

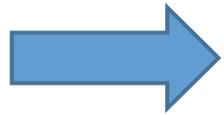


**HERTFORD COUNTY ANNUAL BUDGET PRESENTATION
FISCAL YEAR 2014-2015**

Loria D. Williams, County Manager



BUDGET COMPOSITION



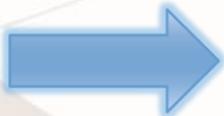
Revenues



Expenditures



Enterprise Funds – Solid Waste, Northern/Southern Water & Tunis Sewer Districts



E~911 Fund



Register of Deeds Enhancement Fund



Capital Reserve Funds – Schools & County

In accordance with G.S. 153A-82 that requires counties to have a balanced budget by June 30th



BUDGET COST DRIVERS

Internal or External....

- **Courthouse & County Administration Operations (\$75,000)**
- **E911 Consolidation Staffing & Training – (\$56,700)**
- **Expansion of Buildings, Ground & Maintenance Department – (\$75,000)**
- **Intranet Connectivity for Courthouse & County Administration (\$75,000)**



VALUE AND GROWTH FACTORS

Property Valuation dictates Tax Rate

Tax Rate - Formula Driven

The estimated taxable value for 2014-15 is \$1,517,536,916. Therefore, with a tax rate of .84 cents and a collection rate of 95%, the projected property tax revenue (levy) is \$12,109,945, using the following formula:

$\$1,517,536,916 \times 0.84 \text{ cents} \times .95 \times .01 = \$12,109,845$.
Compared to last year's tax revenue of \$11,967,729 – expansion dollars for this planning year is \$142,215 in comparison to \$249,996 last planning year.

Fiscal Year	Assessed Value	Growth Factor
2009	1,203,330,247	1.46%
2010	1,203,017,301	Loss value
2011	1,225,174,825	2%
2012*	1,389,428,276	13%
2013**	1,468,387,603	6%
2014	1,499,688,308	2%
2015	1,517,536,916	-1%

Hertford County has maintained its tax rate between revaluation cycles



REGIONAL COMPARISONS

PROPERTY VALUATION & TAXATION

	Assessed Value	Tax Rate	Tax Levy	Collection Rate	Uncollected Taxes	FBA%
Bertie	\$1,210,711,027	\$.84	\$9,507,995	97.14%	\$462,673	32.36
Hertford	\$1,499,688,308	\$.84	\$12,638,802	96.22%	\$774,603	33.11
Martin	\$1,886,337,027	\$.72	\$13,305,601	95.09%	\$764,516	14.95
Northampton	\$1,876,815,515	\$.92	\$16,403,368	94.72%	\$1,136,925	9.96%

There are seven counties within the State of North Carolina that have equal to or higher tax rates



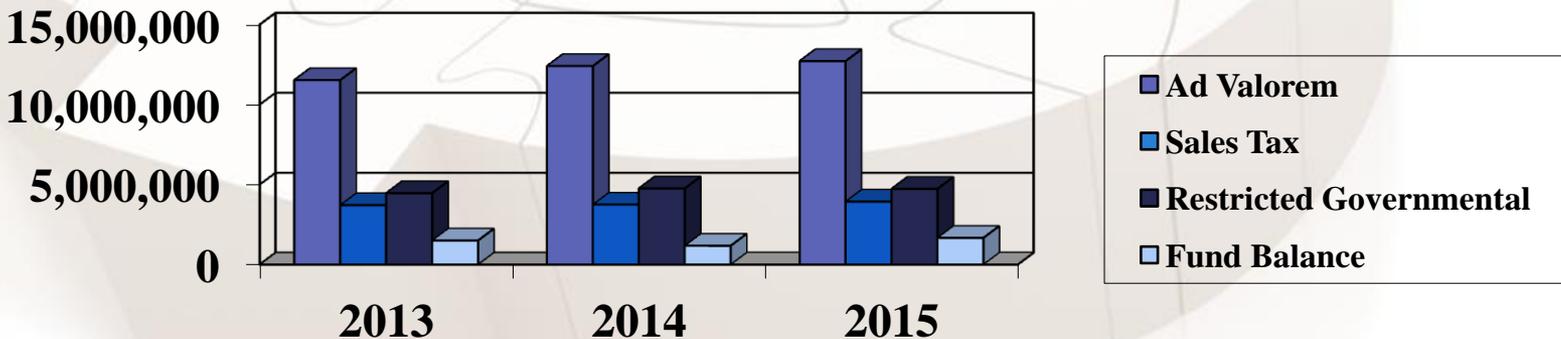
REGIONAL COMPARISON (Cont'd)

