)**

Transfers from the Debt Service Fund to the Capital Projects Fund are for funding non-capitalizable costs related to a capital project and public safety security and the construction of new capital projects, respectively.

Transfers from Nonmajor Special Revenue Funds to the General Fund are for funding health-related expenditures.

**H. Employee Retirement Systems and Pension Plans**

## 1. North Carolina Local Governmental Employees' Retirement System

*Plan Description.* The County and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is composed of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad workers who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

## H. Employee Retirement Systems and Pension Plans (Continued)

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50 or have completed five years of creditable service as a LEO and have reached age 55 or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County and ABC employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's required contribution rate for the year ended June 30, 2025, was 15.04% of compensation for law enforcement officers and 13.63% for general employees and firefighters. The ABC Board's required contribution rate for the year ended June 30, 2025, was 13.65% for general employees. Required contribution rates were actuarially determined such that, employer contributions, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$21,278,732 for the year ended June 30, 2025. Contributions to the pension plan from the ABC Board were \$461,745 for the year ended June 30, 2025.

*Refunds of Contributions* - County employees who have terminated service as contributing members of LGERS, may file an application for a refund of their contributions. By state law, refunds to members include 4% interest per year, regardless of the number of years of retirement service credit. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to any other retirement or survivor benefit provided by LGERS.

### **Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On June 30, 2025, the County reported a liability of \$105,755,494 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions used in the valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025, (measured as of June 30, 2024) the County's proportionate share was 1.569%, which was an increase of 0.036% from its proportion reported as of June 30, 2024 (measured as of June 30, 2023).

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

For the year ended June 30, 2025, the County recognized pension expense of \$32,434,117. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 18,532,364	\$ 124,604
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,377,395	-
Changes in Proportion and Differences between County Contributions on Proportionate Share of Contributions	2,129,459	329,566
County Contributions Subsequent to the Measurement Date	21,278,732	-
<b>Total</b>	<b>\$ 56,317,950</b>	<b>\$ 454,170</b>

\$21,278,732 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2026	\$ 10,755,333
2027	21,626,841
2028	3,828,549
2029	(1,625,675)
	<u>\$ 34,585,048</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25 to 8.25%
Investment Rate of Return	6.50%

\*includes inflation and productivity of 3.25%

\*\*includes inflation of 2.50%

The plan actuary currently uses mortality rates based on the RP-2014 *Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future and ad hoc cost of

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

living adjustment (COLA) amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies’ return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic fixed income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems.

The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the County’s proportionate

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, 5.50%, or 1-percentage-point higher, 7.50%, than the current rate:

	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 187,401,804	\$ 105,755,478	\$ 38,590,146

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

2. Law Enforcement Officers' Special Separation Allowance

*Plan Description.* The County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2023, the valuation date, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	35
Active Plan Members	185
Total	220

*Basis of Accounting.* The County presents the Separation Allowance in the financial statements using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meet the criteria which are outlined in GASB Statement 73.

*Actuarial Assumptions.* The entry age normal actuarial cost method was used in the December 31, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:



## H. Employee Retirement Systems and Pension Plans (Continued)

Inflation	2.50%
Salary Increases*	3.25 to 7.75%
Discount Rate	4.28%
*includes inflation	

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

All mortality rates use Pub-2010 amount-weighted tables and are projected from 2010 using generational improvement with Scale MP-2019.

*Deaths after Retirement (Healthy).* Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

*Deaths after Retirement (Disabled Members at Retirement).* Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

*Deaths after Retirement (Survivors of Deceased Members).* Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

*Deaths prior to Retirement.* Mortality rates are based on the Safety Mortality Table for Employees.

*Contributions.* The County is required by Article 12D of G.S. Chapter 143 provides these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions on a pay-as-you-go basis. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the separation allowance are financed through investment earnings. In the year ended June 30, 2025 the County paid \$752,598 as the benefit became due.

### **Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On June 30, 2025, the County reported a total pension liability of 10,533,153. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expenses of \$1,485,746.

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,215,873	\$ -
Changes of Assumptions and Other Inputs	420,819	807,037
Benefit Payments and Administrative expenses Subsequent to the Measurement Date	386,606	-
<b>Total</b>	<u>\$ 2,023,298</u>	<u>\$ 807,037</u>

\$386,606 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2026	\$ 400,117
2027	58,766
2028	299,674
2029	71,069
2030	29
	<u>\$ 829,655</u>

*Sensitivity of the County’s total pension liability to changes in the discount rate.* The following presents the County’s total pension liability calculated using the discount rate of 4.28% as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, 3.28%, or 1-percentage-point higher, 5.28% than the current rate:

	<u>1% Decrease 3.28%</u>	<u>Discount Rate 4.28%</u>	<u>1% Increase 5.28%</u>
Total Pension Liability	\$ 11,304,639	\$ 10,533,153	\$ 9,828,786

**Schedule of Changes in the Total Pension Liability of the Law Enforcement Officers’ Special Separation Allowance**

	<b>2024</b>
Total Pension Liability as of December 31, 2023	\$ 10,448,687
Service Cost	401,936
Interest on the Total Pension Liability	403,516
Differences between Expected and Actual Experience in the Measurement of the Total Pension Liability	209,646
Changes of Assumptions and Other Inputs	(209,047)
Benefit Payments	(721,585)
Total Pension Liability as of December 31, 2024	<u>\$ 10,533,153</u>

*Changes of assumptions and benefit terms.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023 to 4.28% at December 31, 2024. There are no changes in assumed inflation rate, assumed wage inflation or benefit terms since the prior measurement date.

## H. Employee Retirement Systems and Pension Plans (Continued)

### 3. Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (the Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh North Carolina, 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12 E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent (5%) of each officer's salary, and all amounts contributed are vested immediately. Law enforcement officers may also make voluntary contributions to the Plan. The County's contributions were calculated using a covered payroll amount of \$14,918,638. Contributions for the year ended June 30, 2025 were \$1,299,093, which consisted of \$745,932 from the County and \$553,162 from the law enforcement officers. The County's required contributions and the officers' voluntary contributions represented 5% and 3.71%, respectively, of the covered payroll.

### 4. Registers of Deeds' Supplemental Pension Fund

*Plan Description.* Durham County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. ROSDPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981- 5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

to the actuary’s required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$27,125 for the year ended June 30, 2025.

**Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On June 30, 2025, the County reported an asset of \$334,913 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on the County’s share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2025, the County’s proportion was #REF, which was #REF from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the County recognized pension expense of \$105,664. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 7,353	\$ 5,987
Net Difference between Projected and Actual Earnings on Pension Plan Investments	129,338	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	31,164	-
County Contributions subsequent to the Measurement Date	27,125	-
Total	<u>\$ 194,980</u>	<u>\$ 5,987</u>

\$27,125 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2026	\$ 80,046
2027	69,615
2028	11,742
2029	465
2030	-
	<u>\$ 161,868</u>



## H. Employee Retirement Systems and Pension Plans (Continued)

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25 to 8.25% *
Investment Rate of Return	3.00% **
*includes inflation and productivity of 3.25%	
**includes inflation	

The plan currently uses mortality tables that vary by age, gender, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the Bond Index Investment Pool.

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 0.78%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County's proportionate

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower, 2.00%, or 1-percentage-point higher, 4.00%, than the current rate:

	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (221,909)	\$ (334,913)	\$ (430,099)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability (asset) for LGERS and RODSPF was measured as of December 31, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2024, with an actuarial valuation date of December 31, 2023. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. The following information is related to the County's proportionate share and pension expense (revenue):

	LGERS	LEOSSA	RODSPF	Total
Proportion of the net pension liability (asset)	1.569%	N/A	-%	N/A
Total pension liability	-	10,533,153	-	10,533,153
Pension expense	32,434,116	1,485,746	105,664	34,025,526

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## H. Employee Retirement Systems and Pension Plans (Continued)

At June 30, 2025 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	LEOSSA	RODSPF	Total
<b>Deferred Outflows of Resources</b>				
Differences between Expected and Actual Experience	\$ 18,532,364	\$ 1,215,873	\$ 7,353	\$ 19,755,590
Changes of Assumptions	-	420,819	-	420,819
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,377,395	-	129,338	14,506,733
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	2,129,459	-	31,164	2,160,623
County Contributions/Benefit Payments and Administration Costs Subsequent to the Measurement Date*	21,278,732	386,606	27,125	21,692,463
*Contributions are for LGERS and RODSPF, Benefit and Administration Costs are for LEOSSA				
<b>Deferred Inflows of Resources</b>				
Differences between Expected and Actual Experience	124,604	-	5,987	130,591
Changes of Assumptions	-	807,037	-	807,037
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	329,566	-	-	329,566

### 5. Supplemental Retirement Income Plan for Non-Law Enforcement Personnel

**Plan Description.** The County provides pension benefits for all its non-law enforcement employees, working more than twenty hours per week, through a defined contribution plan administered by Empower. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The Board of County Commissioners (BOCC) has established the plan which requires the County to contribute each month an amount equal to 5% of each employee's salary, and all amounts contributed are vested immediately. Employees are not required to contribute to the plan. The BOCC has the authority to establish and amend the plan's provisions and the authority to establish and amend the contribution requirements to the plan.

**Funding Policy.** The County's contributions were calculated using a covered payroll amount of \$140,396,752. Total contributions for the year ended June 30, 2025 were \$11,748,757 which consisted of \$7,031,713 from the County and \$4,717,044 from the non-law enforcement personnel. The County's required contribution and the non-law enforcement personnel's voluntary contribution represented 8.37% of the covered payroll amount.

### 6. Other Post-Employment Benefits

**Plan Description.** Under the terms of a County resolution, the County administers a single employer defined benefit Healthcare Benefits Plan (HCB Plan). This plan provides post-employment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and have at least 30 years of

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

continuous service with the County. For retirees with at least 30 years of continuous service, the County pays the full cost of the retiree’s medical insurance until they become Medicare-eligible. At that time medical coverage is terminated and the County pays the full cost of Medicare Supplement policy. This benefit is also extended to retirees aged 60 or older with at least 25 years of continuous service, and to retirees of any age with at least 20 years of continuous service who were hired prior to July 1, 2006.

Retirees with at least ten years of service can purchase coverage at the County’s group rates for themselves. The cost is prorated for employees that do not meet the service-hour requirement. Retirees can purchase coverage for their dependents at the County’s group rate for healthcare, dental and vision until they become Medicare eligible. In addition, all employees with ten or more years of service will receive a death benefit in the amount of \$10,000 at no cost to the retiree. The BOCC may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

Inactive Members or Beneficiaries	
Currently Receiving Benefits	852
Active Members	1,946
<b>Total Membership</b>	<u><u>2,798</u></u>

*Benefits Provided.* The County pays a portion of the cost of the healthcare benefits for qualified retirees. The County pays 100% of the cost of the Accountable Care Organization (ACO) plan coverage healthcare benefit for qualified retirees. These benefits are provided under a County resolution that can be amended by the BOCC. Retirees with at least ten years of service who do not qualify for coverage to be paid by the County pay monthly for themselves at the County group rate. Dependent coverage is also paid monthly at the County’s group rates. For retirees that qualify for coverage to be paid by the County, the monthly rates for healthcare are:

	<u>Retiree Only</u>	<u>Retiree + Children</u>	<u>Retiree + Spouse</u>	<u>Retiree + Family</u>
Health Insurance (Retirees with >20 years)	-	574	857	1,553
Health Insurance (Retirees with < 20 years)	895	1,469	1,752	2,447
Dental Insurance	53	111	120	151
Vision Insurance	9	16	15	24

*Funding Policy.* For the current year, the County did not contribute to an irrevocable trust but rather set aside funding for the HCB Plan in the fund balance of the General Fund. The total committed fund balance for OPEB as of fiscal year end for the General Fund was \$73,554,469. The County at this time has chosen to fund the healthcare benefits on a pay-as-you-go basis. The County’s total OPEB liability of \$152,627,727 was measured as of June 30, 2024 and was determined based on an actuarial valuation as of June 30, 2024.



## H. Employee Retirement Systems and Pension Plans (Continued)

*Actuarial Methods and Assumptions.* The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, June 30, 2024. The total OPEB liability as of the June 30, 2024 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless otherwise specified:

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary Increases, including Wage Inflation	
General Employees	3.25 to 8.41%
Firefighters	3.25 to 8.15%
Law Enforcement Officers	3.25 to 7.90%
Municipal Bond Index Rate	
Prior Measurement Date	3.65%
Measurement Date	3.93%
Healthcare Cost Trends	
Pre-Medicare	7.00%
Medicare	5.125%

\*Listed rate is for 2024, decreasing to an ultimate rate of 4.50% by 2034 for Pre-Medicare and 2027 for Medicare.

The County 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.

Demographic actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions used the June 30, 2024 valuation, which were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation.

### Changes in the Total OPEB Liability

<b>Total OPEB Liability as of June 30, 2023</b>	\$ 163,743,369
<b>Changes for the Year:</b>	
Service Cost at the End of the Year	4,269,265
Interest on Total OPEB Liability, service cost, and Cash Flows	6,049,790
Difference between Expected and Actual Experience	(12,819,843)
Changes of Assumptions or Other Inputs	(4,043,971)
Net Benefit Payments	<u>(4,570,883)</u>
<b>Net Changes</b>	<u>(11,115,642)</u>
<b>Total OPEB Liability as of June 30, 2024</b>	<u>\$ 152,627,727</u>

Notes to the Financial Statements

**H. Employee Retirement Systems and Pension Plans (Continued)**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower, 2.93%, or 1-percentage point higher, 4.93%, than the current discount rate, 3.93%:

	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	\$ 179,065,626	\$ 152,627,727	\$ 131,757,151

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the County, as well as what the County’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:

	1% Decrease Pre-Medicare 6% Medicare 4.125%	Discount Rate Pre-Medicare 7% Medicare 5.125%	1% Increase Pre-Medicare 8% Medicare 6.125%
Total OPEB Liability	\$ 131,423,316	\$ 152,627,727	\$ 179,859,932

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the County recognized OPEB negative expense of (\$434,233). At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 24,091,596
Changes of Assumptions and Other Inputs	12,162,680	25,532,286
Benefit Payments and Administrative Expenses Subsequent to the Measurement Date	5,506,859	-
<b>Total</b>	<b>\$ 17,669,539</b>	<b>\$ 49,623,882</b>

\$5,506,859 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date of June 30, 2024, will be recognized as a decrease of the total pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2026	\$ (7,775,177)
2027	(9,164,129)
2028	(11,233,849)
2029	(5,572,500)
2030	(2,811,175)
Thereafter	(904,372)
	<u>\$ (37,461,202)</u>



## H. Employee Retirement Systems and Pension Plans (Continued)

### 7. Other Employment Benefits

*Death Benefit Plan.* The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000.

All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers.

Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. Contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. For the fiscal year ended June 30, 2025 the County made contributions to the State for death benefits of \$62,795. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.03% and 0.14% of covered payroll, respectively. The net position of the Death Benefit Plan is not available for future benefit payments but will be used to reduce future contribution requirements.

*Life Insurance Plan.* The County provides paid life insurance to all full-time and part-time benefit eligible employees. The life insurance benefit amount is equal to the employee's annual salary on July 1st of the present fiscal year rounded to the next higher \$1,000. Employees can purchase additional amounts to increase the amount in equal increments from \$10,000 to \$500,000, amounts equal to \$150,000 or more may be subject to an earnings cap. Spousal insurance can be purchased in the same increments, but may not exceed 100% of the employee amount. Life insurance amounts for dependent children can be purchased in amounts from \$2,500 to \$10,000 in \$2,500 increments. The cost of the County-provided life insurance over \$50,000 is considered a fringe benefit by the Internal Revenue Service and is taxable income to the employee based on a life insurance benefit table published by the Internal Revenue Service in Publication 15-B.

*Accidental Death & Dismemberment Plan.* The County provides paid accidental death & dismemberment insurance to all full-time and part time benefit eligible employees. The AD&D benefit is equal to the employee's annual salary on July 1st of the present fiscal year rounded to the next higher \$1,000.

## Notes to the Financial Statements

**I. Deferred Outflows and Inflows of Resources**

Following are the deferred outflows of resources that are reported in the government-wide financial statements at June 30, 2025:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>
Deferred charge on refunding of debt	\$ 8,004,598	\$ 88,177
Pensions:		
Differences between expected and actual experience	19,373,495	382,095
Net difference between projected and actual investment earnings	14,502,297	4,436
Changes of assumptions	420,819	-
Changes in proportion and differences between City contributions and proportionate share of contributions	2,116,718	43,905
Benefit payments and administrative costs paid subsequent to the measurement date	21,253,745	438,718
OPEB:		
Changes of assumptions and other inputs	12,162,680	-
Benefit payments and administrative costs paid subsequent to the measurement date	5,506,859	-
	<u>\$ 83,341,211</u>	<u>\$ 957,331</u>

Following are the deferred inflows of resources that are reported in the government-wide financial statements at June 30, 2025:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>
Leases where the County is the lessor	\$ 6,443,927	\$ -
Pension:		
Differences between expected and actual experience	121,814	8,778
Changes of assumptions	807,037	-
Changes in proportion and differences between contributions and proportionate share of contribution	306,352	23,213
OPEB:		
Differences between expected and actual experience	24,091,596	-
Changes of assumptions	25,532,286	-
	<u>\$ 57,303,012</u>	<u>\$ 31,991</u>

### I. Deferred Outflows and Inflows of Resources (Continued)

Following are the deferred inflows of resources that are reported in the governmental fund financial statements at June 30, 2025:

	General Fund	Opioid Settlement Fund	Capital Projects Fund	Non-major Governmental Funds
Taxes received before the period for which property taxes are levied	\$ 2,767,847	\$ -	\$ -	\$ 116,723
Leases where the County is the lessor	6,443,927	-	-	-
Prepaid taxes	-	-	-	24,695
Taxes receivable, net, less penalties	95,548	-	-	-
WSR loan receivable	-	-	2,550,000	-
Restricted Opioid settlement receivables, net	-	13,726,110	-	-
Other receivables	4,640,498	-	-	-
	<u>\$ 13,947,820</u>	<u>\$ 13,726,110</u>	<u>\$ 2,550,000</u>	<u>\$ 141,418</u>

### J. Risk Management

Durham County’s risk management is a coordinated and ongoing effort to assess and respond to risks which affect the achievement of the County’s Strategic Plan. This is achieved through risk identification, assessment, and mitigation strategies to protect the County employees, assets, and operations from loss. The County accounts for and finances the risks of loss in the General Fund.

*Benefits Plan.* The County has a partially self-funded benefits plan. The County funds a core plan (health, dental, vision, life insurance and dependent coverage). The County’s health and dental are fully self-funded. The County reports claims expenditures and liabilities in the General Fund. During fiscal year 2025, a total of \$42,745,650 was incurred for benefits and administrative costs of the County’s benefit plan. As of June 30, 2025, the incurred but not reported liability for health and dental was \$4,069,002.

The following is a reconciliation of changes in liabilities for self-insured claims from amounts reported June 30, 2023 to the current fiscal year ended June 30, 2025:

	Dental Claims	Health Claims	Total
Balance June 30, 2023	\$ 231,524	\$ 3,090,447	\$ 3,321,971
Claims reported and changes in estimates for FY 2024	1,571,539	13,740,139	15,311,678
Claims paid in FY 2024	(2,014,669)	(20,454,750)	(22,469,419)
Balance June 30, 2024	211,606	3,624,164	3,835,770
Claims reported and changes in estimates for FY 2025	1,644,283	16,402,312	18,046,595
Claims paid in FY 2025	(2,073,843)	(23,877,524)	(25,951,367)
Balance June 30, 2025	<u>\$ 217,954</u>	<u>\$ 3,851,048</u>	<u>\$ 4,069,002</u>

The County finances property and workers’ compensation exposures using a combination of a deductible/retention and commercial excess insurance. Payments for claims have not exceeded appropriated funds in any of the past three fiscal years. Durham County maintains a committed fund balance for risk management.

**Notes to the Financial Statements****J. Risk Management (Continued)**

In accordance with North Carolina General Statute 159-29, the County's Tax Collector is bonded for \$250,000, and the County's Chief Financial Officer is bonded for \$1,000,000. In addition, the County's Sheriff and Register of Deeds are each individually bonded \$25,000 and \$50,000, respectively. All other employees, which includes those employees who have access to cash and inventory, are covered under a blanket bond in the amount of \$500,000

Durham County ABC Board 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 Board has commercial property, general liability, auto liability, workers' compensation, data breach, flood, wind & hail, public officials liability/employment practice and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settlement claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(I), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000, secured by a corporate surety.

**K. Litigation**

The County follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or estimable in amount. There are currently legal actions against the County which are being vigorously defended, that are not fixed and cannot be estimated in amount; however, the County Attorney estimates that any potential liability resulting from this litigation would not have a material adverse effect on the financial position of the County.

**L. Jointly Governed Organizations****Central Pines Regional Council**

Durham County, in conjunction with five other counties and thirty municipalities, established the Central Pines Regional Council ("Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$115,982 to the Council during the fiscal year ended June 30, 2025. There is no on-going financial interest or responsibility by the County.

**Go Triangle**

Durham County, in conjunction with other area local governments, is a member of the Research Triangle Regional Public Transportation Authority ("Go Triangle"). Durham County appoints one member to the governing board and jointly appoints a second member with the City of Durham (the "City"). The Authority possesses final decision-making ability and is solely responsible for the management, budget, and fiscal operations of the Authority.



