



FY 2017/2018 RECOMMENDED BUDGET

**Kevin Austin, Chairman of Board
David Moxley, Vice Chairman
Gilbert Hemric, Commissioner
Frank Zachary, Commissioner
Marion Welborn, Commissioner
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Lisa Hughes, County Manager
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INTRODUCTION

Welcome to the County of Yadkin's Annual Recommended Budget. Through this document we wish to convey what County government is doing to maintain the quality of life in Yadkin County and the improvements we are making within our community.

This budget serves four basic functions for County Commissioners, staff, citizens of Yadkin County, and others. First, it is a policy document that articulates the County Commissioners' priorities and goals for the upcoming year. Secondly, it serves as an operations guide for staff in developing goals and objectives for the fiscal year and in monitoring and evaluating progress toward those goals. Thirdly, the budget is a financial device for the projection of revenues and expenditures; it authorizes expenditures and the means for financing them; and, is a control mechanism for spending limits. Finally, it is a way to communicate to citizens how public money is being spent and what is being accomplished with those expenditures. We hope readers come away with a better understanding of County services in general and specifically what will be done in Yadkin County during the fiscal year 2017-18.

Yadkin County staff is committed to the County vision of maintaining and promoting the County's rural heritage, character and values, while being good stewards of our resources and providing excellence in health, safety and service. We embrace growth and innovation while fostering an environment where all may live, work and play.

The goal areas that were designed by the County Commissioners to fulfill that same County vision include Protecting the Financial Position of the County, Re-establishing Healthcare in Yadkin County, Expanding Water and Sewer, Evaluating Employee Benefits, Developing a Comprehensive Economic Development Plan, Continuing to Work with the Yadkin County Public Schools and Surry Community College, to Expanding the Parks and River Accesses in the County and Review County Properties for Need and Improvements. It is the hope of County staff that, by using this guide and working with County residents, County government can better meet the needs of every citizen.

READER'S GUIDE

The budget begins with the County Manager's budget message that contains key features of the budget as recommended by the County Manager. Highlights of the proposed work plan and information about the financial condition of the County are also included.

The first section in the document, the Budget Summary, summarizes the total County budgeted revenues and expenditures as well as the total General Fund budget. The Budget Summary section also includes a listing of appropriations by funds, an accounting term which simply means a balanced set of revenues and expenses. The County of Yadkin has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

Each fund is categorized by ***personnel, operating, program, capital outlay*** and ***debt service***.

The General Government section provides expenditure summaries for the General Fund departments. Each department is shown separately.

The next section summarizes the budgets of the County's Special Revenue and Enterprise Funds. An enterprise fund is a fund established to account for operations that are financed and operated in a manner similar to private business enterprises. Expenditures in these funds are financed primarily through user fees.

This section of the budget also includes one internal service fund that centralizes the employee health insurance expenditures.

BUDGETARY FUND STRUCTURE

The County of Yadkin budget consists of two overarching fund types, governmental and proprietary funds.

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Governmental Funds are used to account for those functions reported as governmental activities. Most of the County's basic services are accounted for in governmental funds.

The County of Yadkin has two types of **Proprietary Funds**: *Enterprise and Internal Service*. *Enterprise Funds* are used to report the same functions presented as business-type activities and *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the County of Yadkin. The County uses an Internal Service Fund to account for its employee's health insurance in the Self-Insurance Fund.

FUNDS SUBJECT TO APPROPRIATION BY CATEGORY

The *General Fund (10)* is the general purpose fund of the County of Yadkin. It was established to account for all financial resources, except those required by State law, local ordinance, and generally accepted accounting principles, to be accounted for in another fund. General Fund revenues primarily include property taxes, sales taxes, and revenues from state and federal governments, fees, and permits. The major operating activities include general government, public safety, education, health and human services, cultural and recreational, debt service and other governmental service functions.

The *Emergency Telephone Fund (27)* includes revenues and expenditures associated with the restricted revenues that come into the County through a 911 surcharge on individuals' phone bills to support the expenditures required for Communication Centers to receive emergency phone calls for fire, law enforcement and medical services. These expenditures are restricted to those authorized by North Carolina General Statute and approved by the NC 911 Board.

The *Law Enforcement Fund (74)* includes revenues and expenditures associated with federal drug seizure funds and can only be spent for specified law enforcement needs.

The *Fire Service Districts Fund* is property tax revenues that are generated from individual tax levies for each of the ten fire service districts within Yadkin County. The services districts were created by the Board of County Commissioners and have a contractual arrangement to provide these necessary services to the citizens of Yadkin County. The

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County has the responsibility to oversee how these funds are spent by the fire departments and to hold them accountable for taxpayer dollars.

The capital category provides for building and park improvement projects, as well as various other physical improvement projects which typically cost over \$5,000, have a useful life greater than one year, and are approved by the County Commissioners.