PER CAPITA SPENDING

	Education	Debt Service	Human Services	General Government	Public Safety	Salary & Wages
Bertie	\$167	\$161	\$247	\$124	\$215	\$216
Hertford	\$220	\$23	\$274	\$144	\$290	\$248
Martin	\$383	\$71	\$270	\$109	\$255	\$217
Northampton	\$172	\$120	\$671	\$163	\$396	\$549

REVENUE FACTORS

- **Ad Valorem Taxes** – This year’s values will generate an additional \$142,215, representing a less than one percent increase compared to last year. Ad valorem taxes makeup 52% of the county’s revenue stream.
- **Restricted Intergovernmental Funds** – Offsetting federal and state revenues account for 19% of the revenue stream. This year’s budget is relatively flat with a modest increase federal and state funds. The funds are restricted to the Human Services areas of the budget.
- **Sales Tax** – Due to slow recovery in the economy, sales tax (prior to down turn accounted for as much as 22% of the revenue stream) make up 14% is projected one percent higher than last fiscal year.
- **Fund Balance Appropriated** – There is a significant increase in fund balance appropriated due to the allocation of debt proceeds (approximately \$335,000) from the courthouse project fund being paid on debt service for the courthouse and county administration project.





RECOMMENDED BUDGET



Reflects a General Fund Budget of \$24,723,822 maintaining the tax rate of \$0.84/100 valuation and representing a less than one-percent increase over last year's adopted budget.



Reflects an appropriated fund balance of \$1,665,852 of which is seven percent (7%) of the operational budget. This figure is significantly higher due to debt proceeds allocated to debt service.



One cent is equivalent to \$142,500 in comparison to last planning year's one cent equivalent of \$142,470.



Outside agencies (public schools, health department & community college) requested an unprecedented amount of expansion funding to the tune of additional \$802,100 (six cent) in funding. However, this budget funds those agencies at level funding. Department heads requested an additional \$872,791 (six cents) in funding. For the most part, departments were held to level funding as well.



This budget includes a 3% across the board COLA adjustment for employees effective January 2015; funds 100% of employee health benefits and longevity.



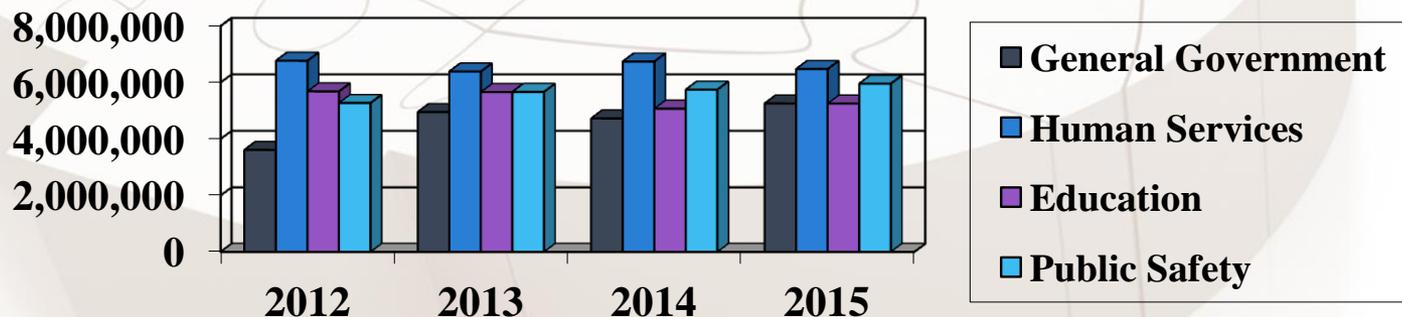
EXPENDITURE FACTORS

General Government – The increase in general government of roughly eight percent (8%) is due to the addition of staff in the county manager’s office and expansion of buildings, ground and maintenance to accommodate a net increase of office space of 40,000 square feet and intranet connectivity for the courthouse and county administration buildings.