## **M. Joint Ventures Without Equity Interest**

### **Durham and Wake Counties Research and Production Service District and Advisory Committee**

The Durham and Wake Counties Research and Production Service District Advisory Committee is a special taxing district governed by a ten-member board of which the individuals must be recommended by the Research Triangle Park and Tenants Association. The function of the Board is to make recommendations to the County Commissioners concerning the budget and tax rate to be set for the Special District/Research Triangle Park area. The District is a joint venture of the two Boards of County Commissioners; however, the County does not have an equity interest in the District. The District may issue bonds or other obligations pursuant to the provisions of the Local Government Bond Act of the North Carolina General Statutes and is empowered to cause taxes to be levied upon all taxable property within its district in Durham and Wake Counties sufficient to meet financial obligations. The County does not approve the budget of the District, nor does the County control the collection or disbursement of District funds. Complete financial statements may be obtained at the Durham and Wake Counties Research and Production Service District Advisory Committee, Post Office Box 12255, Research Triangle Park, North Carolina 27709.

### **Raleigh-Durham Airport Authority**

The Raleigh-Durham Airport Authority is governed by a board appointed to plan and conduct the operations of the Raleigh-Durham International Airport (the "Airport Authority"). The eight-member governing body is jointly appointed by the City of Durham, City of Raleigh, County of Durham and County of Wake, with each member government appointing two members to the Airport Authority Board. The Airport Authority Board selects the management and determines the budget and financing requirements for airport operations. The County and other participating governments each appropriate \$12,500 annually to cover administration expenses incurred by the Airport Authority.

The participating governments have no equity interest in the joint venture, so no equity interest is reflected in the County's financial statements. Complete financial statements for the Airport Authority may be obtained from the airport's administrative offices at 1051 Cargo Drive, Raleigh, North Carolina 27623.

### **Durham Technical Community College**

Durham County provides funds to Durham Technical Community College, primarily for capital improvement and maintenance of facilities. In accordance with State law, the County appoints four of the thirteen Board of Trustee members. The County does not designate management or significantly influence operations, and the College is not accountable to the County for its fiscal matters beyond the County's appropriation to the College. The County's fiscal year 2025 appropriation of approximately \$11,872,083 to the College represents approximately 23.54% of its total current non-operating revenues, with the majority of funding being provided by the State of North Carolina Department of Community Colleges. In addition, the County contributed \$560,000 to capital outlay bringing the County's contribution to Durham Technical Community College capital outlay to 34.05%. The County does not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements as of June

**Notes to the Financial Statements****M. Joint Ventures Without Equity Interest (Continued)**

30, 2025. Complete financial statements for the College may be obtained at their administrative offices at 1637 Lawson Street, Durham, North Carolina 27703.

**N. Joint Ventures with Equity Interest****Durham Convention and Visitors Bureau**

The Durham Convention and Visitors Bureau (the "Bureau") was established in fiscal year 1989 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in Durham County. The governing body of the Bureau is an eleven-member Board of Directors with five members appointed by the City of Durham, five members appointed by the County of Durham and one member jointly appointed. Funding is derived from the occupancy tax levied upon the rental of rooms, lodging or similar accommodations. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected. The Bureau is a joint venture between the County of Durham and the City of Durham with the County having a 57.5% equity interest and the City having a 42.5% equity interest.

The Durham County Board of Commissioners and the Durham City Council must approve the budget and all amendments.

On June 30, 2025, the County recorded an equity interest in the Bureau of \$842,300 which is included in the investment in the joint venture in the statement of net position. Complete financial statements may be obtained at the administrative offices at 101 East Morgan Street, Durham, North Carolina 27701.

**Durham Civic Center Authority**

The Durham Civic Center Authority (the "Authority") is a joint venture established by the County and the City and is assigned such powers as necessary, reasonable and practicable for the operation and maintenance of the Civic Center Facility. The Authority consists of seven members who are appointed to three-year terms. Three members are appointed by the County and three members by the City with the seventh member being selected by the six members appointed by the County and City. The members elect from its membership a Chairman and Vice Chairman of the Authority.

Policies, procedures and fees related to the Civic Center operation are recommended by the Authority and approved by the County and City. Employees of the Authority are jointly appointed by the County and City Managers, and any employees so appointed are employees of the City. All budgeting and accounting of the Authority, including collection and disbursement of Authority funds, are a part of the budgeting and accounting system of the City.

On October 9, 1987, the County and City of Durham entered into agreements with a private developer to purchase an eighty-two thousand (82,000) square foot Civic Center. The County and City initially deposited \$17,300,000 (\$3,000,000 by the County and \$14,300,000 by the City) in escrow which together with interest earned was used to purchase the facility. As of June 30, 2006, the County had attained 50% equity interest in the Civic Center by the initial deposit of \$3,000,000 and additional equity purchases of \$8,089,177 per the agreement.

**N. Joint Ventures with Equity Interest (Continued)**

Therefore, the County has fulfilled its agreement regarding the Civic Center and no additional equity purchases are due.

In January 2004, the City of Durham refunded debt that included the Civic Center Authority's long-term debt. Therefore, the Civic Center Authority's long-term debt consists of \$1,110,123 in general obligation bonds issued by the City of Durham, maturing in varying installments from 1997 to 2008 with interest at 2.00% to 4.00%. The debt is being serviced from property tax revenues of the City and amounts for additional equity purchases made by the County. The County's net investment in the Authority is reported in the investment in joint ventures in the statement of net position. At June 30, 2025, the County's equity interest in the Authority was \$7,329,467. The County also shares with the City in funding all costs arising out of the management, operation, maintenance and repair of the Civic Center. In 2025, the amount funded by the County was approximately \$100,000. Complete financial statements for the Authority may be obtained from the City of Durham's administrative offices at 101 City Hall Plaza, Durham, North Carolina 27701.

The total investment in joint ventures for Durham County recorded in the statement of net position for governmental activities for the above two ventures at June 30, 2025 is \$8,171,767.

**O. Accounting Changes and Error Corrections****Change in Accounting Principle**

During the fiscal year ended, June 30, 2025, the County implemented GASB Statement No. 101, Compensated Absences. The County performed a comprehensive review of its sick leave liability and applied the criteria established within Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. As a result, the County determined that the impacts of GASB 101 did have a material effect on the County and restated the beginning enterprise funds net position and the business-type net position by \$379,487 and the beginning governmental activities in the government-wide statements by \$18,916,151. The effects of the change in accounting principle are summarized in the table below in the "Change in Accounting Principle" column.

**Error Corrections**

A restatement of \$1,378,936 was made for the Opioid Settlement fund to record fiscal year 2024 revenue that was received within the 90-day availability period after year end as an adjustment to the beginning fund balance. Originally the funds were determined to be related to fiscal year 2025, so no revenue was recognized. During the fiscal year 2025 audit, it was determined that revenue should have been recognized for fiscal year 2024 and should not have been deferred inflows of resources. Beginning fund balance of the Opioid Settlement fund increased in the amount of the correction. This error correction increased the beginning net position for the government-wide Statements. The effects of the error correction are summarized in the table below in the "Error Correction - Opioid Revenue" column.

A restatement of \$30,059,490 was made to decrease unamortized bond premium to reflect the correct amortization method. During the fiscal year audit, it was determined that the bond premium associated with general obligation bonds and limited obligation bonds for the governmental activities was amortized using the incorrect amortization method. Since the inception of the

## Notes to the Financial Statements

**O. Accounting Changes and Error Corrections (Continued)**

premiums, annual amortization had been amortized using the straight-line amortization method instead of using the effective interest amortization method as required by GASB 62 when there is a significant difference between the two methods. To correct this error, the beginning net position increased for the government-wide statements. The effects of the error correction are summarized in the table below in the “Error Correction - Effective Interest” column.

A restatement of \$3,433,502 was made for the General fund to correct intergovernmental revenue for revenue that was erroneously reported in prior years both when the revenue was recognized and the cash was received. As a result, the due from other governments - local balance was overstated. To correct this error, the beginning fund balance decreased for the fund statements and the government-wide statements. The effects of the error correction are summarized in the table below in the “Error Correction - Due from other governments - local” column.

A restatement of \$801,843 was made for the government-wide financial statements to correct the vacation liability. During the fiscal year audit, it was determined that the vacation liability accrual was calculated using the incorrect retirement percentage. Since fiscal year 2017, the vacation liability accrual had been calculated using the state retirement percentage instead of using the supplemental retirement percentage. To correct this error, the beginning net position for the governmental activities in the government-wide statements was increased by \$785,672 and the beginning net position in the enterprise funds statements and the business-type activities in the government-wide statements was increased by \$16,171. The effects of the error correction are summarized in the table below in the “Error Correction - Vacation Accrual Liability” column.

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**O. Accounting Changes and Error Corrections (Continued)**

The following is the prior period adjustments for this change in accounting principle:

	6/30/2024 As Previously Reported	Change in Accounting Principle	Error Correction - Vacation Accrual Liability	Error Correction - Opioid Revenue	Error Correction - Due from other governments - local	Error Correction - Effective Interest Method	6/30/2024 As Restated
<b>Government-Wide</b>							
Governmental Activities	\$ 37,605,070	\$ (18,916,151)	\$ 785,672	\$ 1,378,936	\$ (3,433,502)	\$ 30,059,490	\$ 47,479,515
Business-Type Activities	126,438,856	(379,487)	16,171	-	-	-	126,075,540
<b>Total Primary Government</b>	<u>\$ 164,043,926</u>	<u>\$ (19,295,638)</u>	<u>\$ 801,843</u>	<u>\$ 1,378,936</u>	<u>\$ (3,433,502)</u>	<u>\$ 30,059,490</u>	<u>\$ 173,555,055</u>
<b>Governmental Funds</b>							
General Fund	\$ 277,739,402	\$ -	\$ -	\$ -	\$ (3,433,502)	\$ -	\$ 274,305,900
Opioid Fund	4,678,662	-	-	1,378,936	-	-	6,057,598
Capital Projects	64,527,201	-	-	-	-	-	64,527,201
Debt Service Fund	101,950,499	-	-	-	-	-	101,950,499
Nonmajor Special Revenue Funds	5,749,104	-	-	-	-	-	5,749,104
<b>Total Governmental Funds</b>	<u>\$ 454,644,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,378,936</u>	<u>\$ (3,433,502)</u>	<u>\$ -</u>	<u>\$ 452,590,302</u>
<b>Proprietary Funds</b>							
Sewer Utility Fund	\$ 121,946,192	\$ (273,653)	\$ 11,514	\$ -	\$ -	\$ -	\$ 121,684,053
Stormwater Fund (nonmajor)	4,492,664	(105,834)	4,657	-	-	-	4,391,487
<b>Total Proprietary Funds</b>	<u>\$ 126,438,856</u>	<u>\$ (379,487)</u>	<u>\$ 16,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,075,540</u>
<b>Fiduciary Funds</b>							
Private Purpose Funds	\$ 51,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,769
Custodial Funds	7,128,258	-	-	-	-	-	7,128,258
<b>Total Fiduciary Funds</b>	<u>\$ 7,180,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,180,027</u>
<b>Discretely Presented Component Units</b>							
Durham County ABC Board	\$ 24,818,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,818,675
<b>Total Discretely Presented Component Units</b>	<u>\$ 24,818,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,818,675</u>

**P. Subsequent Events**

The County will look to issue a permanent fixed rate financing, in the form of General Obligation bonds, to pay off the outstanding balance of its current \$185mm GO BAN around March 2026. At this time the County will seek to establish a new GO BAN facility in an amount that is yet to be determined, but sufficient for an approximate two year period of spending on projects currently associated with its 2022 GO Referendum.

The County is the recipient of a \$19.3mm State Revolving Fund (SRF) Revenue backed loan at a discounted interest rate and intends on using it to finance the Chin Page Lift Station. The

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**Notes to the Financial Statements****P. Subsequent Events (Continued)**

current costs of the project exceeds the loan amount so additional funds in conjunction with the SRF loan will be necessary to complete the project. The County's Department of Engineering and Environmental Services has identified some additional projects which may be associated with this or a related revenue bond issuance.



# Required Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM





**Local Governmental Employees' Retirement System  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's Proportion of the Net Pension Liability (Asset)	1.569%	1.533%	1.487%	1.545%	1.522%	1.520%	1.576%	1.552%	1.581%	1.503%
County's Proportionate Share of the Net Pension Liability	\$ 105,755,478	\$ 101,529,407	\$ 83,900,465	\$ 23,697,279	\$ 54,398,283	\$ 41,504,024	\$ 37,395,464	\$ 23,705,697	\$ 33,574,721	\$ 6,748,246
County's Covered Payroll	\$ 148,621,014	\$ 132,003,950	\$ 117,891,133	\$ 114,415,107	\$ 110,735,269	\$ 105,137,402	\$ 93,103,342	\$ 97,510,119	\$ 97,483,272	\$ 89,938,408
County's Proportion of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	71.16%	76.91%	71.17%	20.71%	49.12%	39.48%	40.17%	24.31%	34.44%	7.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Local Governmental Employees' Retirement System  
Schedule of the County's Contributions  
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 21,278,732	\$ 19,327,419	\$ 16,143,247	\$ 13,503,999	\$ 11,742,724	\$ 10,019,489	\$ 8,217,794	\$ 7,905,425	\$ 7,204,103	\$ 6,610,387
Contributions in Relation to the Contractually Required Contribution	<u>21,278,732</u>	<u>19,327,419</u>	<u>16,143,247</u>	<u>13,503,999</u>	<u>11,742,724</u>	<u>10,019,489</u>	<u>8,217,794</u>	<u>7,905,425</u>	<u>7,204,103</u>	<u>6,610,387</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 154,580,287	\$ 148,621,014	\$ 132,003,950	\$ 117,891,133	\$ 114,415,107	\$ 110,735,269	\$ 105,137,402	\$ 93,103,342	\$ 97,510,119	\$ 97,483,272
Contributions as a Percentage of Covered Payroll	13.77%	13.00%	12.23%	11.45%	10.26%	9.05%	7.82%	8.49%	7.39%	6.78%



**Register of Deeds' Supplemental Pension Fund  
Schedule of the County's Proportionate Share of the Net Pension (Asset)  
Last Ten Fiscal Years\***

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's Proportion of the Net Pension (Asset) %	2.906%	3.144%	3.196%	3.456%	4.505%	3.780%	3.082%	3.134%	3.113%	3.014%
County's Proportionate Share of the Net Pension (Asset)	\$ (334,913)	\$ (377,757)	\$ (423,132)	\$ (663,997)	\$ (1,032,410)	\$ (745,996)	\$ (510,441)	\$ (535,035)	\$ (581,930)	\$ (698,462)
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)	133.61%	135.74%	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Note to Schedule: Contributions to the RODSPF plan are not based on a measurement of pay, therefore no payroll measurements are presented.

**Register of Deeds' Supplemental Pension Fund  
Schedule of the County's Contributions  
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 27,125	\$ 25,010	\$ 28,054	\$ 36,637	\$ 38,321	\$ 46,289	\$ 35,914	\$ 26,373	\$ 27,235	\$ 25,427
Contributions in Relation to the Contractually Required Contribution	<u>27,125</u>	<u>25,010</u>	<u>28,054</u>	<u>36,637</u>	<u>38,321</u>	<u>46,289</u>	<u>35,914</u>	<u>26,373</u>	<u>27,235</u>	<u>25,427</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note to Schedule: Contributions to the RODSPF plan are not based on a measurement of pay, therefore no payroll measurements are presented.

**Law Enforcement Officers' Special Separation Allowance  
Schedule of Changes in Total Pension Liability  
Last Nine Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 10,448,687	\$ 8,768,866	\$ 10,123,540	\$ 10,182,265	\$ 6,842,207	\$ 6,248,325	\$ 6,452,405	\$ 6,214,839	\$ 6,160,911
Service Cost	401,936	333,035	408,552	463,953	292,259	251,631	270,911	236,502	241,762
Interest on the Total Pension Liability	403,516	362,859	220,090	190,827	215,088	218,714	197,743	228,799	213,538
Differences between Expected and Actual Experience in the Measurement of the Total Pension Liability	209,646	1,470,441	100,416	122,058	621,465	412,107	(54,529)	(117,655)	-
Changes of Assumptions and Other Inputs	(209,047)	213,224	(1,400,188)	(245,875)	2,700,061	190,850	(228,803)	374,725	(132,489)
Benefit Payments	(721,585)	(699,738)	(683,544)	(589,688)	(488,815)	(479,420)	(389,402)	(394,805)	(358,883)
Ending Balance of the Total Pension Liability	<u>\$ 10,533,153</u>	<u>\$ 10,448,687</u>	<u>\$ 8,768,866</u>	<u>\$ 10,123,540</u>	<u>\$ 10,182,265</u>	<u>\$ 6,842,207</u>	<u>\$ 6,248,325</u>	<u>\$ 6,542,405</u>	<u>\$ 6,124,839</u>

Information not available for years prior to 2017. Ten years will be presented when ten years of information are available.

The amounts presented for each fiscal year were determined as of the prior December 31.

Durham County has no assets accumulated in a trust that meets the criteria of GAAP to pay related benefits.

**Law Enforcement Officers' Special Separation Allowance  
Schedule of the Total Pension Liability as a Percentage of Covered-Employee Payroll  
Last Nine Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 10,533,153	\$ 10,448,687	\$ 8,768,866	\$ 10,123,540	\$ 10,182,265	\$ 6,842,207	\$ 6,248,325	\$ 6,452,405	\$ 6,124,839
Covered-employee Payroll	14,760,643	12,916,495	10,834,646	11,482,482	11,398,113	10,421,911	10,206,729	10,102,994	9,604,677
Total Pension Liability as a Percentage of Covered-employee Payroll	71.36%	80.89%	80.93%	88.17%	89.33%	65.65%	61.22%	63.87%	63.77%

Information not available for years prior to 2017. Ten years will be presented when ten years of information are available.

The County has no assets accumulated in a trust that meet the criteria of paragraph 4 of GASB Statement 73 to pay related benefits.



**Other Post-Employment Benefits (OPEB)  
Schedule of Changes in the Total OPEB Liability  
Last Eight Fiscal Years\***

	2025	2024	2023	2022	2021	2020	2019	2018
Beginning Balance	\$ 163,743,369	\$ 161,425,607	\$ 205,440,549	\$ 195,593,637	\$ 173,238,390	\$ 155,156,262	\$ 168,664,542	\$ 177,636,687
Service Cost	4,269,265	4,275,757	7,189,102	7,179,886	5,754,256	5,134,773	5,738,411	6,568,857
Interest	6,049,790	5,787,493	4,550,953	4,438,909	6,197,657	5,968,815	5,939,151	5,302,656
Differences between Expected and Actual Experience	(12,819,843)	(475,874)	(13,363,774)	(550,811)	(20,384,708)	(231,840)	(13,631,775)	(316,743)
Changes of Assumptions	(4,043,971)	(2,805,090)	(38,495,649)	2,635,824	34,654,749	10,676,002	(7,852,805)	(17,567,533)
Benefit Payments	(4,570,883)	(4,464,524)	(3,895,574)	(3,856,896)	(3,866,707)	(3,465,622)	(3,701,262)	(2,959,382)
Ending Balance of Total OPEB Liability	<u>\$ 152,627,727</u>	<u>\$ 163,743,369</u>	<u>\$ 161,425,607</u>	<u>\$ 205,440,549</u>	<u>\$ 195,593,637</u>	<u>\$ 173,238,390</u>	<u>\$ 155,156,262</u>	<u>\$ 168,664,542</u>
Discount Rate**	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.89%	3.56%

\*Information not available for years prior to 2018. Ten years will be presented when ten years of information are available.

\*\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\*\*Changes of assumptions reflect the effects of changes in the discount rate for each period.

Note to Schedule: Contributions to the County's OPEB plan are not based on a measurement of pay, therefore no payroll measurements are presented. The County has no assets accumulated in a trust that meet the criteria of GASB codification page 22.101 or page 52.101 to pay related benefits.





# Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM





# Combining and Individual Fund Statements and Schedules

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM



## Major Governmental Funds

**American Rescue Plan Act** – to account for and report financial resources that are kept in a special revenue fund. ARPA revenues are unearned revenue until the Board determines their use. Once the use is determined the funds are transferred to the appropriate fund before being expended.

**Opioid Settlement Fund** – to account for revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

**Debt Service Fund** – to account for and report financial resources that are restricted, committed or assigned for principal and interest related costs for all general long-term debt other than debt issued for and serviced by proprietary funds.