The purpose of the Capital Project Funds, which are not included in this budget document, is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed. The County currently has three on-going Capital Projects: Yadkin County Agricultural & Educational Building, Golden Leaf Grant for Hospital Infrastructure Improvements and the East Bend Waterline. All three of these should be completed and closed in FY2018.

BUDGET PREPARATION AND ADOPTION

The Budget Process begins with Department Directors making requests for new positions, reclassifications, new technology needs and new capital requests in January or February. They also identify any issues that may affect the upcoming fiscal year services that the Commissioners need to be aware of as they provide direction for the upcoming budget.

Shortly thereafter, the Commissioners' Budget Retreat is held wherein the County's financial condition and future forecasts are reviewed. This is also an opportunity for the Commissioners to develop goals and objectives for the upcoming year.

In accordance with North Carolina State Statutes, departments must submit a budget request to the Budget Officer (County Manager) before April 30 of each fiscal year. For the County of Yadkin, the deadline for Departmental submissions is typically the end of March. Once departmental budgets are submitted, the County Manager reviews the requests and meets with each Department Director individually to review the needs and priorities in detail. Revisions are made as necessary in the operating budgets, the capital budgets, and the revenue estimates, until a final recommended budget document is produced in May.

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According to North Carolina General Statutes, a budget message and a balanced budget must be submitted to the Commissioners no later than June 1. In the County of Yadkin, these are typically submitted to the Board of Commissioners in May. After a formal budget submission to Commissioners, work sessions are conducted with the Commissioners as needed, and a public hearing is held to provide an opportunity for all citizens to have input in the budget. In accordance with North Carolina General Statutes, final adoption of the budget must take place before July 1 of each year.

In accordance with the North Carolina General Statutes, the County prepares and adopts the budget on the modified accrual basis of accounting, in which revenues are recorded when the amount becomes measurable and available, and expenditures are recorded when the liability is actually incurred. Only revenues and expenditures anticipated during the fiscal year are included in the budget. Unexpended operating budget funds revert to fund balance at the close of the fiscal year. Unexpended capital project reserve funds are carried forward life-to-date until the project is officially closed.

Throughout the fiscal year the County's financial accounting system maintains a modified accrual method as the adopted budget. At year-end, the County's Annual Financial Report is prepared on a basis consistent with "generally accepted accounting principles" or GAAP. This basis of accounting conforms to the way the County prepares its budget with some exceptions. The most notable exception is that the County's enterprise funds are converted from the modified accrual basis of accounting to the full accrual basis for financial statement presentation purposes. In the accrual basis, revenues are recognized when they are earned and expenses are recognized when they are incurred. This change between the budget and the financial report for the Enterprise funds provides for some significant differences. One is that depreciation is recorded as an expense in the Financial Statements and is not recognized at all in the budget. Another is that capital outlay and principal debt service payments are identified as expenditures in the budget, but reported as adjustments to the balance sheet in the Financial Statements.

The following chart summarizes when accrual and modified accrual are used for the basis of reporting and the basis of budgeting:

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Fund	Basis of Budgeting	Basis of Reporting
General	Modified Accrual	Modified Accrual
Special Revenue	Modified Accrual	Modified Accrual
Enterprise	Modified Accrual	Accrual

BUDGET PREPARATION PROCESS

SCHEDULE OF EVENTS FOR THE PREPARATION OF THE FY 2017-18 BUDGET

Event	Date
New Position, Reclassifications, Technology, Capital Requests	February 17, 2017
Commissioners' Budget Retreat	February 20, 2017
Budget direction given to Department Directors	February 25, 2017
Departmental and Outside Agency budget requests due	March 25, 2017
Budget Submission to the County Commissioners	May 31, 2017
Public Hearing on Budget at County Commissioners Meeting	June 20, 2017
County Commissioners Budget Work Session(s)	TBD
Budget Adoption	TBD

