



Legislation Text

File #: 19-0470, Version: 1

Item:

Budget Ordinance Amendment No. 20BCC000016 - Budget Changes Related to Board of County Commissioner Policy on Capital Finance Program Dedicated Revenues, Transferring \$699,974 of General Fund Fund Balance to the Capital Financing Fund

Date of BOCC Meeting: October 14, 2019

Request for Board Action:

As part of the Durham County Policy on financing capital projects, all collected Article 40 and 42 sales tax and Local Occupancy Tax are directed for support of capital projects and their related debt service. In FY 2018-19, \$699,974 from these revenue sources was realized over what was budgeted to be collected in the General Fund (Fund 101), and per capital financing policy, needs to be transferred to the Capital Financing Fund (Fund 125) where they can be applied to debt service. Per Generally Accepted Accounting Principles (GAAP) the revenues are recorded in the fiscal year that they apply, FY 2018-19. However, it is too late to amend the prior year budget to transfer the over realized funds in the prior fiscal year, therefore these monies have fallen to fund balance within the General Fund for the prior fiscal year (FY 2018-19). Thus, the Board is requested to approve Budget Ordinance Amendment No. 20BCC000016 increasing the amount of FY 2019-20 General Fund (Fund 101) fund balance appropriated by \$699,974 and transferring those funds to the Capital Financing Fund (Fund 125).

Revenues per source collected over budgeted amounts:

- Article 40: \$558,263
- Article 42 (\$92,818)
- Local Occupancy Tax: \$234,529
- **Total: \$699,974**

Moving these funds from the General Fund to the Capital Financing Fund will not affect the overall fund balance percentage for the General Funds, as both of these funds are accounted for in the overall fund balance percentage.

Alignment with Strategic Plan: This request relates to the following elements of the Durham County Strategic Plan: the effort aligns with Goal #5 (Accountable, Efficient, and Visionary Government).

Resource Persons: Keith Lane, Director - Budget and Management and David Ades, Assistant Director of Budget and Management

County Manager's Recommendation: The Manager recommends the Board of County Commissioner approve Budget Ordinance Amendment No. 20BCC000016 appropriating \$699,974 of FY 2018-19 General Fund revenue, now residing in FY 2019-20 General Fund fund balance, and transferring it to the Capital Financing Fund to comply with the County's capital and debt financing policy.

County Manager: _____