**Capital Projects Fund** – to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.





**Schedule of Expenditures Compared with Project Authorizations  
American Rescue Plan Act  
From Project Inception and for the Fiscal Years Ended June 30, 2025**

	Project Authorization	Actual		
		Current Year	Prior Years	Total to Date
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	62,445,275	26,030,956	16,790,750	42,821,706
Investments	-	-	-	-
Charges for services	-	-	-	-
<b>Total revenues</b>	<u>62,445,275</u>	<u>26,030,956</u>	<u>16,790,750</u>	<u>42,821,706</u>
<b>Expenditures</b>				
Current:				
General government	25,625,068	20,746,767	14,905,010	35,651,777
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Economic and physical development	6,750,000	2,931,237	1,342,309	4,273,546
Human services	9,494,899	795,955	456,841	1,252,796
Education	7,440,000	-	-	-
Capital Outlay	13,135,308	1,471,191	86,590	1,557,781
<b>Total expenditures</b>	<u>62,445,275</u>	<u>25,945,150</u>	<u>16,790,750</u>	<u>42,735,900</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	85,806	-	85,806
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(85,806)	-	(85,806)
Appropriated fund balance	-	-	-	-
<b>Total other financing sources (uses)</b>	-	<u>(85,806)</u>	-	<u>(85,806)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balance - beginning</b>		-		
<b>Fund balance - ending</b>		<u>\$ -</u>		

**Schedule of Expenditures Compared with Project Authorizations  
Opioid Settlement Fund  
From Project Inception and for the Fiscal Years Ended June 30, 2025**

	Project Authorization	Actual		
		Current Year	Prior Years	Total to Date
<b>Revenues</b>				
Intergovernmental revenues	\$ 20,958,139	\$ 1,939,757	\$ -	\$ 1,939,757
Investments	-	130,418	56,070	186,488
Total revenues	<u>20,958,139</u>	<u>2,070,175</u>	<u>56,070</u>	<u>2,126,245</u>
<b>Expenditures</b>				
Current:				
Public safety	-	88,322	-	88,322
Human services	20,958,139	691,509	68,493	760,002
Total expenditures	<u>20,958,139</u>	<u>779,831</u>	<u>68,493</u>	<u>848,324</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	1,290,344	3,169,042	4,459,386
<b>Other financing sources (uses)</b>				
Transfers out	-	(48,124)	-	(48,124)
Total other financing sources (uses)	-	<u>(48,124)</u>	-	<u>(48,124)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	1,242,220	<u>\$ 3,169,042</u>	<u>\$ 4,411,262</u>
<b>Fund balance - beginning</b>		4,678,662		
<b>Accounting Errors and Corrections (See Note O)</b>		1,378,936		
<b>Fund balance, beginning of year, restated</b>		<u>6,057,598</u>		
<b>Fund balance - ending</b>		<u>\$ 7,299,818</u>		



**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Debt Service Fund  
Year Ended June 30, 2025**

	Budget		Actual	Positive (Negative) Variance
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 140,816	\$ 140,816	\$ -	\$ (140,816)
Investments	750,007	750,007	3,675,393	2,925,386
Charges for services	500,000	500,000	523,079	23,079
Total revenues	<u>1,390,823</u>	<u>1,390,823</u>	<u>4,198,472</u>	<u>2,807,649</u>
<b>Expenditures</b>				
Debt service:				
Principal retirement	66,072,045	57,656,476	50,289,541	7,366,935
Interest and fiscal charges	41,042,897	41,042,897	31,028,667	10,014,230
Debt issuance costs	635,000	635,000	-	635,000
Arbitrage penalties	-	-	35,104	(35,104)
Capital outlay	-	-	-	-
Total expenditures	<u>107,749,942</u>	<u>99,334,373</u>	<u>81,353,312</u>	<u>17,981,061</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(106,359,119)</u>	<u>(97,943,550)</u>	<u>(77,154,840)</u>	<u>20,788,710</u>
<b>Other financing sources (uses)</b>				
Transfers in	106,359,119	106,948,312	100,001,276	(6,947,036)
Transfers out	(1,091,694)	(21,705,877)	(21,705,877)	-
Appropriated fund balance	1,091,694	12,701,115	-	(12,701,115)
Total other financing sources (uses)	<u>106,359,119</u>	<u>97,943,550</u>	<u>78,295,399</u>	<u>(19,648,151)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,140,559</u>	<u>\$ 1,140,559</u>
<b>FUND BALANCE - BEGINNING</b>			<u>101,950,499</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 103,091,058</u>	

**Schedule of Expenditures Compared with Project Authorizations  
Governmental Funds  
From Project Inception and for the Fiscal Years Ended June 30, 2025**

Project	Expenditures			Remaining Commitment
	Current Year	Prior Years	Spent to Date	
Durham Public School Projects	\$ 84,969,469	\$ 337,429,980	\$ 422,399,449	\$ 609,472,055
New Youth Home	1,377,090	30,112,518	31,489,608	615,473
EMS Equipment Replacement	289,998	2,957,425	3,247,423	1,345,470
DTCC-Lawson Street Purchase	-	2,300,000	2,300,000	-
Ongoing Parking Resurfacing Project	30,851	2,551,810	2,582,661	308,482
Ongoing HVAC Replacement Project	674,370	3,985,184	4,659,554	2,934,948
County Building Envelope Upgrade	224,840	1,660,723	1,885,563	1,996,599
Stanford L. Warren Library Upgrade	1,675,143	3,320,368	4,995,511	382,571
(Leased) Convenience Center Site Upgrades	7,093	4,078,625	4,085,718	580,172
Redwood Convenience Center Site Upgrades	73,148	288,186	361,334	3,706,484
Durham County Stadium Cap Improvements	11,504	2,930,720	2,942,224	1,239,414
County Security Improvements	198,104	2,056,760	2,254,864	1,120,297
Open Space/Farmland Preservation	47,087	7,552,827	7,599,914	5,161,356
EMS Station #1 Renovations	-	4,587,424	4,587,424	-
Main Library Upgrade	6,490	47,642,527	47,649,017	-
Hollow Rock/New Hope	-	223,790	223,790	349,959
BOCC Chambers AV Upgrade	-	387,600	387,600	29,594
Sheriff Firing Range and Renovations	582,002	967,230	1,549,232	16,611,111
Ongoing Roof Replacement	30,396	3,176,205	3,206,601	1,492,425
Duke Fiber Project	45,724	865,867	911,591	612,574
EMS Land Acquisition	-	6,100	6,100	293,900
Administration Building Refurbish	405	15,129,476	15,129,881	216,546
LCHC Phase II Renovations	1,376	2,263,810	2,265,186	12,427
Snow Hill Road Pump Station	6,473,011	23,123,840	29,596,851	7,357,730
Judicial Annex Building Renovation	299,000	4,629,251	4,928,251	173,632
300 Block E Main Redevelopment	120,803	24,551,683	24,672,486	215,398
500 Block E Main Redevelopment	5,426,210	27,451,764	32,877,974	3,766,642
DSS Main Street Renovation	33,100	280,912	314,012	485,991
Detention Center Window Replacement	735,390	700,385	1,435,775	-
Body Worn Camera Project	1,385,640	1,180,267	2,565,907	22,347
Sheriff IT Life Cycle Replacement Project	721,311	1,463,513	2,184,824	1,208,397
IST Hardware and Software	278,291	6,829,559	7,107,850	524,510
Administration Building II Upgrade	183,985	491,791	675,776	808
21 IT Hardware Replacement	1,036,126	9,134,428	10,170,554	127,446
21 Audio-Visual Technologies	518,101	1,001,154	1,519,255	1,445
Detention Center Capital Infrastructure	3,042,144	221,797	3,263,941	3,216,962
21 Telecommunications	234,612	420,306	654,918	215,082
Elections South Roxboro Renovation Project	10,711,998	16,807,974	27,519,972	3,402,736
IT Security Program Support	149,300	195,109	344,409	797,621
Multi-Department Radio and Towers	7,498,527	948,923	8,447,450	822,321
Station#18 Co-Location Project	372,953	1,891,773	2,264,726	203,640
Shoppes of Hope Valley Roofing and HVAC	-	278	278	3,990,759
Emergency Operations Center	1,912,078	116,798	2,028,876	4,845,515
LCHC Parking Lot Expansion	667,434	121,243	788,677	301,923
DTCC HVAC Systems Retrofit	-	1,136,063	1,136,063	733,937
DTCC Life Science Training Facility	3,105,587	387,026	3,492,613	31,707,387
DTCC Allied Health Science Bldg	6,107,838	703,755	6,811,593	63,688,407
Museum Create, Reinvent, and Renew Learning	1,753,386	282,188	2,035,574	5,264,426
Museum Program and Invent Infrastructure	1,178,078	141,655	1,319,733	4,530,267
Museum Sustainability Upgrades	296,378	335,736	632,114	165,886
Slater Road Lift Station	1,471,191	86,590	1,557,781	11,577,527
Ongoing Facilities Systems Project	60,980	-	60,980	1,696,090
IT Hardware Replacement	1,185,818	-	1,185,818	2,666,182



**Schedule of Expenditures Compared with Project Authorizations  
Governmental Funds (Continued)  
From Project Inception and for the Fiscal Years Ended June 30, 2025**

Project	Expenditures		Spent to Date	Remaining Commitment
	Current Year	Prior Years		
Audio-Visual Technologies	\$ 65,838	\$ -	\$ 65,838	\$ 1,257,162
25 Telecommunications	28,221	-	28,221	185,779
Detention Cntr Food Doors	467,300	-	467,300	840,825
IT Sheriff Server Room Upgrades	685,688	-	685,688	405,830
Geer St Temp Fleet Main Facility	6,226	-	6,226	993,774
JSD Transition House Renovation	40,378	-	40,378	382,050
Durham to Roxboro Rail Trail	33,333	-	33,333	-
Project Build Renovation at SoHV	85,176	-	85,176	184,824
Orange Factory Rd Farm Campus II	575	-	575	424,425
Santee Rd Park Project	90,607	-	90,607	509,393
DTCC Conduit and Cabling Project	258,000	-	258,000	42,000
	<u>\$ 148,965,702</u>	<u>\$ 601,110,915</u>	<u>\$ 750,076,617</u>	<u>\$ 807,418,933</u>



## Nonmajor Governmental Funds

**Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned for specified purposes other than debt service or capital projects.

**Fire Tax District Funds** – to account for and report the proceeds of special district fire taxes for the Bethesda, Lebanon, Parkwood, Redwood, New Hope, Eno, and Bahama Rural Fire Districts. Effective July 1, 2013 and July 1, 2015, fire taxes are no longer the primary funding source for the Bethesda and Parkwood Fire Districts, respectively. Therefore, the activity in these funds is mainly collections of delinquent taxes. Effective July 1, 2015, the Parkwood Rural Fire District was merged into the Durham County Fire and Rescue Rural Fire District.

**Bethesda Service Tax District Fund** – to account for and report the proceeds of special service district taxes for providing fire protection to the Bethesda Rural Fire District. As of July 1, 2013, service taxes became the primary funding source for providing fire protection to this district. The Bethesda Rural Fire District was merged into the Durham County Fire and Rescue Rural Fire District July 1, 2015.

**Durham County Fire and Rescue Service Tax District Fund** – to account for and report the proceeds of special district taxes for providing fire protection to the Durham County Fire and Rescue Rural Fire District. As of July 1, 2015, the County merged the Bethesda Rural Fire District and the Parkwood Rural Fire District into one district, the Durham County Fire and Rescue Rural Fire District.

**Special Park Tax District Fund** – to account for and report the proceeds of special district taxes for maintenance and beautification of the Research Triangle Park. Payments of the amounts appropriated are made on a monthly basis during the fiscal year.

**Special Park Tax District Fund - Transportation (RTP Transportation)** - to account for and report the proceeds of special district taxes for public transportation services and projects in Research Triangle Park. Payments of the amounts appropriated are made on a monthly basis during the fiscal year.

**Community Health Trust Fund** - to account for and report the proceeds of financial resources acquired through the leasing of Duke Regional Hospital to Duke University and the earnings of these financial resources and ensure the financial resources are used for health-related operating and capital expenditures.





**Combined Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025**

	<b>Nonmajor Special Revenue Funds</b>
<b>Assets</b>	
Cash and cash equivalents / investments	\$ 6,581,789
Cash and cash equivalents / investments - restricted	243,528
Net property taxes receivable	116,723
Due from other governments - federal and state agencies	62,601
Total assets	7,004,641
<b>Liabilities</b>	
Accounts payable	1,122,597
Total liabilities	1,122,597
<b>Deferred inflows of resources</b>	
Prepaid taxes	24,695
Net property taxes receivable	116,723
Total deferred inflows of resources	141,418
<b>Fund balances</b>	
Restricted:	
Restricted for other purposes	243,528
Assigned	5,497,098
Total fund balances	5,740,626
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 7,004,641</b>

**Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025**

	<b>Nonmajor Special Revenue Funds</b>
<b>Revenues</b>	
Taxes	\$ 14,767,283
Investments	296,318
Charges for services	1,250,000
Total revenues	16,313,601
<b>Expenditures</b>	
Current:	
Public safety	11,712,389
Economic and physical development	3,324,009
Total expenditures	15,036,398
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,277,203
<b>Other financing sources (uses)</b>	
Transfers out	(1,285,681)
Total other financing sources (uses)	(1,285,681)
<b>Net change in fund balances</b>	(8,478)
<b>Fund balance - beginning</b>	5,749,104
<b>FUND BALANCE - ENDING</b>	\$ 5,740,626



**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2025**

	Fire Tax Districts				
	Bethesda	Lebanon	Parkwood	Redwood	New Hope
<b>Assets</b>					
Cash and cash equivalents / investments	\$ 289	\$ 238,681	\$ 54	\$ 390,136	\$ 24,572
Cash and cash equivalents / investments - restricted	-	-	-	-	-
Net property taxes receivable	-	17,084	1	35,782	1,278
Due from other governments - federal and state agencies	-	18,368	-	12,691	383
<b>Total assets</b>	<u>289</u>	<u>274,133</u>	<u>55</u>	<u>438,609</u>	<u>26,233</u>
<b>Liabilities</b>					
Accounts payable	-	16	-	36	-
<b>Total liabilities</b>	<u>-</u>	<u>16</u>	<u>-</u>	<u>36</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Prepaid taxes	-	-	-	2,691	-
Net property taxes receivable	-	17,084	1	35,782	1,278
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>17,084</u>	<u>1</u>	<u>38,473</u>	<u>1,278</u>
<b>Fund balances</b>					
Restricted:					
Restricted for other purposes	-	-	-	-	-
Assigned	289	257,033	54	400,100	24,955
<b>Total fund balances</b>	<u>289</u>	<u>257,033</u>	<u>54</u>	<u>400,100</u>	<u>24,955</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 289</u>	<u>\$ 274,133</u>	<u>\$ 55</u>	<u>\$ 438,609</u>	<u>\$ 26,233</u>



<u>Eno</u>	<u>Bahama</u>	<u>Bethesda Service Tax District</u>	<u>Durham County Fire and Rescue Service Tax District</u>	<u>Special Park Tax District</u>	<u>Special Park Tax District - Transportation</u>	<u>Community Health Trust Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 55,589	\$ 1,130,819	\$ 350,048	\$ 3,760,199	\$ 466,634	\$ 122,698	\$ 42,070	\$ 6,581,789
-	-	-	243,528	-	-	-	243,528
79	12,876	35	37,496	10,105	1,987	-	116,723
381	7,599	-	20,685	1,942	552	-	62,601
<u>56,049</u>	<u>1,151,294</u>	<u>350,083</u>	<u>4,061,908</u>	<u>478,681</u>	<u>125,237</u>	<u>42,070</u>	<u>7,004,641</u>
-	34	-	1,098,574	23,937	-	-	1,122,597
-	34	-	1,098,574	23,937	-	-	1,122,597
-	1,291	-	17,755	2,754	204	-	24,695
79	12,876	35	37,496	10,105	1,987	-	116,723
79	14,167	35	55,251	12,859	2,191	-	141,418
-	-	-	243,528	-	-	-	243,528
55,970	1,137,093	350,048	2,664,555	441,885	123,046	42,070	5,497,098
55,970	1,137,093	350,048	2,908,083	441,885	123,046	42,070	5,740,626
<u>\$ 56,049</u>	<u>\$ 1,151,294</u>	<u>\$ 350,083</u>	<u>\$ 4,061,908</u>	<u>\$ 478,681</u>	<u>\$ 125,237</u>	<u>\$ 42,070</u>	<u>\$ 7,004,641</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2025**

	Fire Tax Districts				
	Bethesda	Lebanon	Parkwood	Redwood	New Hope
<b>Revenues</b>					
Taxes	\$ -	\$ 1,737,380	\$ -	\$ 1,460,210	\$ 104,461
Investments	-	29,633	-	25,841	2,444
Charges for services	-	-	-	-	-
Total revenues	-	1,767,013	-	1,486,051	106,905
<b>Expenditures</b>					
Current:					
Public safety	-	1,737,740	-	1,456,874	112,919
Economic and physical development	-	-	-	-	-
Total expenditures	-	1,737,740	-	1,456,874	112,919
<b>Other financing sources (uses)</b>					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
<b>Net change in fund balances</b>	-	29,273	-	29,177	(6,014)
<b>Fund balance - beginning</b>	289	227,760	54	370,923	30,969
<b>FUND BALANCE - ENDING</b>	\$ 289	\$ 257,033	\$ 54	\$ 400,100	\$ 24,955



<u>Eno</u>	<u>Bahama</u>	<u>Bethesda Service Tax District</u>	<u>Durham County Fire and Rescue Service Tax District</u>	<u>Special Park Tax District</u>	<u>Special Park Tax District - Transportation</u>	<u>Community Health Trust Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 39,454	\$ 2,272,356	\$ -	\$ 5,839,224	\$ 2,581,950	\$ 732,248	\$ -	\$ 14,767,283
2,016	42,227	9,749	110,311	48,411	12,465	13,221	296,318
-	-	-	-	-	-	1,250,000	1,250,000
<u>41,470</u>	<u>2,314,583</u>	<u>9,749</u>	<u>5,949,535</u>	<u>2,630,361</u>	<u>744,713</u>	<u>1,263,221</u>	<u>16,313,601</u>
37,402	1,955,409	-	6,412,045	-	-	-	11,712,389
-	-	-	-	2,617,555	706,454	-	3,324,009
<u>37,402</u>	<u>1,955,409</u>	<u>-</u>	<u>6,412,045</u>	<u>2,617,555</u>	<u>706,454</u>	<u>-</u>	<u>15,036,398</u>
-	-	-	-	-	-	(1,285,681)	(1,285,681)
-	-	-	-	-	-	(1,285,681)	(1,285,681)
4,068	359,174	9,749	(462,510)	12,806	38,259	(22,460)	(8,478)
51,902	777,919	340,299	3,370,593	429,079	84,787	64,530	5,749,104
<u>\$ 55,970</u>	<u>\$ 1,137,093</u>	<u>\$ 350,048</u>	<u>\$ 2,908,083</u>	<u>\$ 441,885</u>	<u>\$ 123,046</u>	<u>\$ 42,070</u>	<u>\$ 5,740,626</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Bethesda Fire Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	Original	Final	Actual	Positive (Negative) Variance
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Investments	-	-	-	-
Charges for services	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE - BEGINNING</b>			289	
<b>FUND BALANCE - ENDING</b>			<u>\$ 289</u>	



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual- Lebanon Fire Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative) Variance</b>
<b>Revenues</b>				
Taxes	\$ 1,675,676	\$ 1,675,676	\$ 1,737,380	\$ 61,704
Intergovernmental revenues	-	-	-	-
Investments	-	-	29,633	29,633
Charges for services	-	-	-	-
Total revenues	<u>1,675,676</u>	<u>1,675,676</u>	<u>1,767,013</u>	<u>91,337</u>
<b>Expenditures</b>				
Current:				
Public safety	1,740,676	1,740,676	1,737,740	2,936
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>1,740,676</u>	<u>1,740,676</u>	<u>1,737,740</u>	<u>2,936</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(65,000)</u>	<u>(65,000)</u>	<u>29,273</u>	<u>94,273</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	<u>65,000</u>	<u>65,000</u>	-	<u>(65,000)</u>
Total other financing sources (uses)	<u>65,000</u>	<u>65,000</u>	-	<u>(65,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	29,273	<u>\$ 29,273</u>
<b>FUND BALANCE - BEGINNING</b>			<u>227,760</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 257,033</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Parkwood Fire Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Investments	-	-	-	-
Charges for services	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE - BEGINNING</b>			<u>54</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 54</u>	



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Redwood Fire Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues</b>				
Taxes	\$ 1,458,595	\$ 1,458,595	\$ 1,460,210	\$ 1,615
Intergovernmental revenues	-	-	-	-
Investments	-	-	25,841	25,841
Charges for services	-	-	-	-
Total revenues	<u>1,458,595</u>	<u>1,458,595</u>	<u>1,486,051</u>	<u>27,456</u>
<b>Expenditures</b>				
Current:				
Public safety	1,458,595	1,458,595	1,456,874	1,721
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>1,458,595</u>	<u>1,458,595</u>	<u>1,456,874</u>	<u>1,721</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>29,177</u>	<u>29,177</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>29,177</u>	<u>\$ 29,177</u>
<b>FUND BALANCE - BEGINNING</b>			<u>370,923</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 400,100</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - New Hope Fire Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues</b>				
Taxes	\$ 103,017	\$ 103,017	\$ 104,461	\$ 1,444
Intergovernmental revenues	-	-	-	-
Investments	-	-	2,444	2,444
Charges for services	-	-	-	-
Total revenues	<u>103,017</u>	<u>103,017</u>	<u>106,905</u>	<u>3,888</u>
<b>Expenditures</b>				
Current:				
Public safety	103,017	113,017	112,919	98
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>103,017</u>	<u>113,017</u>	<u>112,919</u>	<u>98</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(10,000)</u>	<u>(6,014)</u>	<u>3,986</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	-	10,000	-	(10,000)
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(6,014)</u>	<u>\$ (6,014)</u>
<b>FUND BALANCE - BEGINNING</b>			<u>30,969</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 24,955</u>	



