

Finance Department



Durham County Government Financial
Crystally Wright, Interim Chief Financial Officer

May 20, 2025



Budget Highlights

- GRAVITY financial reporting resource is fully implemented.
- Request for Proposals for the following services:
 - Audit Services:
 - Bidding should occur every 3-5 years.
 - **RFP closed on May 15, 2025.**
 - Operational Assessment: An operational analysis will occur to improve efficiency and productivity within the Finance Department.
 - **RFP closes on May 22, 2025.**

Operational Assessment Study

Finance, Information Services & Technology

DURHAM COUNTY
NORTH CAROLINA



REQUEST FOR PROPOSALS
OPERATIONAL ASSESSMENT STUDY
RFP No. 25-050

Proposals Due:
May 22, 2025
2:00 P.M. Eastern Time

1. Organizational and Operational Assessment
 2. Stakeholder Engagement and Reporting
 3. Technology and Process Optimization
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Proposals Due: May 22, 2025

Anticipated Report: Winter 2025



Financial Condition





Financial Condition

- Durham County has a Triple A bond rating with Moody's and Standard & Poor's. Both ratings were confirmed in April 2024. Nearly 4% of 3,142 counties have a Triple-A bond rating with Moody's.
- Staff is currently reviewing the fund balance policy in preparation for future discussions with the Board of County Commissioners (BOCC) regarding the criteria for percentage levels.
- The County's financial advisor, DEC Associates, Inc., will update the Board on financial planning during future meetings.

Financial Policies and Their Importance

Maintain financial policies that guide operating and capital budget decisions

- › Set goals and craft a budget that meets service needs at efficient and manageable cost
- › Provide for sufficient cash flows to allow the operations of County programs from revenues that are collected throughout the year
- › Update multi-year fiscal forecast for operating and capital budgets on an annual basis

Growth creates both positives and challenges to operating policies

- › There is a balancing act of growing revenues being sufficient to meet operating needs growth
- › Levels of liquidity/fund balance needs will also increase making percent of budget fund balance policy even more important to meet triple A credit rating requirements

Maintaining sound operating financial policies are very important to highest ratings

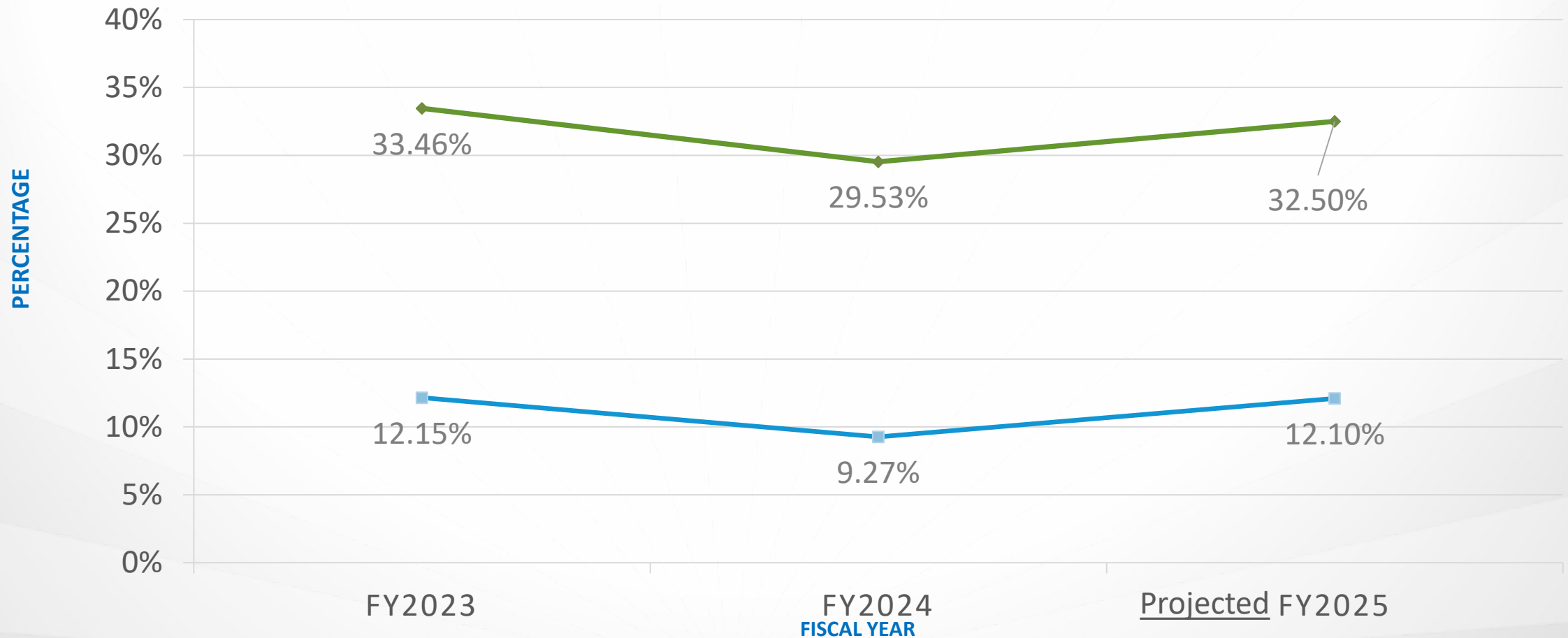
- › As an example, fund balance and cash levels and their maintenance and growth trends are 30% of the Moody's rating – Durham is a model for sound policies
- › Potential future exigent economic times require sufficient available cashflow to meet operating budget needs – N.C. law prohibits borrowing for operating needs