Human Services – The reduction in this function is due to staffing levels being reduced through attrition and the utilization of temporary part time staffing.

Education – This reduction in education is due to capital outlay to schools being appropriated on a project by project basis; budget will be amended to reflect allocation when Board approves same.

Public Safety – Slight increase due to workers’ compensation increase and the E911 Consolidation..

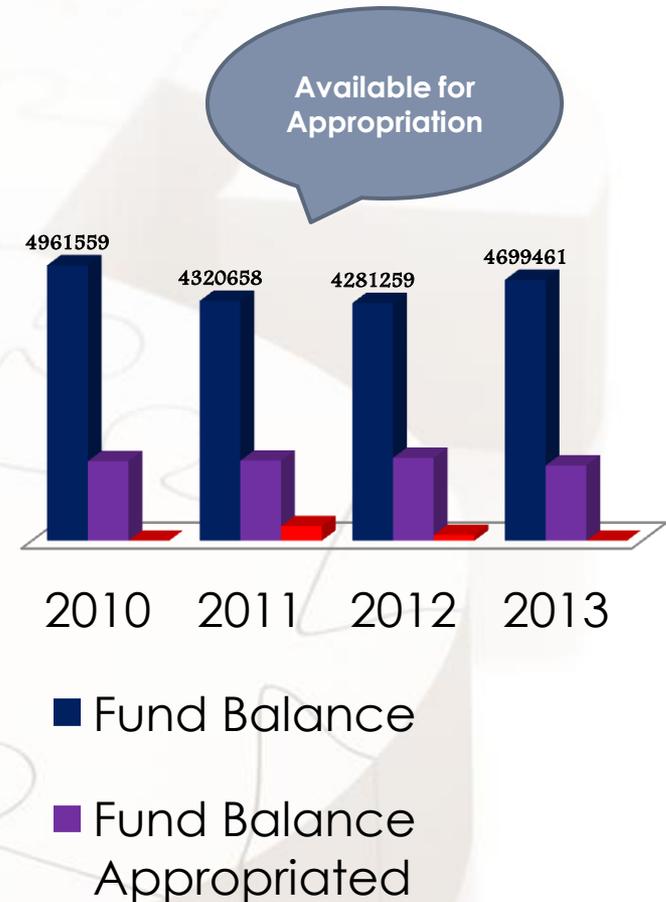


UNRESERVED FUND BALANCE

Fund balance is a measure of the financial resources available in a governmental fund, and is indicative of sound financial condition within a fund (revenues and expenditures are aligned).

Fund balance available for appropriation (unassigned) is currently at \$4,699,461 (33.1%). However, we have capital projects totaling \$210,000 all from fund balance.

The LGC requires a minimum unreserved general fund balance of eight percent. It is further recommended for counties within our population group maintain between fifteen and twenty five percent.