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Eno Fire Tax District Special Revenue  
Fund Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative) Variance</b>
<b>Revenues</b>				
Taxes	\$ 37,471	\$ 37,471	\$ 39,454	\$ 1,983
Intergovernmental revenues	-	-	-	-
Investments	-	-	2,016	2,016
Charges for services	-	-	-	-
Total revenues	<u>37,471</u>	<u>37,471</u>	<u>41,470</u>	<u>3,999</u>
<b>Expenditures</b>				
Current:				
Public safety	37,471	37,471	37,402	69
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>37,471</u>	<u>37,471</u>	<u>37,402</u>	<u>69</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>4,068</u>	<u>4,068</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	4,068	<u>\$ 4,068</u>
<b>FUND BALANCE - BEGINNING</b>			51,902	
<b>FUND BALANCE - ENDING</b>			<u>\$ 55,970</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Bahama Fire Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative) Variance</b>
<b>Revenues</b>				
Taxes	\$ 2,019,380	\$ 2,019,380	\$ 2,272,356	\$ 252,976
Intergovernmental revenues	-	-	-	-
Investments	-	-	42,227	42,227
Charges for services	-	-	-	-
Total revenues	<u>2,019,380</u>	<u>2,019,380</u>	<u>2,314,583</u>	<u>295,203</u>
<b>Expenditures</b>				
Current:				
Public safety	1,956,624	1,956,624	1,955,409	1,215
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>1,956,624</u>	<u>1,956,624</u>	<u>1,955,409</u>	<u>1,215</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>62,756</u>	<u>62,756</u>	<u>359,174</u>	<u>296,418</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	<u>(62,756)</u>	<u>(62,756)</u>	-	<u>62,756</u>
Total other financing sources (uses)	<u>(62,756)</u>	<u>(62,756)</u>	-	<u>62,756</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	359,174	<u>\$ 359,174</u>
<b>FUND BALANCE - BEGINNING</b>			777,919	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,137,093</u>	



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Bethesda Service Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative) Variance</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Investments	-	-	9,749	9,749
Charges for services	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>9,749</u>	<u>9,749</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>9,749</u>	<u>9,749</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	9,749	<u>\$ 9,749</u>
<b>FUND BALANCE - BEGINNING</b>			340,299	
<b>FUND BALANCE - ENDING</b>			<u>\$ 350,048</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Durham County Fire and Rescue Service Tax District Special  
Revenue Fund  
Year Ended June 30, 2025**

	Original	Final	Actual	Positive (Negative) Variance
<b>Revenues</b>				
Taxes	\$ 5,438,555	\$ 5,438,555	\$ 5,839,224	\$ 400,669
Intergovernmental revenues	-	-	-	-
Investments	45,000	45,000	110,311	65,311
Charges for services	-	-	-	-
Total revenues	<u>5,483,555</u>	<u>5,483,555</u>	<u>5,949,535</u>	<u>465,980</u>
<b>Expenditures</b>				
Current:				
Public safety	5,317,384	6,426,545	6,412,045	14,500
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>5,317,384</u>	<u>6,426,545</u>	<u>6,412,045</u>	<u>14,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>166,171</u>	<u>(942,990)</u>	<u>(462,510)</u>	<u>480,480</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	(166,171)	942,990	-	(942,990)
Total other financing sources (uses)	<u>(166,171)</u>	<u>942,990</u>	<u>-</u>	<u>(942,990)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(462,510)</u>	<u>\$ (462,510)</u>
<b>FUND BALANCE - BEGINNING</b>			<u>3,370,593</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 2,908,083</u>	



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Special Park Tax District Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues</b>				
Taxes	\$ 2,361,578	\$ 2,361,578	\$ 2,581,950	\$ 220,372
Intergovernmental revenues	-	-	-	-
Investments	-	-	48,411	48,411
Charges for services	-	-	-	-
Total revenues	<u>2,361,578</u>	<u>2,361,578</u>	<u>2,630,361</u>	<u>268,783</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Economic and physical development	2,615,697	2,618,197	2,617,555	642
Capital Outlay	-	-	-	-
Total expenditures	<u>2,615,697</u>	<u>2,618,197</u>	<u>2,617,555</u>	<u>642</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(254,119)</u>	<u>(256,619)</u>	12,806	<u>269,425</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	254,119	256,619	-	(256,619)
Total other financing sources (uses)	<u>254,119</u>	<u>256,619</u>	-	<u>(256,619)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	12,806	<u>\$ 12,806</u>
<b>FUND BALANCE - BEGINNING</b>			429,079	
<b>FUND BALANCE - ENDING</b>			<u>\$ 441,885</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual- Special Park Tax District - Transportation Special Revenue Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues</b>				
Taxes	\$ 670,903	\$ 670,903	\$ 732,248	\$ 61,345
Intergovernmental revenues	-	-	-	-
Investments	-	-	12,465	12,465
Charges for services	-	-	-	-
Total revenues	<u>670,903</u>	<u>670,903</u>	<u>744,713</u>	<u>73,810</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Economic and physical development	705,993	706,493	706,454	39
Capital Outlay	-	-	-	-
Total expenditures	<u>705,993</u>	<u>706,493</u>	<u>706,454</u>	<u>39</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(35,090)</u>	<u>(35,590)</u>	<u>38,259</u>	<u>73,849</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	-
Appropriated fund balance	35,090	35,590	-	(35,590)
Total other financing sources (uses)	<u>35,090</u>	<u>35,590</u>	<u>-</u>	<u>(35,590)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>38,259</u>	<u>\$ 38,259</u>
<b>FUND BALANCE - BEGINNING</b>			<u>84,787</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 123,046</u>	



**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Community Health Trust Fund  
Year Ended June 30, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive (Negative) Variance</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Investments	-	-	13,221	13,221
Charges for services	1,250,000	1,250,000	1,250,000	-
Total revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,263,221</u>	<u>13,221</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,263,221</u>	<u>13,221</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,285,681)	(1,285,681)	(1,285,681)	-
Appropriated fund balance	35,681	35,681	-	(35,681)
Total other financing sources (uses)	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>(1,285,681)</u>	<u>(35,681)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	(22,460)	<u>\$ (22,460)</u>
<b>FUND BALANCE - BEGINNING</b>			64,530	
<b>FUND BALANCE - ENDING</b>			<u>\$ 42,070</u>	



## Enterprise Funds

**Sewer Utility Fund** – to account for the provision of sewer utility services in the County which are financed in a manner similar to private business enterprises – where the intent is that costs of providing services be recovered primarily through user charges.

**Stormwater Fund** – to account for the provision of stormwater services in the County which are financed in a manner similar to private business enterprises – where the intent is that costs of providing services be recovered primarily through user charges.





**Schedule of Revenues and Expenditures - Budget and Actual -  
(Non-GAAP Basis) Enterprise Fund - Sewer Utility Fund  
Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues:</b>			
<b>Operating Revenues</b>			
Charges for services	\$ 14,738,580	\$ 16,196,847	\$ 1,458,267
<b>Nonoperating revenues</b>			
Investment income	-	1,471,552	1,471,552
Inspection fees	-	1,500	1,500
Sewer connection fees	2,580,000	2,025,195	(554,805)
Total nonoperating revenues	<u>2,580,000</u>	<u>3,498,247</u>	<u>918,247</u>
Total revenues	<u>17,318,580</u>	<u>19,695,094</u>	<u>2,376,514</u>
<b>Expenditures:</b>			
<b>Operations:</b>			
Operating expenses	10,061,398	7,850,807	2,210,591
Repairs and maintenance	1,162,934	710,115	452,819
Utilities	710,051	718,057	(8,006)
Total operating expenses	<u>11,934,383</u>	<u>9,278,979</u>	<u>2,655,404</u>
<b>Debt service:</b>			
Debt service - principal	1,531,146	1,531,146	-
Debt service - interest and fiscal charges	201,872	196,872	5,000
Total debt service	<u>1,733,018</u>	<u>1,728,018</u>	<u>5,000</u>
Capital outlays	1,034,815	3,408,588	(2,373,773)
Total expenditures	<u>14,702,216</u>	<u>14,415,585</u>	<u>286,631</u>
<b>Revenues over expenditures</b>	<u>2,616,364</u>	<u>5,279,509</u>	<u>2,663,145</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	13,566,170	-	13,566,170
<b>Revenues over expenditures and other uses</b>	<u>\$ 16,182,534</u>	<u>\$ 5,279,509</u>	<u>\$ 10,903,025</u>

**Reconciliation of Modified Accrual Basis to Full Accrual Basis -  
Enterprise Fund - Sewer Utility Fund  
Year Ended June 30, 2025**

<b>Revenues over expenditures and other uses</b>	\$ 5,279,509
<b>Reconciling Items:</b>	
Capital outlay	3,408,588
Capital contributions	430,028
Debt principal payments	1,531,146
Increase (decrease) in accrued interest payable	4,126
Increase (decrease) in accrued compensated absences	(59,932)
Increase (decrease) in accrued payroll	(14,690)
Increase (decrease) in accrued interest receivable	10,972
(Increase) decrease in accounts receivable	89,715
(Increase) decrease in due from other governments - federal & state agencies	158,017
(Increase) decrease in due from other governments - local	1,449,987
Depreciation	(5,009,595)
Pension expense	(501,637)
Deferred outflows of resources for pensions, current fiscal year contributions	329,104
Amortization of loss on refundings	(44,089)
Amortization of bond premium	31,887
<b>Change in Net Position (GAAP Basis)</b>	<u>\$ 7,093,136</u>



**Schedule of Revenues and Expenditures - Budget and Actual -  
(Non-GAAP Basis) Enterprise Fund - Stormwater  
Fund Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
<b>Revenues:</b>			
Operating Revenues	\$ 2,750,000	\$ 2,551,294	\$ (198,706)
<b>Nonoperating revenues</b>			
Investment income	-	179,990	179,990
Construction permits	595,500	1,342,975	747,475
Inspection fees	30,000	40,702	10,702
Intergovernmental	-	178,139	178,139
Miscellaneous	500	43	(457)
Total nonoperating revenues	<u>626,000</u>	<u>1,741,849</u>	<u>1,115,849</u>
Total revenues	<u>3,376,000</u>	<u>4,293,143</u>	<u>917,143</u>
<b>Expenditures:</b>			
Operating expenses	3,181,652	2,458,656	722,996
Repairs and maintenance	1,300	3,110	(1,810)
Total operating expenses	<u>3,182,952</u>	<u>2,461,766</u>	<u>721,186</u>
Capital outlays	56,000	42,282	13,718
Total expenditures	<u>6,614,952</u>	<u>6,797,191</u>	<u>1,652,047</u>
<b>Revenues over expenditures</b>	137,048	1,789,095	1,652,047
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>(137,048)</u>	-	<u>(137,048)</u>
<b>Revenues over expenditures and other uses</b>	<u>\$ -</u>	<u>\$ 1,789,095</u>	<u>\$ (1,789,095)</u>

**Reconciliation of Modified Accrual Basis to Full Accrual Basis -  
Enterprise Fund - Stormwater Fund  
Year Ended June 30, 2025**

<b>Revenues over expenditures and other uses</b>	<b>\$ 1,789,095</b>
<b>Reconciling Items:</b>	
Capital outlay	42,282
Increase (decrease) in accrued compensated absences	(20,349)
Increase (decrease) in accrued payroll	(5,782)
Increase (decrease) in accrued interest receivable	5,139
(Increase) decrease in accounts receivable	129,773
(Increase) decrease in due from other governments - federal & state agencies	1,414
Depreciation	(28,550)
Pension expense	(167,080)
Deferred outflows of resources for pensions, current fiscal year contributions	109,614
<b>Change in Net Position (GAAP Basis)</b>	<b>\$ 1,855,556</b>

## Fiduciary Funds

**George R. Linder Memorial Private-Purpose Trust Fund** – to account for and report resources legally held in trust for the use of acquiring public speakers/lecturers for the Library and functions sponsored by the Library. The fund also receives gift donations to purchase books in the honor of individuals.

**Vic Pearson Emergency Medical Services (EMS) Memorial Private-Purpose Trust Fund** – to account for and report resources legally held in trust for use in assisting EMS employees and/or their families after serious injuries, sickness and/or deaths to them or immediate family members.

**Custodial Funds** – To account for funds held in trust on behalf of jail inmates; to account for funds held on behalf of the Sheriff's Office as a result of seized evidence; to account for funds collected for the civil division held on behalf of the Sheriff's Office until disbursed to plaintiffs; to account for late list penalties collected on taxes by the County on behalf of the Durham Public Schools; and to account for taxes collected by the County on behalf of the City of Durham, the Town of Chapel Hill, the City of Raleigh, the Town of Cary, and the Town of Morrisville.





**Combining Statement of Fiduciary Net Position  
Private-Purpose Trust Funds  
June 30, 2025**

	<u>George R. Linder Memorial Private- Purpose Trust Fund</u>	<u>Vic Pearson EMS Memorial Private- Purpose Trust Fund</u>	<u>Total Private- Purpose Trust Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,511	\$ 46,609	\$ 53,120
Total assets	<u>6,511</u>	<u>46,609</u>	<u>53,120</u>
<b>Net position</b>			
Held in trust/restricted for:			
Individuals, organizations, and governments	6,511	46,609	53,120
Total net position	<u>\$ 6,511</u>	<u>\$ 46,609</u>	<u>\$ 53,120</u>

**Combining Statement of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds  
Year ended June 30, 2025**

	George R. Linder Memorial Private- Purpose Trust Fund	Vic Pearson EMS Memorial Private- Purpose Trust Fund	Total Private- Purpose Trust Funds
<b>Additions</b>			
Employee contributions	\$ -	\$ 2,766	\$ 2,766
Investment income	209	1,076	1,285
Total Additions	<u>209</u>	<u>3,842</u>	<u>4,051</u>
<b>Deductions</b>			
Benefit payments	-	2,700	2,700
Total Deductions	<u>-</u>	<u>2,700</u>	<u>2,700</u>
<b>Change in net Position</b>	209	1,142	1,351
<b>Total net position - beginning</b>	<u>6,302</u>	<u>45,467</u>	<u>51,769</u>
<b>Total net position - ending</b>	<u>\$ 6,511</u>	<u>\$ 46,609</u>	<u>\$ 53,120</u>



**Combining Statement of Fiduciary Net Position  
Custodial Funds  
Year ended June 30, 2025**

	<u>Sheriff's Evidence Fund</u>	<u>Jail Inmate Fund</u>	<u>Sheriff's Fund</u>	<u>Durham Public Schools Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 648,529	\$ 81,797	\$ 221,928	\$ -
Accounts receivable	-	-	-	172,280
Taxes receivable for other governments, net	-	-	-	-
Due from governmental agencies	-	-	-	-
Total assets	<u>648,529</u>	<u>81,797</u>	<u>221,928</u>	<u>172,280</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	-	-	-	119,772
Due to public schools	-	-	-	271,951
Due to other governments	-	-	-	-
Unearned revenue	-	1,273	-	-
Total liabilities	<u>-</u>	<u>1,273</u>	<u>-</u>	<u>391,723</u>
<b>NET POSITION</b>				
Held in trust/restricted for:				
Individuals, organizations, and governments	<u>\$ 648,530</u>	<u>\$ 80,523</u>	<u>\$ 221,928</u>	<u>\$ (219,443)</u>



<u>Town of Chapel Hill Tax Fund</u>	<u>City of Durham Tax Fund</u>	<u>City of Raleigh Tax Fund</u>	<u>Town of Morrisville Tax Fund</u>	<u>Town of Cary Tax Fund</u>	<u>Total Custodial Funds</u>
\$ 156,839	\$ 1,642,131	\$ 63,697	\$ 10,420	\$ 480	\$ 2,825,821
-	-	-	-	-	172,280
7,116	1,581,129	3,918	54	-	1,592,217
19,578	1,945,532	10,476	-	-	1,975,586
<u>183,533</u>	<u>5,168,792</u>	<u>78,091</u>	<u>10,474</u>	<u>480</u>	<u>6,565,904</u>
-	39,904	-	-	-	159,676
-	-	-	-	-	271,951
27,615	3,676,219	17,471	54	209	3,721,568
-	-	-	-	-	1,273
<u>27,615</u>	<u>3,716,123</u>	<u>17,471</u>	<u>54</u>	<u>209</u>	<u>4,154,468</u>
<u>\$ 155,918</u>	<u>\$ 1,452,670</u>	<u>\$ 60,620</u>	<u>\$ 10,419</u>	<u>\$ 270</u>	<u>\$ 2,411,435</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
June 30, 2025**

	<u>Sheriff's Evidence Fund</u>	<u>Jail Inmate Fund</u>	<u>Sheriff's Fund</u>	<u>Durham Public Schools Fund</u>
<b>Additions</b>				
Investment income	\$ -	\$ -	\$ -	\$ 3,401
Collections for public schools	-	-	-	1,700,174
Tax collections for other governments	-	-	-	-
Collections on behalf of sheriff	61,718	-	643,380	-
Collections on behalf of inmates	-	673,099	-	-
<b>Total additions</b>	<u>61,718</u>	<u>673,099</u>	<u>643,380</u>	<u>1,703,575</u>
<b>Deductions</b>				
Payments on behalf of sheriff	14,714	-	438,354	-
Payments on behalf of inmates	-	644,532	-	-
Collection distributions to public schools	-	-	-	1,650,457
Tax distributions to other governments	-	-	-	-
Administrative costs	-	-	-	149,387
<b>Total Deductions</b>	<u>14,714</u>	<u>644,532</u>	<u>438,354</u>	<u>1,799,844</u>
<b>Change in net Position</b>	<u>47,004</u>	<u>28,567</u>	<u>205,026</u>	<u>(96,269)</u>
Total net position - beginning	<u>601,526</u>	<u>51,956</u>	<u>16,902</u>	<u>(123,174)</u>
Total net position - ending	<u>\$ 648,530</u>	<u>\$ 80,523</u>	<u>\$ 221,928</u>	<u>\$ (219,443)</u>



Town of Chapel Hill Tax Fund	City of Durham Tax Fund	City of Raleigh Tax Fund	Town of Morrisville Tax Fund	Town of Cary Tax Fund	Total Custodial Funds
\$ 53,624	\$ 112,125	\$ 16,202	\$ 2,510	\$ 368	\$ 188,230
-	-	-	-	-	1,700,174
3,538,057	262,806,221	1,013,496	202,781	18,067	267,578,622
-	-	-	-	-	705,098
-	-	-	-	-	673,099
<u>3,591,681</u>	<u>262,918,346</u>	<u>1,029,698</u>	<u>205,291</u>	<u>18,435</u>	<u>270,845,223</u>
-	-	-	-	-	453,068
-	-	-	-	-	644,532
-	-	-	-	-	1,650,457
3,547,969	265,107,098	1,031,029	199,746	17,796	269,903,638
52,434	2,686,746	18,474	3,039	271	2,910,351
<u>3,600,403</u>	<u>267,793,844</u>	<u>1,049,503</u>	<u>202,785</u>	<u>18,067</u>	<u>275,562,046</u>
<u>(8,722)</u>	<u>(4,875,498)</u>	<u>(19,805)</u>	<u>2,506</u>	<u>368</u>	<u>(4,716,823)</u>
<u>164,640</u>	<u>6,328,168</u>	<u>80,425</u>	<u>7,913</u>	<u>(98)</u>	<u>7,128,258</u>
<u>\$ 155,918</u>	<u>\$ 1,452,670</u>	<u>\$ 60,620</u>	<u>\$ 10,419</u>	<u>\$ 270</u>	<u>\$ 2,411,435</u>





# Capital Assets, Long-Term Debt and Other Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM

### Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity<sup>1</sup> as of June 30, 2025

	<u>Total Assets</u>	<u>Land</u>	<u>Easements</u>	<u>Buildings</u>	<u>Office Furniture and Equipment</u>
<b>General Government:</b>					
County commissioners	\$ 948,128	\$ -	\$ -	\$ -	-
Board of Elections	12,998,702	2,386,719	-	9,594,802	10,117
Finance	4,597,491	-	-	417,874	-
Tax administration	5,720,161	-	-	-	-
Legal	6,190	-	-	-	-
Risk management	128,254	-	-	38,200	-
Court facilities	13,763,382	-	-	13,739,306	12,620
Register of deeds	2,482,962	-	-	-	944,572
General services	403,748,512	4,790,491	-	392,345,134	359,642
Information systems and technology	35,796,820	-	-	-	29,298
Veteran's services	32,447	-	-	-	-
Human resources	17,660	-	-	-	-
Total general government	<u>480,240,709</u>	<u>7,177,210</u>	<u>-</u>	<u>416,135,316</u>	<u>1,356,249</u>
<b>Public Safety:</b>					
Sheriff	60,189,184	1,398,962	-	40,737,831	1,002,713
County fire protection	1,873,275	-	-	1,244,463	6,744
Emergency management	5,367,387	-	-	1,144,636	45,635
Animal control	4,007,958	-	-	3,259,400	20,704
Criminal justice partnership	980,428	-	-	844,521	-
Youth home	558,065	-	-	367,000	-
Office of emergency services	21,585,158	-	-	2,856,008	-
Total public safety	<u>94,561,455</u>	<u>1,398,962</u>	<u>-</u>	<u>50,453,859</u>	<u>1,075,796</u>
<b>Environmental Protection:</b>					
Environmental engineering	11,844,947	2,730,566	1,857,992	77,873	7,315
Open space and real estate	4,900,731	3,549,724	1,195,501	155,506	-
Total Environmental Protection	<u>16,745,678</u>	<u>6,280,290</u>	<u>3,053,493</u>	<u>233,379</u>	<u>7,315</u>
<b>Economic and Physical Development:</b>					
Cooperative extension	7,463	-	-	-	-
Planning	30,684	6,500	-	-	-
Soil and water conservation	84,511	-	-	-	-
Total Economic and Physical Development	<u>122,658</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Human Services:</b>					
Public health	3,833,781	-	-	1,308,712	294,830
Mental health	713,709	-	-	-	-
Community intervention and support services	6,172,575	3,360,000	-	2,640,000	-
Social services	4,311,384	-	-	3,101,314	-
Other human services	22,762	-	-	-	-
Total human services	<u>\$ 15,054,211</u>	<u>\$ 3,360,000</u>	<u>\$ -</u>	<u>\$ 7,050,026</u>	<u>\$ 294,830</u>

Machinery and Equipment	Computer Hardware	Vehicles	Computer Software	Water System	Right-to-use Lease Assets	Right-to-use Subscription Assets	Construction in Progress
\$ 948,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
976,225	-	30,839	-	-	-	-	-
27,381	26,450	-	4,044,548	-	-	81,238	-
107,284	37,911	415,775	4,290,930	-	-	868,261	-
-	6,190	-	-	-	-	-	-
33,091	-	56,963	-	-	-	-	-
11,456	-	-	-	-	-	-	-
62,520	110,272	-	1,365,598	-	-	-	-
3,061,265	53,916	3,056,047	82,017	-	-	-	-
133,905	26,218,442	-	5,879,720	-	-	3,535,455	-
-	-	32,447	-	-	-	-	-
6,840	10,820	-	-	-	-	-	-
<u>5,368,095</u>	<u>26,464,001</u>	<u>3,592,071</u>	<u>15,662,813</u>	-	-	<u>4,484,954</u>	-
2,636,237	760,441	12,624,982	634,392	-	393,626	-	-
166,391	-	389,588	66,089	-	-	-	-
3,681,985	70,708	347,423	77,000	-	-	-	-
21,420	-	668,411	38,023	-	-	-	-
-	72,696	63,211	-	-	-	-	-
111,468	-	79,597	-	-	-	-	-
1,511,497	74,221	11,245,999	544,104	-	5,353,329	-	-
<u>8,128,998</u>	<u>978,066</u>	<u>25,419,211</u>	<u>1,359,608</u>	-	<u>5,746,955</u>	-	-
4,597,445	8,998	34,333	-	2,530,425	-	-	-
-	-	-	-	-	-	-	-
<u>4,597,445</u>	<u>8,998</u>	<u>34,333</u>	-	<u>2,530,425</u>	-	-	-
7,463	-	-	-	-	-	-	-
-	-	24,184	-	-	-	-	-
-	-	56,795	27,716	-	-	-	-
<u>7,463</u>	-	<u>80,979</u>	<u>27,716</u>	-	-	-	-
432,450	13,666	1,664,182	61,997	-	57,944	-	-
42,324	6,165	-	665,220	-	-	-	-
-	-	172,575	-	-	-	-	-
39,757	27,015	705,396	200,782	-	237,120	-	-
-	-	22,762	-	-	-	-	-
<u>\$ 514,531</u>	<u>\$ 46,846</u>	<u>\$ 2,564,915</u>	<u>\$ 927,999</u>	<u>\$ -</u>	<u>\$ 295,064</u>	<u>\$ -</u>	<u>\$ -</u>

**Capital Assets Used in the Operation of Governmental Funds Schedule  
by Function and Activity<sup>1</sup> as of June 30, 2025 (continued)**

	<u>Total Assets</u>	<u>Land</u>	<u>Easements</u>	<u>Buildings</u>	<u>Office Furniture and Equipment</u>
<b>Education:</b>					
Durham public schools	\$ 8,080,942	\$ -	\$ -	\$ 8,080,942	\$ -
<b>Cultural and Recreational:</b>					
Library	8,040,798	7,500	-	6,131,555	29,126
<b>Capital Projects:</b>					
Construction in progress	276,084,058	-	-	-	-
<b>Total Capital Assets</b>	<u>\$ 898,930,510</u>	<u>\$ 18,230,462</u>	<u>\$ 3,053,493</u>	<u>\$ 488,085,078</u>	<u>\$ 2,763,316</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds.