Durham County Government

General Fund's Fund Balance Percentage Trends

– Historical Trends, Fiscal Years 2023, 2024, 2025 (projected)

— Available FB (LGC) — Unassigned FB




Statement of Revenues and Expenditures

Changes in Fund Balance – All Funds

Historical Trends since FY 2020

Fiscal Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Dollar Change since 2020
General Fund	\$220,112,490	\$253,101,874	\$305,810,941	\$288,167,256	\$277,258,959	\$ 57,146,469
Opioid Settlement Funds	\$ -	\$ -	\$ -	\$ 1,509,620	\$ 4,678,662	\$ 4,678,662
Capital Projects Fund	\$ 50,046,395	\$ 20,313,559	\$ 34,230,480	\$ 43,178,016	\$ 54,762,200	\$ 4,715,805
Debt Service Fund	\$ 38,003,018	\$ 38,182,041	\$ 35,629,482	\$ 82,123,116	\$101,950,499	\$ 63,947,481
Other Governmental Fund	\$ 2,825,360	\$ 3,411,505	\$ 4,151,402	\$ 5,044,097	\$ 5,749,104	\$ 2,923,744
Total	\$310,987,263	\$315,008,979	\$379,822,305	\$420,022,105	\$444,399,424	\$ 133,412,161



Statement of Revenues and Expenditures

Changes in Fund Balance – General Fund and Debt Service Fund

Historical Trends since FY 2020

Fiscal Year	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Dollar Change since 2020
General Fund	\$220,112,490	\$253,101,874	\$305,810,941	\$288,167,256	\$277,258,959	\$ 57,146,469
Debt Service Fund	\$ 38,003,018	\$ 38,182,041	\$ 35,629,482	\$ 82,123,116	\$101,950,499	\$ 63,947,481
Total	\$258,115,508	\$291,283,915	\$341,440,423	\$370,290,372	\$379,209,458	\$ 121,093,950

Intentional debt service fund balance growth offsets future debt service payments. This method helps mitigate tax rate spikes required to offset future debt.



Next Steps

- Staff will continue monitoring expenditure and revenue patterns to ensure continue remains in strong financial position.
- Additional BOCC updates on the annual financial report will occur in June.

**DURHAM
COUNTY**

DCO
NC

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