Monthly expenditures average \$1.8 & \$2.2 million

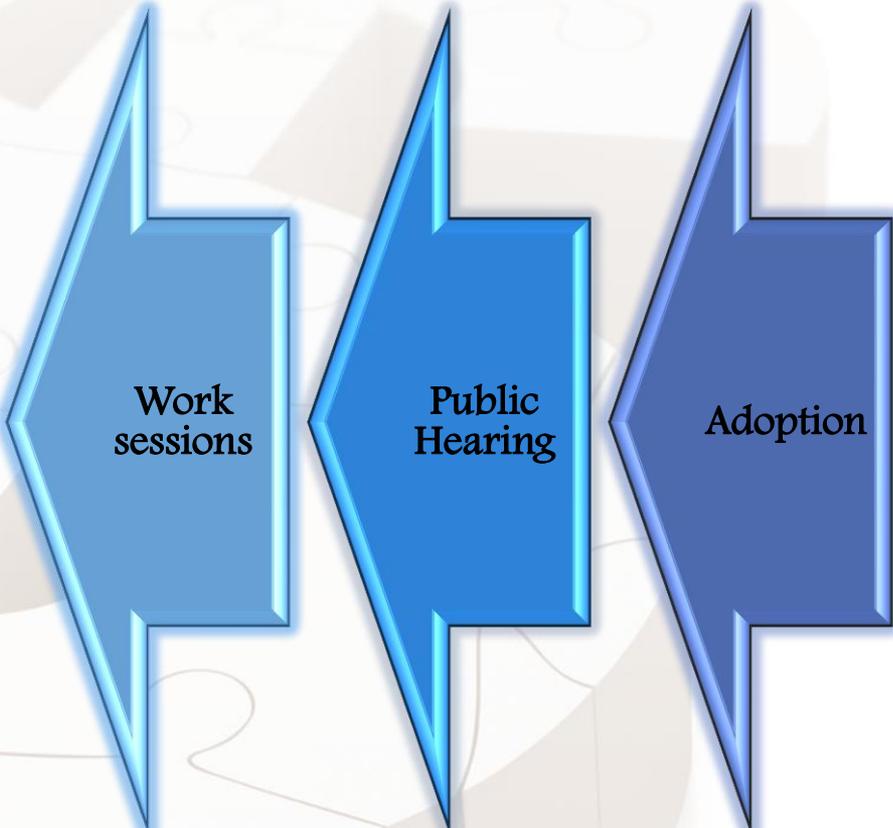


GENERAL FUND CONCLUSION

This recommended budget reflects a less than one percent increase over the current year's adopted budget.

This budget follows the debt affordability analysis by setting aside the ¼ cents sales tax, as well as an additional 15% of the one cent sales tax in a capital reserve fund for debt payments due to start this fiscal year.

This budget maintains funding to non-profit and community based organizations to previous years; allocations.



Work sessions

Public Hearing

Adoption

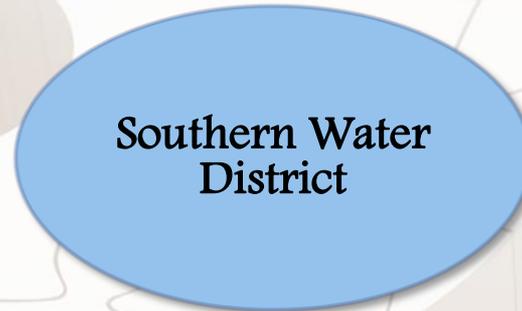
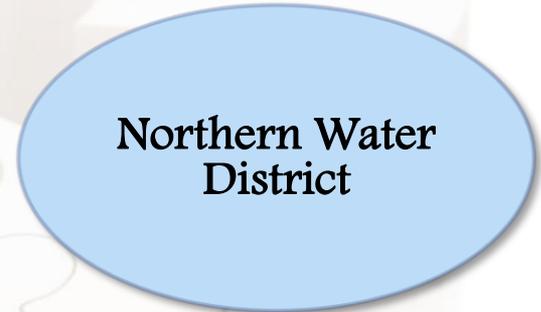
To have funded all agencies and departments at the level requested would have required a tax rate of
\$0.96



ENTERPRISE FUNDS

Self-Sustaining via User Fees

Hertford County uses enterprise funds to account for its water and solid waste activities and services. User fees are assessed annually and is the sole revenues source for each of these funds.



Current user fees are as follows:

- Solid Waste ~
\$130/Household
- Northern Water —
\$25/2,000
- Southern Water ~~
\$25/2,000

There are no increases recommended at this time.



NORTHERN WATER

	2013-14	2014-15
Revenues		
Sales & Services	475,700	553,124
Miscellaneous	1,000	3,349
Investment income	~0~	~0~
TOTAL REVENUES	\$476,700	\$556,473
Expenditures		
Salaries	88,654	106,360
Operating Expenses	388,046	450,113
TOTAL EXPENDITURES	\$476,700	\$556,473



SOUTHERN WATER

	2013-14	2014-15
Revenues		
Sales & Services	1,010,500	938,898
Miscellaneous	26,000	10,000
Investment income	-0-	-0-
TOTAL REVENUES	\$1,036,500	\$948,898
Expenditures		
Salaries	177,917	164,120
Operating Expenses	858,583	784,778
TOTAL EXPENDITURES	\$1,036,500	\$948,898



SOLID WASTE

	2013-14	2014-15
Revenues		
Taxes & Licenses	900,654	926,7604
Miscellaneous	100	-0-
Investment income	300	-0-
Fund Balance Appropriated	0	-0-
TOTAL REVENUES	\$901,054	\$926,760
Expenditures		
Salaries	279,396	355,968
Operating Expenses	621,658	570,792
Fund Reserve	-0-	-0-
TOTAL EXPENDITURES	\$901,054	\$926,760