



FY 2026 Financial Update

*City Council Meeting
April 13, 2026*

The City's financial health is strong.

The General Fund is performing as expected.

General Fund Balance Analysis

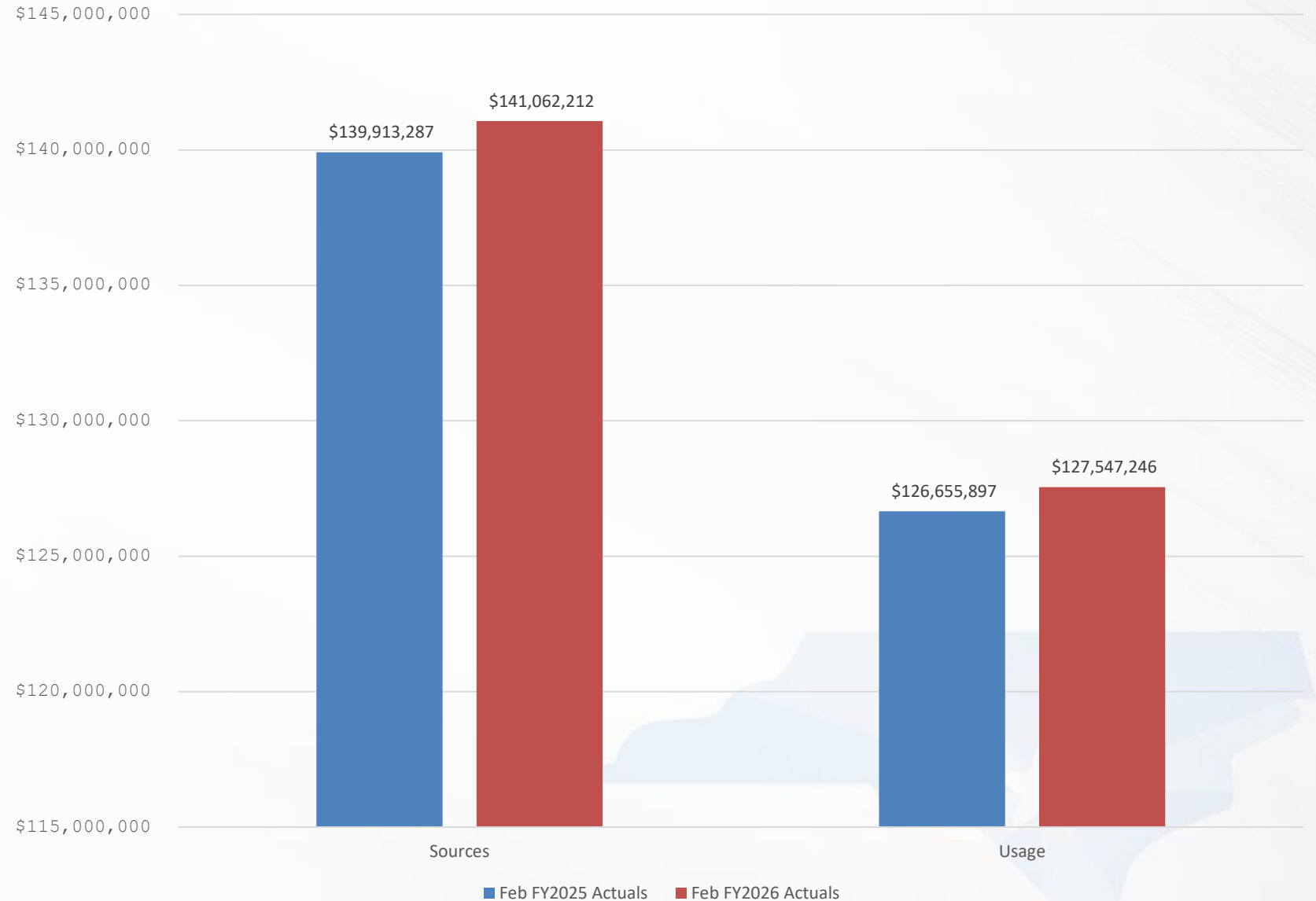
Total Fund Balance	\$ 102,662,682
Non-Spendable:	
Inventories	(118,215)
Prepays	(2,248,443)
Loans	(3,071,352)
Leases	(399,335)
Restricted:	
Stabilization by State Statute	(40,012,777)
For Central Business District	(130,119)
For County Recreation	(1,418,678)
For Donations	(177,113)
Unrestricted Fund Balance	\$ 55,086,650
Committed:	
LEOSSA	(13,494,341)
Assigned:	
Appropriated for Next Year**	(7,853,418)
Appropriated to Capital	(6,745,221)
Unassigned Fund Balance	\$ 26,993,670

ERP Remediation	900,000
NC History Center of the Civil War	3,300,000
Fast Transit Center	1,060,000
Other Items	2,593,418
	7,853,418

Adopted Budget	\$ 212,939,014
Unassigned Fund Balance Goal @12%	25,552,682
Unassigned Fund Balance Policy @10%	21,293,901
Unassigned Fund Balance as a %	12.68%
Unassigned as of July 1, 2025 after Adjustments	\$ 34,847,088
Adjusted Unassigned Fund Balance as a %	16.36%

General Fund	208,020,737
LEOSSA	3,406,000
Central Business District	340,076
Parking Fund	1,172,201
	212,939,014

The City will operate with a cashflow surplus in the 3rd quarter. This is due to the nature of the City's largest revenues.