<u>Machinery and Equipment</u>	<u>Computer Hardware</u>	<u>Vehicles</u>	<u>Computer Software</u>	<u>Water System</u>	<u>Right-to-use Lease Assets</u>	<u>Right-to-use Subscription Assets</u>	<u>Construction in Progress</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
238,017	103,142	748,384	378,776	-	-	404,298	-
-	-	-	-	-	-	-	276,084,058
<u>\$ 18,854,549</u>	<u>\$ 27,601,053</u>	<u>\$ 32,439,893</u>	<u>\$ 18,356,912</u>	<u>\$ 2,530,425</u>	<u>\$ 6,042,019</u>	<u>\$ 4,889,252</u>	<u>\$ 276,084,058</u>

## Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity<sup>1</sup> Year Ended June 30, 2025

	Capital Assets July 1, 2024	Additions	Transfers and Deletions	Capital Assets June 30, 2025
<b>General Government:</b>				
Board of county commissioners	\$ 948,128	\$ -	\$ -	\$ 948,128
Board of elections	158,772	12,839,930	-	12,998,702
Finance	4,516,253	-	-	4,516,253
Tax administration	3,379,120	1,515,377	(42,597)	4,851,900
Legal	6,190	-	-	6,190
Risk management and insurance	128,254	-	-	128,254
Court facilities	13,751,926	11,456	-	13,763,382
Register of deeds	2,482,962	-	-	2,482,962
General services	403,153,888	995,935	(465,278)	403,684,545
Information systems and technology	32,177,735	83,630	-	32,261,365
Veterans services	32,447	-	-	32,447
Human resources	17,660	-	-	17,660
Total general government	<u>460,753,335</u>	<u>15,446,328</u>	<u>(507,875)</u>	<u>475,691,788</u>
<b>Public Safety:</b>				
County sheriff	58,838,409	1,266,419	(309,271)	59,795,557
Fire marshal	1,765,063	108,212	-	1,873,275
Criminal justice partnership	980,428	-	-	980,428
Animal control	4,007,958	-	-	4,007,958
Youth home	558,065	-	-	558,065
Office of emergency services	21,102,005	497,212	-	21,599,217
Total public safety	<u>87,251,928</u>	<u>1,871,843</u>	<u>(309,271)</u>	<u>88,814,500</u>
<b>Environmental Protection:</b>				
Environmental engineering	11,844,947	-	-	11,844,947
Open space management	2,382,917	2,517,814	-	4,900,731
Total Environmental Protection	<u>14,227,864</u>	<u>2,517,814</u>	<u>-</u>	<u>16,745,678</u>
<b>Economic and Physical Development:</b>				
Cooperative extension	31,647	-	-	31,647
Planning	6,500	-	-	6,500
Soil and water conservation	84,511	-	-	84,511
Total Economic and Physical Development	<u>122,658</u>	<u>-</u>	<u>-</u>	<u>122,658</u>
<b>Human Services:</b>				
Public health	2,071,810	1,879,591	(111,596)	3,839,805
Community intervention and support services	172,575	6,000,000	-	6,172,575
Mental health	713,709	-	-	713,709
Social services	4,328,190	-	(253,926)	4,074,264
Other human services	22,762	-	-	22,762
Total human services	<u>7,309,046</u>	<u>7,879,591</u>	<u>(365,522)</u>	<u>14,823,115</u>
<b>Education:</b>				
Durham public schools	8,080,942	-	-	8,080,942
<b>Cultural and Recreational:</b>				
Library	7,551,726	84,774	-	7,636,500
<b>Capital Projects:</b>				
Construction in progress	255,323,780	44,816,368	(24,056,090)	276,084,058
<b>Total Capital Assets</b>	<u>\$ 840,621,279</u>	<u>\$ 72,616,718</u>	<u>\$ (25,238,758)</u>	<u>\$ 887,999,239</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds.



**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity<sup>1</sup>  
Year Ended June 30, 2025**

	Right-to-Use Assets July 1, 2024	Additions	Transfers and Deletions	Right-to-Use Assets June 30, 2025
<b>General Government:</b>				
Finance	\$ 131,307	\$ -	\$ 50,070	\$ 81,237
Tax administration	736,498	131,764	-	868,262
Legal	115,619	381	116,000	-
Elections	788,994	34,983	823,977	-
Information systems and technology	3,688,394	-	152,938	3,535,456
Total general government	<u>5,460,812</u>	<u>167,128</u>	<u>1,142,985</u>	<u>4,484,955</u>
<b>Public Safety:</b>				
Sheriff	393,626	-	-	393,626
Office of emergency services	5,455,430	144,678	246,779	5,353,329
Total public safety	<u>5,849,056</u>	<u>144,678</u>	<u>246,779</u>	<u>5,746,955</u>
<b>Environmental Protection:</b>				
<b>Human Services:</b>				
Public health	43,999	13,946	-	57,945
Social services	237,119	-	-	237,119
Total human services	<u>281,118</u>	<u>13,946</u>	<u>-</u>	<u>295,064</u>
<b>Cultural and Recreational:</b>				
Library	427,453	-	23,156	404,297
<b>Total Right-to-Use Assets</b>	<u>\$ 12,018,439</u>	<u>\$ 325,752</u>	<u>\$ 1,412,920</u>	<u>\$ 10,931,271</u>

<sup>1</sup>This schedule presents only the right to use assets balances related to governmental funds.

**Gross Bonded Debt and Other Long-Term Debt  
For the Fiscal Year Ended June 30, 2025**

Description	Interest Rate	Issue Date	Amount Outstanding 6-30-24	Issued During Year	Adjusted During Year
<b>General Long-Term Debt:</b>					
<b>Bonded Debt:</b>					
Public Improvement Refunding, Series 2014	2.00%-5.00%	06/03/14	\$ 6,690,000	\$ -	\$ -
Public Improvement Refunding, Series 2015	3.00%-5.00%	07/09/15	13,980,000	-	-
Public Improvement Refunding, Series 2016	3.00%-5.00%	09/29/16	72,315,000	-	-
Public Improvement Refunding, Series 2017	3.23%	03/16/17	1,140,000	-	-
Public Improvement Refunding, Series 2019	3.00%-5.00%	03/05/19	33,150,000	-	-
Public Improvement Refunding, Series 2021	1.25%-5.00%	02/23/21	51,095,000	-	-
Public Improvement Refunding, Series 2023	2.74%-4.08%	08/17/23	43,685,000	-	-
Unamortized Bond Premium			15,188,226	-	-
<b>Total Bonded Debt:</b>			<u>237,243,226</u>	<u>-</u>	<u>-</u>
<b>Other Long-Term Debt:</b>					
<b>Installment Purchase Agreements:</b>					
<b>Limited Obligation Bonds:</b>					
Lobs 2012	2.00%-5.00%	03/29/12	5,380,000	-	-
Lobs 2013	1.50%-5.00%	03/28/13	3,745,000	-	-
Lobs 2016	4.00%-5.00%	04/01/16	19,975,000	-	-
Lobs 2018	4.00%-5.00%	09/06/18	41,135,000	-	-
Lobs 2020A	2.375%-5.00%	01/23/20	13,680,000	-	-
Lobs 2020B	1.668%-3.085%	01/23/20	92,095,000	-	-
Lobs 2023A	5.00%	04/19/23	160,345,000	-	-
Lobs 2023B	3.985% to 5.064%	04/19/23	22,500,000	-	-
LOBs 2024A	5.00%	05/23/2024	36,970,000	-	-
LOBs 2024B	4.690%-5.125%	05/23/2024	34,325,000	-	-
Unamortized Bond Premium			33,932,457	-	-
<b>Total Limited Obligation Bonds:</b>			<u>464,082,457</u>	<u>-</u>	<u>-</u>
<b>Other Financing Agreements</b>					
Bond Anticipation Notes (BANs) FY23			73,431,159	80,726,966	-
<b>Total Bond Anticipation Notes</b>			<u>73,431,159</u>	<u>80,726,966</u>	<u>-</u>
<b>Other Agreements</b>					
Leases			5,477,639	193,509	5,484
Subscription			1,912,300	132,145	(72,545)
Utility Performance Contract (direct install placement financing)			1,726,462	-	-
<b>Total Other Agreements</b>			<u>9,116,401</u>	<u>325,654</u>	<u>(67,061)</u>
<b>Total Other Financing Agreements</b>			<u>82,547,560</u>	<u>81,052,620</u>	<u>(67,061)</u>
<b>Total Installment Purchase Agreements:</b>					
Compensated Absences			29,841,571	483,993	-
Net Pension Liabilities (LGERS)			99,963,798	4,102,300	-
Total Pension Liability (LEOSSA)			10,448,687	84,466	-
OPEB Liability			163,743,369	-	-
<b>Total Other Long-Term Debt:</b>			<u>850,627,442</u>	<u>85,723,379</u>	<u>(67,061)</u>
<b>Total General Long-Term Debt:</b>			<u>\$ 1,087,870,668</u>	<u>\$ 85,723,379</u>	<u>\$ (67,061)</u>

Deceased During Year	Due Fiscal Year 2024-2025		Amount Outstanding 6-30-25	Due Fiscal Year 2025-2026		Long-Term Principal Due Thereafter
	Principal	Interest		Principal	Interest	
\$ -	\$ -	\$ 250,875	\$ 6,690,000	\$ -	\$ 250,875	\$ 6,690,000
-	5,370,000	564,750	8,610,000	5,385,000	295,875	3,225,000
-	8,865,000	2,601,800	63,450,000	8,750,000	2,249,500	54,700,000
-	380,000	30,685	760,000	380,000	18,411	380,000
-	2,210,000	1,464,125	30,940,000	2,210,000	1,353,625	28,730,000
-	3,195,000	1,597,106	47,900,000	3,195,000	1,469,306	44,705,000
-	2,300,000	2,092,400	41,385,000	2,300,000	1,977,400	39,085,000
-	3,406,118	-	11,782,108	2,857,083	-	8,925,025
-	25,726,118	8,601,741	211,517,108	25,077,083	7,614,992	186,440,025
-	2,190,000	180,088	3,190,000	3,190,000	111,650	-
-	-	121,713	3,745,000	-	121,713	3,745,000
-	2,880,000	926,750	17,095,000	2,870,000	783,000	14,225,000
-	2,745,000	1,685,875	38,390,000	2,745,000	1,564,250	35,645,000
-	855,000	587,813	12,825,000	855,000	553,613	11,970,000
-	5,755,000	2,329,694	86,340,000	4,620,000	2,225,684	81,720,000
-	8,440,000	8,017,250	151,905,000	8,440,000	7,595,250	143,465,000
-	1,185,000	1,026,715	21,315,000	1,180,000	979,493	20,135,000
-	-	1,889,578	36,970,000	-	1,848,500	36,970,000
-	3,565,000	1,713,298	30,760,000	3,565,000	1,493,346	27,195,000
-	4,102,306	-	29,830,151	3,808,005	-	26,022,146
-	31,717,306	18,478,774	432,365,151	31,273,005	17,276,499	401,092,146
-	-	-	154,158,125	-	-	-
-	-	-	154,158,125	-	-	-
379,520	709,420	77,129	4,587,692	607,631	67,631	3,980,061
-	1,573,218	28,608	398,682	325,286	8,714	73,396
-	354,541	37,459	1,371,921	370,735	29,265	1,001,186
379,520	2,637,179	143,196	6,358,295	1,303,652	105,610	5,054,643
379,520	2,637,179	143,196	160,516,420	1,303,652	105,610	5,054,643
379,520	34,354,485	18,621,970	592,881,571	32,576,657	17,382,109	406,146,789
-	-	-	30,325,564	13,787,570	-	16,537,994
-	-	-	104,066,098	-	-	104,066,098
-	-	-	10,533,153	752,598	-	9,780,555
11,115,642	-	-	152,627,727	5,506,859	-	147,120,868
11,495,162	34,354,485	18,621,970	890,434,113	52,623,684	17,382,109	683,652,304
\$ 11,495,162	\$ 60,080,603	\$ 27,223,711	\$ 1,101,951,221	\$ 77,700,767	\$ 24,997,101	\$ 870,092,329

**Gross Bonded Debt and Other Long-Term Debt  
For the Fiscal Year Ended June 30, 2025 (continued)**

Description	Interest Rate	Issue Date	Amount Outstanding 6-30-24	Issued During Year	Adjusted During Year
<b>Proprietary Debt:</b>					
<b>Enterprise Fund:</b>					
Enterprise Revolving Loan	2.22%	07/01/10	\$ 1,111,270	\$ -	\$ -
Enterprise Revolving Loan II	2.22%	07/01/10	4,790,137	-	-
Revenue Bonds Refunding, Series 2012	2.49%	08/23/12	2,645,000	-	-
Unamortized Bond Premium			140,831	-	-
<b>Total Enterprise Fund Bounded Debt:</b>			<u>8,687,238</u>	<u>-</u>	<u>-</u>
Compensated Absences			610,365	80,280	-
Net Pension Liability (LGERS)			1,565,624	123,772	-
<b>Total Proprietary Debt:</b>			<u>10,863,227</u>	<u>204,052</u>	<u>-</u>
<b>Total General Long-Term Debt and Proprietary Debt:</b>			<u>\$ 1,098,733,895</u>	<u>\$ 85,927,431</u>	<u>\$ (67,061)</u>



Deceased During Year	Due Fiscal Year 2024-2025		Amount Outstanding 6-30-25	Due Fiscal Year 2025-2026		Long-Term Principal Due Thereafter
	Principal	Interest		Principal	Interest	
\$ -	\$ 138,909	\$ 27,754	\$ 972,361	\$ 138,909	\$ 24,670	\$ 833,452
-	532,237	118,157	4,257,900	532,237	106,341	3,725,663
-	860,000	86,777	1,785,000	880,000	65,861	905,000
-	31,887	-	108,944	31,887	-	77,060
-	1,563,033	232,688	7,124,205	1,583,033	196,872	5,541,175
-	-	-	690,645	227,951	-	538,711
-	-	-	1,689,396	-	-	1,689,402
-	1,563,033	232,688	9,504,246	1,810,984	196,872	7,769,288
<u>\$ 11,495,162</u>	<u>\$ 61,643,636</u>	<u>\$ 27,443,895</u>	<u>\$ 1,111,455,467</u>	<u>\$ 79,511,751</u>	<u>\$ 25,193,973</u>	<u>\$ 877,861,617</u>

**Analysis of Current Tax Levy  
Fiscal Year Ending June 30, 2025**

**Property Valuations**

Real property	\$ 42,978,891,406
Personal property	6,102,598,856
Public service	564,026,842
DMV-registered vehicles	3,683,951,166
Total subject to tax	<u>\$ 53,329,468,270</u>
Real property/personal property/corporate excess levy	\$ 643,173,453
DMV - registered vehicles levy	<u>47,432,082</u>
<b>Gross Levy</b>	<b>\$ 690,605,535</b>
Abatements/discoveries	<u>851,500</u>
<b>Net Levy</b>	<b>\$ 691,457,035</b>
Uncollected at June 30, 2025	<u>1,801,709</u>
Current year taxes collected	<u>\$ 689,655,326</u>
Percent of current taxes collected	<u>99.74%</u>



**Schedule of Ad Valorem Taxes Receivable by Fund  
Year Ended June 30, 2025**

Year of Levy	Uncollected Balance July 1, 2024	Current Year Gross Levy	Collections	Abatements/ Discoveries	Uncollected Balance June 30, 2025
2024	\$ -	\$ 690,605,535	\$ 689,655,327	\$ 851,500	\$ 1,801,708
2023	1,841,104	-	986,539	(151,071)	703,494
2022	534,130	-	159,931	(7,586)	366,613
2021	253,759	-	22,424	(67,626)	163,709
2020	196,918	-	15,450	(731)	180,737
2019	490,161	-	31,373	(913)	457,875
2018 and prior	875,679	-	41,139	(100)	834,439
	<u>\$ 4,191,751</u>	<u>\$ 690,605,535</u>	<u>\$ 690,912,183</u>	<u>\$ 623,473</u>	<u>4,508,575</u>
Less allowance for uncollectible ad valorem taxes receivable					(148,945)
Ad valorem taxes receivable (net)					<u>\$ 4,359,630</u>
Receivable by fund, net:					
General Fund				\$ 2,420,892	
Capital financing				346,954	
General Fund					2,767,847
City of Durham				1,580,817	
Town of Chapel Hill				6,995	
City of Raleigh				3,918	
Town of Morrisville				54	
Town of Cary				-	
Custodial funds					1,591,783
					<u>\$ 4,359,630</u>

Note: This schedule includes the general fund and custodial funds.

**Schedule of Ad Valorem Taxes Receivable by Year  
Year Ended June 30, 2025**

<b>Fiscal Year</b>	<b>Uncollected Balance July 1, 2024</b>	<b>Additions</b>	<b>Collections</b>	<b>Abatements/ Discoveries</b>	<b>Uncollected Balance June 30, 2025</b>
2024-2025	\$ -	\$ 690,605,535	\$ 689,655,327	\$ 851,500	\$ 1,801,708
2023-2024	1,841,104	-	986,539	(151,071)	703,494
2022-2023	534,130	-	159,931	(7,586)	366,613
2021-2022	253,759	-	22,424	(67,626)	163,709
2020-2021	196,918	-	15,450	(731)	180,737
2019-2020	490,161	-	31,373	(913)	457,875
2018 and prior	875,679	-	41,139	(100)	834,439
	<u>\$ 4,191,751</u>	<u>\$ 690,605,535</u>	<u>\$ 690,912,183</u>	<u>\$ 623,473</u>	<u>4,508,575</u>
Less allowance for uncollectible ad valorem taxes receivable					<u>(148,945)</u>
Ad valorem taxes receivable (net)					<u>\$ 4,359,630</u>
Reconciliation with revenues:					
Taxes - ad valorem - governmental funds					\$ 427,606,108
Taxes - ad valorem - custodial funds					263,306,075
Total collections and credits					<u>\$ 690,912,183</u>

Note: This schedule includes the general fund and custodial funds.



# Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM



## Financial Trends Information

### Schedule of Net Position by Component

This schedule is a summary of the County's net position for the last 10 fiscal years. Information can be obtained from the Statement of Net Position in the financial statements for each of the fiscal years. The Net Position must be presented in the three different components and in the aggregate.

### Schedule of Changes in Net Position

This schedule is a summary of the changes in net position for the last 10 fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

### Schedule of Fund Balances, Governmental Funds

This schedule is a summary of the governmental funds fund balances for the last 10 fiscal years. Information can be obtained from the Governmental Funds Balance Sheet in the financial statements for each of the fiscal years. The General Fund is reported in five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent; nonspendable, restricted, committed, assigned and unassigned fund balance. The remaining Governmental Funds are grouped together but split out into the appropriate fund balance classifications.