General Fund Revenues

Descriptions	Thru Feb-2025	Thru Feb-2026	FY 2026	Quarterly
	FY 2025	FY 2026	Revised	Indicator
	Actuals	Actuals	Budget	FY26 v. FY25
<i>Sources</i>				
Ad Valorem Taxes	\$ 93,678,686	105,526,834	104,850,886	11,848,148
Other Taxes	115,267	145,742	14,858,218	30,475
Restricted Intergovernmental Revenues	8,032,927	8,056,153	6,206,827	23,226
Unrestricted Intergovernmental Revenues	26,427,507	20,896,865	51,489,950	(5,530,642)
Functional Revenues	9,813,075	6,018,941	13,204,171	(3,794,134)
Miscellaneous Revenues	319,540	417,677	1,406,840	98,137
Investment Income	-	-	3,475,000	-
Other Financing Sources	-	-	-	-
Operating Revenues	1,526,285	-	4,703,927	(1,526,285)
Non-Operating Revenues	-	-	16,806,497	-
Total Sources	\$ 139,913,287	141,062,212	217,002,316	1,148,925

General Fund Expenditures

Descriptions	Thru Feb-2025 FY 2025 Actuals	Thru Feb-2026 FY 2026 Actuals	FY 2026 Revised Budget	Quarterly Indicator FY26 v. FY25
Uses				
Salaries and Employee Benefits	\$ 83,488,228	90,115,759	149,464,320	6,627,531
Operating Expenses	14,305,272	16,805,070	29,668,789	2,499,798
Professional and Contractual Services	5,161,764	8,872,314	17,002,101	3,710,551
Capital Outlay	892,703	805,280	1,149,442	(87,423)
Other Charges	3,914,381	678,233	(6,505,315)	(3,236,148)
Inventory and Cost Redistribution	(421,099)	(70,081)	(134,766)	351,018
Interfund Transfers	19,314,649	10,340,671	26,357,745	(8,973,977)
Total Uses	\$ 126,655,897	127,547,246	217,002,316	891,350
Total Sources over / (under) Uses	\$ 13,257,390	13,514,965	-	257,575

General Fund Expenditures

The City's
Vacancy Rate is
currently 10.7%

Descriptions	Jul-Feb 2025	Jul-Feb 2026	FY 2026	Quarterly
	FY 2025 Actuals	FY 2026 Actuals	Revised Budget	Indicator FY26 v. FY25
Expenditures by Department				
Mayor, Council, and City Clerk	\$ 827,473	1,161,083	1,628,589	333,611
City Manager's Office	2,251,767	3,535,383	7,848,690	1,283,615
Marketing and Communications	677,883	824,836	1,349,926	146,953
Budget and Evaluation	717,694	452,459	701,463	(265,235)
Other Appropriations	15,874,863	9,175,794	29,977,388	(6,699,069)
City Attorney's Office	1,523,596	1,590,229	2,507,854	66,633
Finance	2,929,620	2,914,280	4,210,856	(15,340)
Human Resources Development	1,305,002	1,400,715	2,303,437	95,714
Human Relations	218,298	230,589	367,406	12,290
Information Technology	6,607,405	5,449,696	8,905,608	(1,157,709)
Police	39,477,447	46,446,080	72,908,554	6,968,633
Fire	24,546,076	26,671,856	39,696,479	2,125,781
Development Services	3,663,554	3,987,312	7,675,497	323,759
Public Services	9,728,731	5,509,330	9,253,219	(4,219,401)
Parks, Recreation and Maintenance	15,501,005	16,625,341	25,536,061	1,124,336
Economic and Community Development	805,486	1,572,263	2,131,289	766,778
Total Sources	\$ 126,655,897	127,547,246	217,002,316	891,350

Estimated Vacancy Savings	Jul-Feb 2026	Jul-Feb 2026	Jul-Feb 2026
	Budget Cost	Actual Cost	Estimated Savings
	\$ 101,627,123	92,119,104	9,508,019

Financial Updates

- Bond Issuance – Sale on March 24, 2026
- Preparing for GASB 103 implementation
- Possible – Revenue bond sale (late fall)
- The next financial report will be at the close of the 4th Quarter





 **FAYETTEVILLE** ^{NC}
AMERICA'S CAN DO CITY

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