### Schedule of Changes in Fund Balances of Governmental Funds

This schedule is required to show three items: the net change in fund balance over the last 10 fiscal years, provide the debt service as a percentage of non capital expenditures ratio, and debt service must be broken out into principal and interest. The schedule also shows the revenues by source and expenditures by function. This information can be obtained from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements for each of the fiscal years.

### Government-wide Expenses by Function

This schedule is a summary of the expenses by functional area for the last 10 fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

### Government-wide Revenues

This schedule is a summary of the revenues by source for the last 10 fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

### General Government Expenditures by Function

This schedule is a summary of general government expenditures by function for the last 10 fiscal years for all governmental fund types consisting of General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Community Health Trust Fund. This information can be obtained from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements for each of the fiscal years.

### General Government Revenues by Source

This schedule is a summary of general government revenues by source for the last 10 fiscal years for all governmental fund types consisting of General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Community Health Trust Fund. This information can be obtained from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements for each of the fiscal years.





**Net Position by Component  
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 61,949,096	\$ 53,700,724	\$ 114,466,733	\$ 108,073,865	\$ 183,610,404	\$ 136,546,994	\$ 169,099,967	\$ 62,072,041	\$ 171,070,634	\$ 120,531,058
Restricted	100,091,583	107,068,865	132,542,994	100,410,092	97,332,350	68,391,721	64,193,834	57,833,938	52,646,580	56,579,115
Unrestricted	<u>(130,845,410)</u>	<u>(123,164,519)</u>	<u>(198,524,346)</u>	<u>(144,942,446)</u>	<u>(221,962,274)</u>	<u>(151,535,380)</u>	<u>(192,337,701)</u>	<u>(96,020,674)</u>	<u>(112,774,836)</u>	<u>(89,071,940)</u>
Total governmental activities net position	<u>\$ 31,195,269</u>	<u>\$ 37,605,070</u>	<u>\$ 48,485,381</u>	<u>\$ 63,541,511</u>	<u>\$ 58,980,480</u>	<u>\$ 53,403,335</u>	<u>\$ 40,956,100</u>	<u>\$ 23,885,305</u>	<u>\$ 110,942,378</u>	<u>\$ 88,038,233</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 62,535,383	\$ 62,173,685	\$ 61,663,435	\$ 60,383,228	\$ 54,524,004	\$ 55,060,180	\$ 53,816,232	\$ 53,624,526	\$ 53,217,258	\$ 53,957,575
Restricted	11,864,522	10,203,666	8,746,694	7,265,351	10,508,607	2,108,332	3,374,189	688,047	1,332,847	952,588
Unrestricted	<u>60,624,327</u>	<u>54,061,505</u>	<u>49,255,370</u>	<u>41,022,643</u>	<u>36,203,632</u>	<u>39,353,018</u>	<u>36,995,955</u>	<u>36,741,062</u>	<u>33,334,232</u>	<u>28,459,495</u>
Total business-type activities net position	<u>\$ 135,024,232</u>	<u>\$ 126,438,856</u>	<u>\$ 119,665,499</u>	<u>\$ 108,671,222</u>	<u>\$ 101,236,243</u>	<u>\$ 96,521,530</u>	<u>\$ 94,186,376</u>	<u>\$ 91,053,635</u>	<u>\$ 87,884,337</u>	<u>\$ 83,369,658</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 124,484,479	\$ 115,874,409	\$ 176,130,168	\$ 168,457,093	\$ 238,134,408	\$ 191,607,174	\$ 222,916,199	\$ 115,696,567	\$ 224,287,892	\$ 174,488,633
Restricted	111,956,105	117,272,531	141,289,688	107,675,443	107,840,957	70,500,053	67,568,023	58,521,985	53,979,427	57,531,703
Unrestricted	<u>(70,221,083)</u>	<u>(69,103,014)</u>	<u>(149,268,976)</u>	<u>(103,919,803)</u>	<u>(185,758,642)</u>	<u>(112,182,362)</u>	<u>(155,341,746)</u>	<u>(59,279,612)</u>	<u>(79,440,604)</u>	<u>(60,612,445)</u>
Total primary government net position	<u>\$ 166,219,501</u>	<u>\$ 164,043,926</u>	<u>\$ 168,150,880</u>	<u>\$ 172,212,733</u>	<u>\$ 160,216,723</u>	<u>\$ 149,924,865</u>	<u>\$ 135,142,476</u>	<u>\$ 114,938,940</u>	<u>\$ 198,826,715</u>	<u>\$ 171,407,891</u>

**Changes in Net Position  
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Expenses</b>										
Governmental activities:										
General government	\$ 126,500,806	\$ 112,974,080	\$ 123,351,253	\$ 114,410,610	\$ 101,205,831	\$ 89,530,531	\$ 65,306,869	\$ 67,278,145	\$ 64,194,870	\$ 60,091,561
Public safety	114,195,029	109,677,188	95,153,607	81,778,636	98,843,230	96,780,516	86,231,267	83,743,115	75,533,420	69,100,186
Transportation	1,607,568	1,311,317	912,757	800,206	291,640	228,549	244,338	238,948	353,001	205,873
Economic and physical development	16,589,754	13,130,041	16,179,664	16,303,883	13,107,386	9,416,002	5,996,057	5,761,844	7,368,799	7,343,752
Environmental protection	14,391,663	13,396,439	13,452,988	12,584,107	9,573,869	8,349,531	6,760,218	5,997,974	5,966,371	4,303,325
Human services	122,496,541	136,690,860	101,071,341	110,942,747	105,617,896	101,256,274	91,657,739	86,632,504	93,649,136	92,160,946
Education	324,117,793	292,887,030	259,618,044	245,537,946	181,869,621	182,574,991	172,358,720	155,678,995	149,192,760	144,524,127
Cultural and recreational	22,112,888	19,510,407	17,445,261	16,313,104	16,001,339	17,520,440	15,782,278	20,693,870	14,802,765	12,762,810
Interest and fiscal charges	24,356,751	24,155,932	22,396,244	14,794,595	14,578,173	254,616	19,100,202	16,547,326	12,999,003	19,749,259
Total governmental activities	766,368,793	723,733,294	649,581,159	613,465,834	541,088,985	505,911,450	463,437,688	442,572,721	424,060,125	410,241,839
Business-type activities:										
Sewer utility	14,740,674	14,172,698	12,110,564	10,470,472	9,864,971	9,705,514	10,123,859	8,302,269	7,970,882	7,447,186
Stormwater	2,573,913	2,570,617	1,277,471	1,220,996	984,943	-	-	-	-	-
Total business-type activities	17,314,587	16,743,315	13,388,035	11,691,468	10,849,914	9,705,514	10,123,859	8,302,269	7,970,882	7,447,186
Total primary government expenses	783,683,380	740,476,609	662,969,194	625,157,302	551,938,899	515,616,964	473,561,547	450,874,990	432,031,007	417,689,025
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	16,752,380	17,124,546	18,358,823	20,839,897	18,384,547	15,462,682	13,568,132	14,528,090	13,196,914	13,473,564
Public safety	23,790,487	18,437,080	17,369,014	15,347,858	13,282,256	12,335,220	12,933,084	13,190,898	12,301,993	11,700,522
Transportation	2,198	2,933	1,881	2,429	-	-	-	-	-	-
Economic and physical development	89,137	58,356	53,528	42,721	38,873	34,022	47,202	44,544	52,116	67,361
Environmental protection	3,837,256	3,295,272	3,060,834	3,078,358	3,108,944	3,875,824	3,911,415	3,830,149	3,298,084	3,217,315
Human services	1,750,044	1,460,453	1,416,356	1,350,360	1,198,229	2,420,120	3,830,491	5,251,427	5,096,785	5,306,527
Education	24,670	41,210	1,881	1,881	1,332	-	-	-	-	-
Cultural and recreational	277,175	271,055	247,836	219,251	183,507	314,749	402,152	398,319	386,919	456,385
Operating grants and contributions:										
General government	38,295,432	29,703,429	15,951,884	14,666,474	15,250,936	9,075,077	6,297,110	5,260,234	5,686,528	3,499,215
Public safety	5,846,998	6,478,652	6,034,693	6,090,007	11,623,397	5,905,052	4,863,835	4,249,789	4,840,111	5,270,013
Transportation	1,187,860	615,593	559,289	599,383	-	-	-	-	-	-
Economic and physical development	3,511,529	1,646,264	320,560	337,685	799,373	285,930	899,686	591,505	334,540	542,097
Environmental protection	14,525	-	20,160	24,000	174,107	-	99,569	119,019	74,244	169,636
Human services	56,458,585	56,159,817	50,407,176	68,852,541	47,856,947	38,442,882	36,776,037	36,437,658	48,568,587	47,419,147
Education	-	-	-	2,000	-	-	-	-	-	-
Cultural and recreational	573,147	459,572	655,142	423,716	525,562	423,926	516,005	251,390	287,840	355,168
Capital grants and contributions:										
General government	-	-	-	-	-	-	1,000,000	999,880	1,260,807	2,361,838
Public safety	637,195	-	-	-	-	-	-	-	-	-
Environmental protection	4,134,854	313,688	-	-	30,693	-	-	446,622	2,004,287	24,007
Education	3,521,875	1,950,119	4,467,661	1,157,830	720,245	1,130,189	1,322,406	1,088,886	1,821,738	1,978,837
Cultural and recreational	-	-	-	-	-	400,000	800,000	-	-	-
Total governmental activities program revenues	160,705,347	138,018,039	118,926,718	133,036,391	113,178,948	90,105,673	87,267,124	86,688,410	99,211,493	95,841,632



### Changes in Net Position Last Ten Fiscal Years (Continued)

	2025	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities:										
Charges for services:										
Sewer utility	\$ 19,921,261	\$ 18,597,857	\$ 20,023,410	\$ 15,918,770	\$ 13,928,001	\$ 11,658,657	\$ 12,659,769	\$ 10,199,023	\$ 12,331,995	\$ 9,200,098
Stormwater	4,066,204	3,665,579	2,853,679	2,236,163	1,639,669	-	-	-	-	-
Operating grants and contributions:										
Stormwater	178,139	3,665,579	2,853,679	2,236,163	1,639,669	-	-	-	-	-
Capital grants and contributions:										
Sewer utility	430,028	135,576	869,362	892,852	5,805	-	-	959,110	42,925	284,195
Stormwater	-	-	-	-	17,116	-	-	-	-	-
Total business-type activities program revenues	24,595,632	22,399,012	23,746,451	19,047,785	15,590,591	11,658,657	12,659,769	11,158,133	12,374,920	9,484,293
Total primary government program revenues	185,300,979	160,417,051	142,673,169	152,084,176	128,769,539	101,764,330	99,926,893	97,846,543	111,586,413	105,325,925
<b>Net (Expense)/Revenue</b>										
Governmental activities	(605,663,446)	(585,715,255)	(530,654,441)	(480,429,443)	(427,910,037)	(415,805,777)	(376,170,564)	(355,884,311)	(324,848,632)	(314,400,207)
Business-type activities	7,281,045	5,655,697	10,358,416	7,356,317	4,740,677	1,953,143	2,535,910	2,855,864	4,404,038	2,037,107
Total primary government net expense	(598,382,401)	(580,059,558)	(520,296,025)	(473,073,126)	(423,169,360)	(413,852,634)	(373,634,654)	(353,028,447)	(320,444,594)	(312,363,100)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	428,848,508	389,361,162	359,670,953	341,750,218	325,474,847	316,894,035	292,291,159	278,719,636	262,886,545	259,451,036
Property taxes, levied for fire districts	11,456,261	11,479,155	11,010,075	9,933,127	9,218,291	8,807,839	8,296,148	7,823,215	7,870,019	7,826,322
Property taxes, levied for other districts purposes	3,315,190	2,960,715	1,757,764	1,532,491	1,477,449	1,133,988	1,070,763	1,145,501	1,219,855	959,142
Local option sales tax	120,182,883	128,164,806	126,051,649	114,631,886	97,605,674	87,505,306	84,521,869	83,808,889	76,855,214	74,471,794
Occupancy tax	5,054,667	4,887,179	4,806,722	3,397,090	1,680,342	3,622,475	4,310,529	3,970,516	3,961,343	3,509,649
Gross receipts tax	797,080	833,101	697,021	624,673	546,969	485,215	571,291	483,133	479,899	429,419
Vehicle registration tax	178,922	176,761	192,600	191,524	223,347	216,049	231,838	226,448	340,501	193,373
Investment and interest income	18,353,603	18,141,726	10,368,982	(3,572,981)	(3,767,330)	8,800,011	965,567	7,430,012	(1,149,566)	4,684,275
Other revenues	1,192,086	1,343,163	1,042,545	16,502,446	1,027,593	788,094	982,195	1,062,967	1,090,502	953,890
Total governmental activities	589,379,200	557,347,768	515,598,311	484,990,474	433,487,182	428,253,012	393,241,359	384,670,317	353,554,312	352,478,900
Business-type activities:										
Investment and interest income	1,667,647	1,117,660	635,861	65,231	(38,941)	382,011	600,355	320,391	110,656	71,355
Other revenues	-	-	-	13,431	12,977	-	(3,524)	(6,957)	-	12,841
Total business-type activities	1,667,647	1,117,660	635,861	78,662	(25,964)	382,011	596,831	313,434	110,656	84,196
Total primary government	591,046,847	558,465,428	516,234,172	485,069,136	433,461,218	428,635,023	393,838,190	384,983,751	353,664,968	352,563,096
<b>Change in Net Position</b>										
Government activities	(16,284,246)	(28,367,487)	(15,056,130)	4,561,031	5,577,145	12,447,235	17,070,795	28,786,006	28,705,680	38,078,693
Business-type activities	8,948,692	6,773,357	10,994,277	7,434,979	4,714,713	2,335,154	3,132,741	3,169,298	4,514,694	2,121,303
Total primary government	\$ (7,335,554)	\$ (21,594,130)	\$ (4,061,853)	\$ 11,996,010	\$ 10,291,858	\$ 14,782,389	\$ 20,203,536	\$ 31,955,304	\$ 33,220,374	\$ 40,199,996

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years**

June 30	General Fund						All Other Governmental Funds						All Governmental Funds Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
2025	\$ 3,105,795	\$ 79,430,060	\$ 97,623,732	\$ 28,791,716	\$ 81,821,615	\$290,772,918	\$ -	\$ 20,326,610	\$ -	\$ 126,825,544	\$ -	\$ 147,152,154	\$ 437,925,072
2024	2,792,745	83,650,049	101,591,599	28,449,479	61,255,530	277,739,402	-	53,101,616	-	123,803,850	-	176,905,466	454,644,868
2023	2,461,304	75,148,402	101,740,227	29,754,613	78,017,845	287,122,391	-	14,676,597	-	118,178,253	-	132,854,850	419,977,241
2022	2,081,799	43,177,825	112,730,123	28,509,242	119,311,952	305,810,941	-	33,431,634	-	40,579,730	-	74,011,364	379,822,305
2021	1,613,780	44,788,849	80,259,921	24,220,752	102,218,572	253,101,874	-	10,041,605	-	51,865,500	-	61,907,105	315,008,979
2020	1,108,957	42,986,245	83,674,910	17,936,191	74,406,187	220,112,490	-	7,250,997	-	83,623,756	-	90,874,753	310,987,243
2019	1,360,180	46,298,508	82,956,424	18,081,595	62,456,569	211,153,276	-	8,766,241	-	63,728,074	-	72,494,315	283,647,591
2018	1,013,215	43,359,986	87,367,837	19,497,586	56,164,833	207,403,457	-	7,177,485	-	37,385,982	-	44,563,467	251,966,924
2017	1,010,444	37,293,252	80,631,128	14,421,763	61,442,303	194,798,890	-	5,353,342	-	38,432,063	-	43,785,405	238,584,295
2016	972,635	38,115,182	67,133,359	13,289,584	63,235,816	182,746,576	-	6,079,462	-	38,122,417	-	44,201,879	226,948,455

### Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues</b>										
Taxes	\$ 569,655,140	\$ 538,275,001	\$ 503,409,049	\$ 473,878,569	\$ 436,076,567	\$ 417,138,314	\$ 390,922,436	\$ 376,306,638	\$ 353,995,914	\$ 347,348,935
Licenses and permits	262,330	305,958	363,350	428,244	626,990	1,622,962	1,679,317	1,638,616	1,393,097	1,535,091
Intergovernmental	114,698,443	100,176,247	78,416,567	92,153,636	76,981,260	55,663,056	52,574,648	49,444,983	64,878,682	61,619,958
Investments	18,353,603	18,303,191	7,864,210	2,249,715	2,196,480	5,441,723	6,947,307	4,645,417	3,985,884	4,181,190
Rent	755,786	874,157	256,953	182,652	723,085	729,374	902,528	1,134,280	972,562	988,807
Charges for services	44,536,725	39,017,035	40,119,468	40,227,111	34,062,116	32,700,705	32,175,804	34,182,908	31,855,249	31,035,290
Other revenues	1,192,086	1,343,162	1,042,545	16,502,446	1,027,593	788,094	982,195	1,062,967	1,090,502	953,890
Total revenues	749,454,113	698,294,751	631,472,142	625,622,373	551,694,091	514,084,228	486,184,235	468,415,809	458,171,890	447,663,161
<b>Expenditures</b>										
General government	112,918,501	97,228,159	88,217,739	84,303,102	74,240,947	68,053,928	66,464,213	64,068,864	60,722,635	57,491,702
Public safety	105,006,755	101,563,344	116,655,092	90,996,345	88,498,753	86,712,694	78,549,477	80,538,865	70,917,455	67,063,053
Transportation	1,557,481	1,287,189	911,796	818,605	291,640	228,549	244,338	238,948	353,001	205,873
Economic and physical development	16,382,812	12,884,873	15,840,494	16,052,338	17,331,081	9,108,007	5,816,772	5,643,177	7,350,476	7,364,572
Environmental protection	14,025,807	13,219,153	31,708,729	32,894,330	28,032,436	14,050,736	18,258,082	26,246,637	23,860,525	7,207,867
Human services	117,943,519	132,565,921	108,474,971	118,399,585	95,511,667	91,434,044	86,525,498	83,234,656	92,909,696	93,140,635
Education	323,913,228	292,691,023	285,475,541	245,330,079	201,860,785	182,372,967	172,330,527	155,476,971	151,366,905	144,322,104
Cultural and recreational	21,195,885	18,178,218	20,464,283	18,335,820	15,308,823	24,846,253	37,320,280	32,283,359	15,509,314	13,202,921
Debt service:										
Principal retirement	52,566,694	49,932,325	49,280,826	45,537,546	43,574,785	41,300,728	36,131,116	37,322,892	37,427,611	35,596,413
Interest and fiscal charges	31,134,403	28,424,022	20,417,159	17,937,476	18,337,916	19,709,824	20,122,333	19,606,512	18,653,456	20,599,097
Debt issuance costs	-	1,333,757	1,567,111	115,256	619,803	770,191	929,899	247	1,002,975	741,165
Arbitrage penalties	35,104	-	-	-	-	-	-	-	-	-
Capital Outlay <sup>(2)</sup>	48,491,872	72,090,641	-	-	-	-	-	-	-	-
Total expenditures	845,172,061	821,398,625	739,013,741	670,720,482	583,608,636	538,587,921	522,692,535	504,661,128	480,074,049	446,935,402
<b>Excess of revenues over (under) expenditures</b>	<b>(95,717,948)</b>	<b>(123,103,874)</b>	<b>(107,541,599)</b>	<b>(45,098,109)</b>	<b>(31,914,545)</b>	<b>(24,503,693)</b>	<b>(36,508,300)</b>	<b>(36,245,319)</b>	<b>(21,902,159)</b>	<b>727,759</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	130,896,772	113,299,093	132,184,168	101,669,808	81,148,457	84,493,665	92,854,680	85,501,782	83,641,265	77,667,072
Transfers out	(130,896,772)	(113,299,093)	(132,184,168)	(101,669,808)	(81,148,457)	(84,493,665)	(92,854,680)	(85,501,782)	(83,641,250)	(77,667,072)
Lease liabilities issued	193,607	76,686	5,208,652	-	-	-	-	-	-	-
Subscription liabilities	132,145	-	7,987,232	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-	5,284,798	-	-	-
Issuance of bonds	-	-	-	-	-	-	-	-	3,800,000	-

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years (Continued)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Premium on issuance of refinancing	\$ -	\$ 75,705,688	\$ 104,818,374	\$ 108,013,952	\$ 35,536,643	\$ 3,274,674	\$ 6,109,622	\$ -	\$ 17,940,846	\$ 13,031,538
Issuance of refunding bonds	80,726,966	126,434,210	247,802,593	-	8,594,638	117,400,000	87,720,000	-	96,460,000	63,930,000
Payment to refunded debt escrow agent	-	(50,000,000)	(218,120,316)	-	61,805,000	(109,879,936)	(93,500,000)	-	(115,022,770)	(77,226,102)
Issuance of installment purchases	-	-	-	1,897,483	(70,000,000)	41,048,607	62,574,540	49,627,948	30,359,908	9,550,072
Total other financing sources (uses)	81,052,718	152,216,584	147,696,535	109,911,435	35,936,281	51,843,345	68,188,960	49,627,948	33,537,999	9,285,508
<b>Net change in fund balances</b>	<u>\$ (14,665,230)</u>	<u>\$ 34,622,762</u>	<u>\$ 40,154,936</u>	<u>\$ 64,813,326</u>	<u>\$ 4,021,736</u>	<u>\$ 27,339,652</u>	<u>\$ 31,680,660</u>	<u>\$ 13,382,629</u>	<u>\$ 11,635,840</u>	<u>\$ 10,013,267</u>
Debt service as a percentage of noncapital expenditures	10.51%	10.46%	10.28%	9.82%	11.10%	12.00%	11.80%	12.41%	12.49%	12.95%

Notes:

<sup>(2)</sup> FY24 is the first year of reporting Capital Outlay as a stand-alone number. In the prior years, Capital Outlay was included within the other categories.



**Government-wide Expenses by Function  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Transportation</b>	<b>Economic and Physical Development</b>	<b>Environmental Protection</b>
2025	\$ 126,500,806	\$ 114,195,029	\$ 1,607,568	\$ 16,589,754	\$ 14,391,663
2024	112,974,080	109,677,188	1,311,317	13,130,041	13,396,439
2023	123,351,253	95,153,607	912,757	16,179,664	13,452,988
2022	114,410,610	81,778,636	800,206	16,303,883	12,584,107
2021	101,205,831	98,843,230	291,640	13,107,386	9,573,869
2020	89,530,531	96,780,516	228,549	9,416,002	8,349,531
2019	65,306,869	86,231,267	244,338	5,996,057	6,760,218
2018	67,278,145	83,743,115	238,948	5,761,844	5,997,974
2017	64,194,870	75,533,420	353,001	7,368,799	5,966,371
2016	60,091,561	69,100,186	205,873	7,343,752	4,303,325



<b>Human Services</b>	<b>Education</b>	<b>Cultural and Recreational</b>	<b>Interest and Fiscal Charges</b>	<b>Sewer Utility</b>	<b>Stormwater</b>	<b>Total</b>
\$ 122,496,541	\$ 324,117,793	\$ 22,112,888	\$ 24,356,751	\$ 14,740,674	\$ 2,573,913	\$ 783,683,380
136,690,860	292,887,030	19,510,407	24,155,932	14,172,698	2,570,617	740,476,609
101,071,341	259,618,044	17,445,261	22,396,244	12,110,564	1,277,471	662,969,194
110,942,747	245,537,946	16,313,104	14,794,595	10,470,472	1,220,996	625,157,302
105,617,896	181,869,621	16,001,339	14,578,173	9,864,971	984,943	551,938,899
101,256,274	182,574,991	17,520,440	254,616	9,705,514	-	515,616,964
91,657,739	172,358,720	15,782,278	19,100,202	10,123,859	-	473,561,547
86,632,504	155,678,995	20,693,870	16,547,326	8,302,269	-	450,874,990
93,649,136	149,192,760	14,802,765	12,999,003	7,970,882	-	432,031,007
92,160,946	144,524,127	12,762,810	19,749,259	7,447,186	-	417,689,025

**Government-wide Revenues  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Taxes</b>	<b>Investment and Interest Income</b>	<b>Other Revenues</b>	<b>Total</b>
2025	\$ 70,510,812	\$ 106,066,215	\$ 8,723,952	\$ 569,833,511	\$ 20,021,250	\$ 1,192,086	\$ 776,347,826
2024	62,954,341	95,063,327	2,399,383	537,862,879	19,259,386	1,343,163	718,882,479
2023	63,387,242	73,948,904	5,337,023	504,186,784	11,004,843	1,042,545	658,907,341
2022	59,037,688	90,995,806	2,050,682	472,061,009	(3,507,750)	16,515,877	637,153,312
2021	36,197,688	76,230,322	773,859	436,226,919	(3,806,271)	1,040,570	546,663,087
2020	34,442,617	54,132,867	1,530,189	418,664,907	8,800,011	788,094	518,358,685
2019	47,352,245	49,452,242	3,122,406	391,293,597	1,565,922	978,671	493,765,083
2018	47,442,450	46,909,595	3,494,498	376,177,338	7,750,403	1,056,010	482,830,294
2017	46,664,806	59,791,850	5,129,757	353,613,376	(1,038,910)	1,090,502	465,251,381
2016	43,421,772	57,255,276	4,648,877	346,840,735	4,755,630	966,731	457,889,021



### Governmental Expenditures by Function<sup>(1)</sup> Last Ten Fiscal Years

Fiscal Year Ended June 30	General Government	Public Safety	Transpor- tation	Environmental Protection	Education	Human Services	Economic and Physical Development	Cultural and Recreational	Debt Service	Capital Outlay <sup>(2)</sup>	Total
2025	\$ 112,918,501	\$ 105,006,755	\$ 1,557,481	\$ 14,025,807	\$ 323,913,228	\$ 117,943,519	\$ 16,382,812	\$ 21,195,885	\$ 83,736,201	\$ 48,491,872	\$ 845,172,061
2024	97,228,159	101,563,344	1,287,189	13,219,153	292,691,023	132,565,921	12,884,873	18,178,218	79,690,104	72,090,641	821,398,625
2023	88,217,739	116,655,092	911,796	31,708,729	285,475,541	108,474,971	15,840,492	20,464,283	71,265,096	-	739,013,741
2022	84,303,102	90,996,345	818,605	32,894,330	245,330,079	118,399,585	16,052,338	18,335,820	63,590,278	-	670,720,482
2021	74,240,947	88,498,753	291,640	28,032,436	201,860,785	95,511,667	17,331,081	15,308,823	62,532,504	-	583,608,636
2020	68,053,928	86,712,694	228,549	14,050,736	182,372,967	91,434,044	9,108,007	24,846,253	61,780,743	-	538,587,921
2019	66,464,213	78,549,477	244,338	18,258,082	172,330,527	86,525,498	6,816,772	37,320,280	57,183,348	-	523,692,535
2018	64,068,864	80,538,865	238,948	26,246,637	155,476,971	83,234,656	5,643,177	32,283,359	56,929,651	-	504,661,128
2017	60,722,635	70,917,455	353,001	23,860,525	151,366,905	92,909,696	7,350,476	15,509,314	57,084,042	-	480,074,049
2016	57,491,702	67,063,053	205,873	7,207,867	144,322,104	93,140,635	7,364,572	13,202,921	56,936,675	-	446,935,402

Notes:

<sup>(1)</sup> General government expenditures include all governmental fund types consisting of General Fund, American Rescue Plan Act, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.

<sup>(2)</sup> FY24 is the first year of reporting Capital Outlay as a stand-alone number. In the prior years, Capital Outlay was included within the other categories.

**General Government Revenues by Source<sup>(1)</sup>  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Property Taxes	Other Local Taxes	Licenses and Permits	Intergovernmental Revenues	Rental Income	Investment Income	Charges for Services	Other Revenues	Total
2025	\$ 554,887,857	\$ 14,767,283	\$ 262,330	\$ 114,698,443	\$ 755,786	\$ 18,353,603	\$ 44,536,725	\$ 1,192,086	\$ 749,454,113
2024	523,858,260	14,416,741	305,958	100,176,247	874,157	18,303,191	39,017,035	1,343,162	698,294,751
2023	490,660,505	12,748,544	363,350	78,416,567	256,953	7,864,210	40,119,468	1,042,545	631,472,142
2022	462,351,377	11,527,192	428,244	92,153,636	182,652	2,249,715	40,227,111	16,502,446	625,622,373
2021	425,405,583	10,670,984	626,990	76,981,260	723,085	2,196,480	34,062,116	1,027,593	551,694,091
2020	407,242,844	9,895,470	1,622,962	55,663,056	729,374	5,441,723	32,700,705	788,094	514,084,228
2019	301,233,754	89,688,682	1,679,317	52,574,648	902,528	6,947,307	32,175,804	982,195	486,184,235
2018	287,741,392	88,565,246	1,638,616	49,444,983	1,134,280	4,645,417	34,182,908	1,062,967	468,415,809
2017	272,300,032	81,695,882	1,393,097	64,878,682	972,562	3,985,884	31,855,249	1,090,502	458,171,890
2016	268,685,962	78,662,973	1,535,091	61,619,958	988,807	4,181,190	31,035,290	953,890	447,663,161

Notes:

<sup>(1)</sup> General government revenues include all governmental fund types consisting of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.



## Revenue Capacity Information

### Principal Property Taxpayers

This schedule lists the largest taxpayers in the County. The GASB requires the ten largest be listed, unless less than ten are needed to reach 50% of the County's equalized assessed valuation. This information is to be presented for the current levy year and the levy year nine years prior. This information can be obtained from the County Tax Assessor's Office.

### Schedule of Assessed Value and Actual Value of Taxable Property

This schedule presents real estate classes by type for the last 10 levy years as well as the county-wide tax rate, the range of special tax districts tax rates and the average County Tax Rate. This information can be obtained from the County Tax Assessor's Office.

### Property Tax Levies and Collections

This schedule presents information for levies (original, adjustments and adjusted levies), amounts collected within the fiscal year of the levy with the percentage collection of original levy, and total amounts collected as of this fiscal year end with a percentage collection of adjusted levy. This information is provided for the last 10 fiscal years.

### Property Tax Levies Direct and Overlapping Local Government Jurisdictions

This schedule lists the final adjusted tax levy direct and overlapping for all local government jurisdictions for the last 10 fiscal years.

### Direct and Overlapping Property Tax Rates

This schedule presents information for direct and overlapping property tax rates for the last 10 fiscal years.





### Principal Property Taxpayers June 30, 2025 Current Year and Nine Years Ago

	Fiscal Year 2025			Fiscal Year 2016		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
WOLFSPEED INC *	\$ 787,284,368	1	1.48%	\$ 364,286,386	2	1.29%
ELI LILLY AND COMPANY	655,027,287	2	1.23%	-		0.80%
MERCK SHARP & DOHME CORP	524,290,807	3	0.98%	210,390,774	7	0.69%
AISIN NORTH CAROLINA CORPORATION **	311,475,660	4	0.58%	371,468,918	1	1.93%
DUKE ENERGY CAROLINAS, LLC	275,892,929	5	0.52%	224,336,436	6	0.00%
ARE-NC REGION NO. 19 HOLDING, LLC	229,052,378	6	0.43%	-		0.00%
KBI BIOPHARMA INC	227,406,659	7	0.43%	-		0.00%
BIOGEN US CORPORATION	189,198,703	8	0.35%	-		0.00%
SOUTHPOINT MALL LLC	185,830,435	9	0.35%	172,275,439	9	0.58%
EMC CORPORATION	170,202,416	10	0.32%	205,466,123	8	0.59%
GLAXOSMITHKLINE	-		0.00%	323,395,804	3	1.23%
INTERNATIONAL BUSINESS MACHINE	-		0.00%	252,536,540	4	1.00%
IBM CORORATION	-		0.00%	240,952,214	5	0.39%
GLAXOSMITHKLINE LLC	-		0.00%	116,806,226	10	0.37%
	<u>\$ 3,555,661,642</u>		<u>6.67%</u>	<u>\$ 2,481,914,860</u>		<u>8.87%</u>

\*Formerly CREE INC in 2016

\*\*Formerly AW NORTH CAROLINA INC in 2016

**Assessed Value and Actual Value of Taxable Property<sup>(1)</sup>  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies</b>	<b>Registered Vehicles</b>	<b>Total</b>	<b>County Direct Tax Rate<sup>(3)</sup></b>	<b>Special Tax Districts Tax Rate<sup>(2)</sup></b>	<b>Average County Tax Rate</b>
2025	\$ 42,978,891,406	\$ 6,102,598,856	\$ 564,026,842	\$ 3,683,951,166	\$ 53,329,468,270	0.7987	0.0756-0.2429	0.8299
2024	41,898,662,716	5,583,640,062	522,340,633	3,319,571,344	51,324,214,755	0.7522	0.0756-0.2579	0.7841
2023	40,573,912,713	5,015,567,148	677,619,677	3,137,333,083	49,404,432,621	0.7222	0.0756-0.2329	0.7522
2022	39,132,997,771	4,351,409,488	670,716,745	2,921,224,229	47,076,348,233	0.7222	0.0756-0.2329	0.7428
2021	38,075,875,096	4,048,724,118	630,273,733	2,855,433,137	45,610,306,084	0.7122	0.0756-0.2229	0.7398
2020	37,068,818,904	3,829,445,315	607,015,073	2,501,803,406	44,007,082,698	0.7122	0.0786-0.1978	0.7398
2019	30,692,283,357	3,619,859,514	580,268,564	2,469,097,142	37,361,508,577	0.7779	0.0778-0.2080	0.8070
2018	29,641,340,413	3,594,119,882	575,537,361	2,348,224,018	36,159,221,674	0.7679	0.0778-0.1880	0.7987
2017	28,894,972,479	3,483,300,069	565,369,921	2,286,702,778	35,230,345,247	0.7404	0.0778-0.1880	0.7727
2016	26,213,161,494	3,524,686,233	553,248,101	2,163,704,337	32,454,800,165	0.7931	0.0799-0.1779	0.8276

Notes

<sup>(1)</sup> All taxable property is subject to the County direct rate. Most property in unincorporated areas is subject to one of the seven fire district taxes. The County's property tax is levied each July 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the County except for certain registered motor vehicles which are assessed and collected throughout the year. Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value for real property and 100% of estimated actual value for personal property. Public service company property is certified by the State of North Carolina at 100% of actual value, with no distinction between real and personal property values.

<sup>(2)</sup> A revaluation of real property is required by N.C. General Statutes at least every eight years. The last revaluation was occurred on January 1, 2025.

<sup>(3)</sup> Per \$100 of assessed value.



### Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in the Subsequent Years	Total Collections to Date	
	Amount	Adjustments		Amount	Percentage of Adjusted Levy		Amount	Percentage of Adjusted Levy
2025	\$ 690,605,535	\$ 851,500	\$ 691,457,035	\$ 689,655,326	99.74%	\$ -	\$ 689,655,326	99.74%
2024	624,826,370	2,048,441	626,874,811	625,033,707	99.71%	2,200,630	627,234,337	99.71%
2023	592,441,908	(2,253,407)	590,188,501	587,363,305	99.52%	2,276,404	589,639,709	99.52%
2022	556,881,985	3,290,433	560,172,418	559,131,786	99.81%	560,641	559,692,427	99.91%
2021	530,841,726	(23,019)	530,818,707	527,954,594	99.46%	2,182,526	530,137,120	99.87%
2020	512,055,634	2,403,140	514,458,774	510,808,652	99.29%	1,179,536	511,988,188	99.52%
2019	469,060,647	1,813,738	470,874,385	469,334,909	99.67%	729,677	470,064,586	99.83%
2018	449,249,843	467,101	449,716,944	448,937,493	99.83%	446,608	449,384,101	99.93%
2017	422,882,431	133,369	423,015,800	422,143,612	99.79%	181,536	422,325,148	99.84%
2016	411,676,610	1,001,471	412,678,081	411,447,291	99.70%	854,574	412,301,865	99.91%

**Property Tax Levies Direct and Overlapping Local Government Jurisdictions  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Durham County	Fire Tax Districts						
		Bethesda	Lebanon	Parkwood	Redwood	Eno	New Hope	Bahama
2025	\$ 399,153,416	\$ -	\$ 1,535,219	\$ -	\$ 1,331,431	\$ 35,047	\$ 100,415	\$ 2,187,484
2024	363,785,007	-	1,501,402	-	1,308,461	34,707	99,773	2,103,064
2023	336,522,246	-	1,499,478	-	1,304,598	35,092	98,119	1,715,651
2022	320,125,424	-	1,491,529	-	1,141,513	35,019	97,492	1,508,632
2021	305,801,999	-	1,390,263	-	1,070,454	34,560	98,831	1,486,575
2020	298,377,888	-	1,389,612	-	1,031,514	34,168	98,389	1,650,509
2019	272,768,246	-	1,192,442	3,262	963,619	33,967	98,190	1,472,816
2018	260,979,012	-	1,184,526	-	917,481	34,105	96,852	1,563,470
2017	245,385,571	-	1,086,554	-	905,668	33,582	95,610	1,490,454
2016	241,808,196	-	1,037,940	-	883,358	30,246	87,109	1,414,475

Notes

City of Raleigh and Town of Morrisville:

- a. Taxes are due September 1 of each year.
- b. Taxes are considered delinquent on January 6 (lien date) of the subsequent year.
- c. Discount on all County tax levies are at the discretion of the Board of Commissioners.
- d. Penalties are applied to delinquent taxes at the rate of two percent (2%) in January, and 3/4 of 1% per month thereafter until collected or foreclosure proceedings are consummated.
- e. Procedures allowed for collection of delinquent taxes include the use of garnishment, the North Carolina Debt Set Off Program and the sale of taxable property.

RTP Special District	Butner Safety District	Durham County Fire & Rescue	City of Durham	City of Raleigh	Town of Cary	Town of Chapel Hill	Town of Morrisville	Total Tax Levies
\$ 3,302,375	\$ -	\$ 5,601,616	\$ 240,771,980	\$ 893,456	\$ 18,067	\$ 3,257,282	\$ 201,497	\$ 658,389,285
2,940,740	-	5,779,653	218,207,176	1,074,872	16,098	3,135,942	425,739	600,412,634
1,752,913	-	5,755,556	213,870,282	983,543	2,790	2,865,410	75,789	566,481,467
1,528,562	-	5,094,444	201,791,947	908,860	3,991	2,825,121	73,992	536,626,526
1,479,539	-	4,651,771	188,128,930	835,782	-	2,978,052	69,860	508,026,616
1,133,529	-	4,175,148	182,390,156	1,022,456	-	2,972,567	78,164	494,354,100
1,068,856	-	4,081,365	163,559,969	854,979	-	2,569,983	58,432	448,726,126
1,148,704	-	3,670,864	156,293,284	790,433	-	2,469,665	27,274	429,175,670
1,218,468	-	3,855,057	146,313,199	777,666	-	2,543,760	29,329	403,734,919
970,743	-	3,932,013	139,621,148	724,895	-	2,686,409	25,475	393,222,005

**Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>County direct rate</b>										
Operating rate	\$ 0.6976	\$ 0.6511	\$ 0.6361	\$ 0.6361	\$ 0.6261	\$ 0.6261	\$ 0.6808	\$ 0.6708	\$ 0.6608	\$ 0.7078
Capital rate	0.1011	0.1011	0.0861	0.0861	0.0861	0.0861	0.0971	0.0971	0.0796	0.0853
Total general fund direct rate	<u>0.7987</u>	<u>0.7522</u>	<u>0.7222</u>	<u>0.7222</u>	<u>0.7122</u>	<u>0.7122</u>	<u>0.7779</u>	<u>0.7679</u>	<u>0.7404</u>	<u>0.7931</u>
<b>Fire district rates</b>	0.0756-0.1299	0.0756-0.1449	0.0756-0.01549	0.0756-0.01549	0.0756-0.1449	0.0756-0.1349	0.0778-0.1451	0.0778-0.1344	0.0778-0.1344	0.0799-0.1386
<b>Other special district rates</b>	0.0000-0.2429	0.0000-0.2579	0.0000-0.2329	0.0000-0.2329	0.0000-0.2229	0.0000-0.1978	0.0000-0.2080	0.0000-0.1880	0.0000-0.1880	0.000-0.1779
<b>Municipality Rates</b>										
City of Durham	0.5962	0.5577	0.5577	0.5517	0.5317	0.5317	0.5786	0.5786	0.5607	0.5912
City of Durham BID	0.6662	0.6277	0.6277	0.6217	0.6017	0.6017	0.6486	0.6486	0.6307	0.6612
Town of Chapel Hill	0.5920	0.5720	0.5220	0.5140	0.5440	0.5440	0.5280	0.5080	0.5240	0.5240
City of Raleigh	0.3550	0.4330	0.3930	0.3730	0.3552	0.4382	0.4382	0.4253	0.4183	0.4210
Town of Morrisville	0.3500	0.3900	0.3900	0.3600	0.3600	0.3900	0.3900	0.3900	0.3900	0.4100
Town of Cary	0.3250	0.3450	0.3450	-	-	-	-	-	-	-



## Debt Capacity Information

### **Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita**

This information is presented for the last 10 fiscal years and includes population, taxable property assessed value, debt limit, gross bonded debt, net bonded debt, ratio of net bonded debt to taxable property assessed value and the net bonded debt per capita.

### **Legal Debt Margin Information**

This schedule presents the computation of the legal debt margin and the total debt applicable to the limit as a percentage of debt limit for the last 10 fiscal years.

### **Direct and Overlapping Governmental Activities Debt**

This schedule presents the direct and overlapping debt for the County and the municipalities within the County as of fiscal year end.

### **Ratio of Annual Debt Service for Bonded Debt to Total General Government Expenditures**

This schedule presents the debt service expenditures, general governmental expenditures and the ratio of total debt service to general governmental expenditures for the last 10 fiscal years.

### **Ratios of General Bonded Debt Outstanding**

This schedule presents the general bonded debt outstanding, the percentage of actual taxable value of property and per capita for the last 10 fiscal years.

### **Ratios of Outstanding Debt by Type**

This schedule presents a summary of outstanding debt by type and the percentage of personal income and per capita for the last 10 fiscal years.





### Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population Estimate <sup>(1)</sup>	Taxable Property Assessed Value	Debt Limit	Gross Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Property Assessed Value	Net Bonded Debt Per Capita
2025	343,628 <sup>(2)</sup>	\$ 53,329,468,270	\$ 4,266,357,462	\$ 211,517,108	\$ 211,517,108	0.40	616
2024	336,892 <sup>(2)</sup>	51,324,214,755	4,105,937,180	252,295,492	252,295,492	0.49	749
2023	332,680 <sup>(2)</sup>	49,973,473,172	3,997,877,854	227,590,505	227,590,505	0.46	684
2022	327,306 <sup>(2)</sup>	47,076,348,233	3,766,107,859	253,482,741	253,482,741	0.54	774
2021	321,488 <sup>(2)</sup>	45,610,306,084	3,648,824,487	287,420,103	287,420,103	0.63	894
2020	331,807 <sup>(1)</sup>	44,007,086,698	3,520,566,616	249,550,771	249,550,771	0.57	752
2019	320,639 <sup>(1)</sup>	37,361,508,577	2,988,920,686	280,732,596	280,732,596	0.75	876
2018	308,194 <sup>(1)</sup>	36,159,221,674	2,892,737,734	258,989,288	258,989,288	0.72	840
2017	301,243 <sup>(1)</sup>	35,230,345,247	2,818,246,797	288,086,321	288,086,321	0.82	956
2016	293,647 <sup>(1)</sup>	32,454,800,165	2,596,384,013	243,775,000	243,775,000	0.75	830

Notes

<sup>(1)</sup> Estimate from Durham City/County Planning Department.

<sup>(2)</sup> Estimate from U.S. Census Bureau, Population Estimates.

**Legal Debt Margin Information  
Last Ten Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assessed Value of Property	\$ 53,329,468,270	\$ 51,324,214,755	\$ 49,973,473,172	\$ 47,076,348,233
Debt Limit, 8% of Assessed Value (Statutory Limitation)	4,266,357,462	4,105,937,180	3,997,877,854	3,766,107,859
Amount of Debt Applicable to Limit General Obligation Bonds	<u>603,641,921</u>	<u>653,931,462</u>	<u>583,415,174</u>	<u>428,081,552</u>
Total net debt applicable to limit	<u>603,641,921</u>	<u>222,055,000</u>	<u>198,380,000</u>	<u>220,710,000</u>
Legal Debt Margin	<u>\$ 3,662,715,541</u>	<u>\$ 3,883,882,180</u>	<u>\$ 3,799,497,854</u>	<u>\$ 3,545,397,859</u>
Total net debt applicable to limit as a percentage of debt limit	<u>14.15%</u>	<u>15.93%</u>	<u>14.59%</u>	<u>11.37%</u>

Note: The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.



<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 45,610,306,084	\$ 44,007,082,698	\$ 37,361,508,577	\$ 36,159,211,674	\$ 35,230,345,247	\$ 32,454,800,165
3,648,824,487	3,520,566,616	2,988,920,686	2,892,737,734	2,818,427,620	2,596,384,013
473,190,599	454,960,382	466,342,527	406,107,882	442,226,552	443,995,072
251,045,000	218,045,000	245,470,000	226,455,000	252,270,000	243,775,000
<u>\$ 3,397,779,487</u>	<u>\$ 3,302,521,616</u>	<u>\$ 2,743,450,686</u>	<u>\$ 2,666,282,734</u>	<u>\$ 2,566,157,620</u>	<u>\$ 2,352,609,013</u>
<u>12.97%</u>	<u>12.92%</u>	<u>15.60%</u>	<u>14.04%</u>	<u>15.69%</u>	<u>17.10%</u>

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2025**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Municipality:</b>			
City of Durham	\$ 387,224,185	100.00%	387,224,185
Town of Chapel Hill	53,661,000	1.003%	538,220
City of Raleigh	1,085,643,117	0.466%	5,060,183
Town of Cary	181,853,603	0.009%	16,367
Town of Morrisville	35,558,370	0.099%	35,203
<b>Overlapping debt</b>	<u>1,743,940,275</u>		<u>392,874,158</u>
<b>Direct debt</b>	804,398,679		804,398,679
<b>Total direct and overlapping debt</b>	<u>\$ 2,548,338,954</u>		<u>\$ 1,197,272,837</u>

Source: Overlapping debt provided by each municipality.  
 Note: Percentage of overlap based on assessed property values.



**Ratio of Annual Debt Service for Debt to Total Expenditures - Governmental Funds Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Debt Service Expenditures				Total Governmental Expenditures	Ratio of Total Debt Service to Total Governmental Expenditures
	Principal	Interest and Fiscal Charges	Other Expenditures	Total Debt Service Expenditures		
2025	\$ 52,566,694	\$ 31,134,403	\$ 35,104	\$ 83,736,201	\$ 845,172,061	9.91%
2024	49,932,325	28,424,022	1,333,757	79,690,104	821,398,625	9.70%
2023	49,280,826	20,417,159	1,567,111	71,265,096	739,013,741	9.64%
2022	45,109,043	17,922,791	150	63,031,984	670,720,482	9.40%
2021	43,574,785	18,337,415	505,108	62,417,308	583,608,636	10.70%
2020	41,300,728	19,709,824	65,089	61,075,641	537,939,362	11.35%
2019	36,131,116	20,122,333	701,235	56,954,684	522,692,535	10.90%
2018	37,322,892	19,606,512	247	56,929,651	504,661,128	11.28%
2017	37,427,611	18,653,456	617,443	56,698,510	480,074,049	11.81%
2016	35,596,413	20,599,097	741,165	56,936,675	446,935,402	12.74%

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property<sup>(1)</sup></b>	<b>Per Capita<sup>(2)</sup></b>
2025	\$ 211,517,108	0.40%	\$ 615.54
2024	252,295,492	0.49%	748.89
2023	227,590,505	0.46%	684.11
2022	253,482,741	0.54%	774.45
2021	287,420,103	0.63%	894.03
2020	249,550,771	0.57%	752.10
2019	280,732,596	0.75%	875.54
2018	258,989,288	0.72%	840.35
2017	288,086,321	0.82%	956.33
2016	243,775,000	0.75%	830.16

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Assessed Value and Actual Value of Taxable Property for property assessed/actual value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.



**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Governmental Activities								
Fiscal Year	General Obligation Bonds	Certificates of Participation	Limited Obligation Bonds	Bond Anticipation Notes	Installment Purchases	Lease Liabilities	Subscription Based Information Technology Agreements	Total Governmental Activities
2025	\$ 211,517,108	\$ -	\$ 432,365,151	\$ 154,158,125	\$ 1,371,921	\$ 4,587,692	\$ 398,682	\$ 799,412,305
2024	252,295,492	-	479,089,682	73,431,159	1,726,462	5,477,639	1,912,300	813,932,734
2023	227,590,505	-	429,558,044	42,976,949	2,065,174	6,126,119	4,370,984	712,687,775
2022	253,482,741	-	226,607,252	28,896,911	101,661,354	1,468,980	-	612,117,238
2021	287,420,103	-	242,556,522	-	22,863,360	-	-	552,839,985
2020	249,550,771	-	259,395,917	52,629,695	5,001,805	-	-	566,578,188
2019	280,732,596	-	244,550,606	-	27,129,118	-	-	552,412,320
2018	258,989,288	3,090,000	192,669,181	-	70,310,694	-	-	525,059,163
2017	288,086,321	6,185,000	200,709,554	-	22,160,638	-	-	517,141,513
2016	271,397,457	9,280,000	208,754,927	-	29,409,748	-	-	518,842,132

Notes Details regarding the county's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> See Schedule for demographic and economic statistics for personal income and population data.



Business-Type Activities						
General Obligation Bonds	Refunding Revenue Bonds	State Revolving Loans	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
\$ -	\$ 1,893,944	\$ 5,230,261	\$ 7,124,205	\$ 806,536,510	3.74%	\$ 2,347.12
-	2,785,831	5,901,407	8,687,238	822,619,972	4.19%	2,441.79
-	3,657,718	6,572,551	10,230,269	722,923,592	3.69%	2,173.03
-	4,509,605	7,243,697	11,753,302	623,870,540	3.53%	1,906.08
-	5,341,492	7,914,843	13,256,335	566,096,320	3.41%	1,760.86
-	6,158,379	8,585,989	14,744,368	581,322,556	3.62%	1,751.99
-	6,955,266	9,257,134	16,212,400	568,624,720	3.82%	1,773.41
-	7,732,153	9,928,280	17,660,433	542,719,596	3.86%	1,760.97
-	8,489,040	10,599,426	19,088,466	536,229,979	4.00%	1,780.06
32,343	9,294,315	11,270,571	20,597,229	539,439,361	4.28%	1,837.03





## Operating Information

### **Full-time Equivalent County Government Employees by Function**

The County is required to present the number of employees by each function for the last 10 fiscal years.

### **Operating Indicators by Function**

This schedule shows various operating indicators of the County by function for the last 10 fiscal years.

### **Capital Asset Statistics by Function**

This schedule shows various capital assets statistics by function for the last 10 fiscal years.





### Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	387	383	367	361	328	314	332	342	287	267
Public safety*	780	770	774	771	762	680	803	814	717	687
Transportation**	5	4	3	1	1	-	-	-	-	-
Economic and physical development*	33	30	29	28	26	37	39	17	34	29
Environmental protection	46	46	44	44	42	20	22	18	15	21
Human services*	867	887	845	851	797	657	772	775	672	639
Education**	1	1	1	1	1	-	-	-	-	-
Cultural and recreational*	147	144	148	148	148	106	106	110	106	100
Utilities	37	37	35	32	29	23	27	27	21	20
Total	2,303	2,302	2,246	2,237	2,134	1,837	2,101	2,103	1,852	1,763

\*Public safety, Economic and physical development, Cultural and recreational, and Human Services have part-time employees and grant funded positions.

\*\*Education and Transportation departments were implemented in FY20-21

Source: Durham County Budget and Management Services.

Operating Indicators by Function  
Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Administration</b>										
Registered voters <sup>(5)</sup>	238,285	238,759	230,809	234,339	227,934	222,647	218,123	223,921	210,644	233,602
Taxable real estate parcels <sup>(6)</sup>	119,210	116,906	115,269	112,527	112,111	110,241	111,154	110,839	108,026	105,588
Tax bills(8)*	129,331	123,950	155,905	150,806	153,465	158,571	159,805	147,264	146,332	144,540
<b>Human Services</b>										
Adult care home residents served through on-site inspections <sup>(7)</sup>	1,183	1,177	1,159	1,117	1,077	1,037	1,050	1,069	997	982
Persons testing for HIV/STD <sup>(8)</sup>	18,966	17,466	23,011	15,418	11,748	11,813	19,791	20,378	22,412	22,532
Food assistance individuals <sup>(7)</sup>	33,168	33,538	37,684	37,519	43,200	37,858	34,708	37,430	30,853	40,358
<b>Education</b>										
Students attending public school <sup>(1)</sup>	31,788	30,901	30,738	30,806	32,042	32,928	32,448	32,374	33,151	33,501
Public school teachers <sup>(1)</sup>	2,410	2,335	2,562	2,529	2,512	2,512	2,426	2,393	2,267	2,416
Community college students-average semester <sup>(2)</sup>	9,637	8,955	7,664	5,023	10,092	6,213	8,919	12,898	10,819	19,027
Community college faculty <sup>(2)</sup>	600	625	638	504	449	356	347	355	355	355
<b>Community Development and Cultural<sup>(4)</sup></b>										
Residential permits issued **	3,701	2,133	2,512	2,172	2,247	2,050	2,233	2,152	1,726	1,927
Commercial permits issued**	89	862	856	258	117	103	98	101	155	158
Building permits - additional, alterations**	5,667	4,819	5,287	2,212	3,383	3,006	2,749	2,959	2,666	2,592
Inspections performed	102,672	99,394	105,615	132,713	31,949	32,882	33,884	43,292	43,031	38,946
<b>Environmental Services</b>										
Animal control service calls <sup>(9)</sup>	12,112	12,978	11,780	10,117	10,574	9,747	12,670	10,967	12,191	12,889
Animals impounded <sup>(9)</sup>	1,411	1,538	1,616	1,447	1,454	1,223	3,659	2,087	2,516	2,869
Sanitation inspections <sup>(6)</sup>	7,252	3,398	3,113	5,132	5,132	4,348	3,643	3,343	3,149	3,327
<b>Public Safety</b>										
Detention intake <sup>(10)</sup>	4,806	5,137	5,487	5,244	4,442	7,626	7,513	8,417	7,558	11,013
Civil processes served <sup>(10)</sup>	11,646	371	***	11,226	10,702	13,497	18,477	24,755	20,505	33,147
Pistol permits processed <sup>(10)</sup>	2,222	1,275	3,828	5,918	7,644	7,066	3,514	3,136	2,108	3,266
Average daily jail population <sup>(10)</sup>	413	391	365	373	320	356	426	498	472	481
Fire/medical incidents responded to by contracting fire departments <sup>(11)</sup>	2,081	3,307	3,107	3,369	2,499	3,391	3,531	3,320	2,025	2,587
Durham EMS incidents <sup>(3)</sup>	60,713	56,666	56,677	56,438	51,546	47,496	47,494	48,547	46,934	44,222

\* Includes only those bills that were billed and to be collected, excludes corrected bills.

\*\* Community Development and Cultural permits are for the complete previous calendar year ending during each fiscal year.

\*\*\* Data not available at time of print

<sup>(1)</sup> Durham County Public Schools.

<sup>(2)</sup> Durham Technical Community College.

<sup>(3)</sup> Durham County Emergency Management Department.

<sup>(4)</sup> Durham City/County Planning Department.

<sup>(5)</sup> Durham County Board of Elections.

<sup>(6)</sup> Durham County Tax Department.

<sup>(7)</sup> Durham County Department of Social Services.

<sup>(8)</sup> Durham County Public Health Department.

<sup>(9)</sup> Durham County Animal Control.

<sup>(10)</sup> Durham County Sheriff Department.

<sup>(11)</sup> Durham County took over the EMS program from Parkwood, fiscal year 2015, this would reduce Parkwood's medical incident responses. Durham County EMS implemented a new response continuum that cut Fire Department first responder units from "Alpha" and "Bravo" calls - calls triaged as minor and not needing fire responses. As of fiscal year 2016, there are three contracting fire departments; two of the original five departments are now Durham County Fire & Rescue.



### Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General Government <sup>(1)</sup></b>										
Rentable square footage	839,437	830,717	766,977	754,777	754,777	749,361	749,361	762,932	762,932	762,932
<b>Human Services <sup>(2)</sup></b>										
Number of centers	1	1	1	1	1	2	2	2	2	2
<b>Education <sup>(3)</sup></b>										
Number of schools	57	55	55	54	53	53	53	53	54	54
Number of higher education institutions	3	3	3	4	4	4	4	4	4	4
<b>Community Development and Cultural <sup>(4)</sup></b>										
Libraries - branches	7	7	7	7	7	7	7	7	7	7
Physical Holdings	672,214	689,241	694,108	672,558	659,658	677,747	716,746	682,379	670,695	692,526
Number of County parks	2	2	2	2	2	2	2	2	2	2
<b>Public Safety</b>										
Sheriff - Stations <sup>(5)</sup>	5	5	5	5	5	5	5	5	5	5
Detention capacity <sup>(5)</sup>	736	736	736	736	736	736	736	736	736	736
Fire protection - City Stations <sup>(6)</sup>	18	18	19	19	17	17	17	17	16	16
Fire protection - Responding County Fire Stations <sup>(6)</sup>	14	14	7	8	12	12	12	12	12	12
EMS - Stations <sup>(7)</sup>	9	9	8	10	10	10	10	10	9	9

<sup>(1)</sup> Durham County Open Space Department

<sup>(2)</sup> Durham County Public Health and Social Services Departments

<sup>(3)</sup> Durham Public Schools

<sup>(4)</sup> Durham County Public Library. In 2024, "Volume of Books" was more accurately changed to "Physical Holdings."

<sup>(5)</sup> Durham County Sheriff's Department

<sup>(6)</sup> Durham County Fire Marshal

<sup>(7)</sup> Durham County Emergency Medical Services





## Demographic & Economic Information

### Property Value and Construction

This information is presented for the last 10 fiscal years and includes the building value of permits issued and the total assessed valuation.

### Demographic and Economic Statistics

This information is presented for the last 10 fiscal years and includes population, personal income for the County, school enrollment and the unemployment rate.

### Principal Employers

This schedule presents the 10 largest employers, including the number of employees located inside the County boundaries. This is shown for the current year and nine years ago.





**Property Value and Construction  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Building Value of Permits Issued <sup>(1)</sup></b>	<b>Valuation <sup>(2)</sup></b>
2025	\$ 2,764,655,876	\$ 53,329,468,270
2024	1,695,296,458	51,324,214,755
2023	2,542,244,350	49,404,432,621
2022	2,159,292,984	47,076,348,233
2021	2,226,258,272	45,610,306,084
2020	1,905,432,972	44,007,082,698
2019	1,884,975,303	37,361,508,577
2018	1,347,736,663	36,159,221,674
2017	1,501,331,982	35,230,345,247
2016	1,194,358,281	32,454,800,165

Notes

(1) Source: City of Durham/Durham County Inspections Department.

(2) Last revaluation of taxable property occurred on January 1, 2019.

### Demographic and Economic Statistics Last Ten Years

Year	Population Estimates <sup>(1)</sup>	Personal Income <sup>(2)</sup> (thousands of dollars)	Per Capita Personal Income <sup>(3)</sup>	School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
2025	343,628	\$ 21,580,804	\$ 64,059	31,788	3.60%
2024	336,892	19,651,318	59,070	30,901	3.60%
2023	332,680	19,597,175	60,330	31,124	3.20%
2022	327,306	17,692,950	54,093	31,360	3.40%
2021	321,488	16,624,991	51,713	31,603	4.30%
2020	331,807	*	*	32,928	7.60%
2019	320,639	*	*	32,343	4.00%
2018	308,941	16,058,004	50,698	32,629	3.80%
2017	301,243	14,904,230	47,825	32,907	3.80%
2016	293,647	14,064,619	45,931	33,144	4.70%

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

<sup>(1)</sup> U.S. Census Bureau, Population Estimates, last updated 2022.

<sup>(2)</sup> All personal income data are estimates for the calendar year ended in each fiscal year are provided by Bureau of Economic Analysis, last updated 2022.

<sup>(3)</sup> All per capita income data are for the calendar year ended in each fiscal year are provided by Bureau of Economic Analysis, last updated 2022.

<sup>(4)</sup> Durham County Public Schools.

<sup>(5)</sup> North Carolina Department of Commerce.



### Principal Employers Current Year and Nine Years Ago

Employer	2025			2016		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Duke University & Health System (previously separate)	48,313	1	25.96%	36,004	1 & 2	18.70%
Fidelity Investments	8,400	2	4.51%	3,100	6	1.61%
International Business Machines (IBM)	7,000	3	4.03%	5,000	3	2.60%
Blue Cross and Blue Shield North Carolina	6,206	4	3.19%	4,000	5	2.08%
Durham Public Schools	5,054	5	2.72%	4,600	4	2.39%
Wolfspeed (formerly Cree, Inc.)	5,013	6	2.69%	2,600	7	1.35%
Pfizer	3,900	7	2.04%			
Cisco	3,700	8	1.99%			
IQVIA (formerly Quintiles)	2,700	9	1.72%	2,500	9	1.30%
Research Triangle Institute (RTI)	1,700	10	1.45%			
GlaxoSmithKline				2,600	8	1.28%
Durham Public Schools				2,457	10	1.35%
	91,986		50.30%	62,861		32.66%

Source: Bureau of Labor Statistics

<sup>(1)</sup>As of fiscal year-ended 2022, the Durham Chamber of Commerce (DCC) no longer provides employment numbers for principal employers. Instead, Durham County (DCo) now provides employment number gathered from different sources.





# Compliance Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
COUNTY OF DURHAM





## Independent Auditor's Report

**To the Board of County Commissioners  
Durham County  
Durham, North Carolina**

### **Report of Independent Auditor on the Compliance with Bond Covenants**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of **Durham County, North Carolina** (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated March 18, 2026.

In connection with our audit, nothing came to our attention that caused us to believe the County failed to comply with the terms, covenants, provisions, or conditions listed in the Series 2003 Revenue Bonds official statement for the Trust Agreement dated December 1, 2002, with First-Citizens Bank & Trust (the "Agreement"), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Agreement, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of County Commissioners of Durham County, management of the County, U.S. Bank National Association as Trustee and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mauldin & Jenkins, PLLC*

Raleigh, North Carolina  
March 18, 2026





**Schedule of Debt Covenant Compliance  
Year Ended June 30, 2025**

	<b>Enterprise Fund Sewer Utility Fund</b>
<b>Operating revenues</b>	
Charges for services	\$ 17,894,566
Total operating revenues	17,894,566
<b>Operating expenses</b>	
Personnel services	4,031,737
Utilities	718,057
Maintenance and other	4,776,340
Depreciation	5,009,595
Total operating expenses	14,535,729
<b>Operating income (loss)</b>	3,358,837
<b>Add:</b>	
Depreciation expense	5,009,595
Contributions to pension plan in current fiscal year	(329,104)
Pension expense	501,637
<b>Income available for debt service</b>	\$ 8,540,965
<b>Fiscal year revenue bond debt payments</b>	\$ 925,861
<b>Fiscal year total debt payments</b>	\$ 1,728,018
<b>Senior lien debt service coverage</b>	9.22
<b>Total debt service coverage</b>	4.94
<b>Series 2003 Revenue Bond Covenant Requirement</b>	
<b>Senior lien debt service coverage</b>	1.20
<b>Total debt service coverage</b>	1.00





## Acknowledgments

The preparation of the annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. The audit process was effectively managed by Crystally Wright, Chief Financial Officer.

Additional support in the audit process and related accounting activities was provided by:

Connecia Brown, Assistant Chief Financial Officer Financial Reporting

Stephano Claude, Executive Accountant

Tiffany Long, Executive Accountant

Elana Jones, CPA, Payroll Manager

Sonya Long, CPA, Contractor

Tonia Hernandez, Financial Systems Manager

Cori Herbst, Accounts Payable Manager

John Kenion, Compliance Specialist

Ronda Doward, Compliance Manager

Jose Rivera, Accountant

Jamila Wilson, Executive Accountant

Joseph Futima, Assistant Chief Financial Officer Debt



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