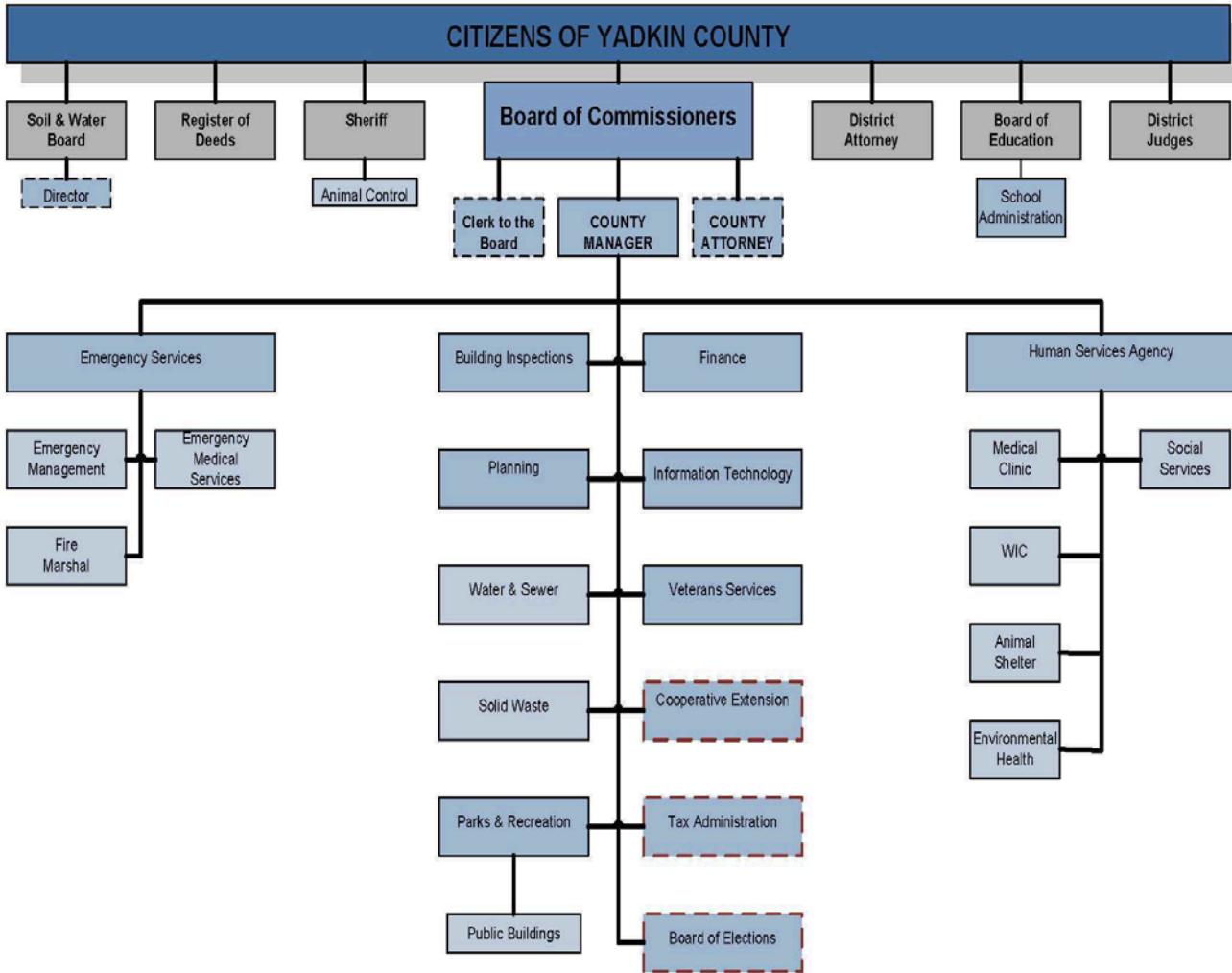
BUDGET AMENDMENT PROCESS

Proposed amendments to the budget may be submitted at any time during the year by a Department Director to the County Finance Officer. The County Manager is authorized to transfer funds \$5,000 or less within a department. Any funds transfer greater than \$5,000 or that amends the departmental adopted budget must be approved by County Commissioners.

All proposed ordinance amendments are reviewed by the Finance Officer and submitted to the Board of Commissioners for approval. The Finance Officer prepares all Capital Project Fund Ordinance amendments.

ORGANIZATIONAL STRUCTURE

Yadkin County Organizational Structure



FINANCIAL MANAGEMENT POLICIES

Financial Management Policies serve as guidelines for the preparation and operation of the annual budget. They are designed to complement the North Carolina Local Government Budget and Fiscal Control Act, recommendations of the Local Government Commission (LGC), and the Government Finance Officers' Association. These policies were developed by Finance staff and were formally adopted by the County Commissioners effective March 7, 2016. These policies are used to frame major policy initiatives and are reviewed during each budget process to ensure continued relevance and to identify any gaps that should be addressed with new policies. These policies assist in maintaining the County's stable financial position and ensure that Commissioners' intentions are implemented and followed.

REVENUES

Revenue Diversity

The County shall continue to provide adequate funds for stable operation of desired service levels through diversification of revenue sources to avoid over-reliance on any one revenue source and to maintain stable rates and fees.

Fees and Charges

The County shall maximize user fees where possible in order to distribute the costs of governmental services to those who use the services; include users who may have tax exempt property; to avoid subsidizing where the service is not used by the general public, except where appropriate; and maintain charges that are equitable and efficient by capturing the costs to provide the service.

All revenue sources will be reviewed on an annual basis, the levels of cost recovery will be reviewed, and the reasons for the subsidy will be reviewed.

Use of One-time Revenues

Use of one-time revenues is limited to covering expenditures that temporarily exceed revenues, early debt retirement, or capital purchases that do not significantly increase ongoing operating expenses.

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Property Tax Estimates

The percentage collection of property taxes relative to the tax rate estimated in the budget must not be greater than the percentage of the levy realized in cash as of June 30 of the preceding fiscal year, in accordance with State law. This ensures a conservative estimate of property tax revenues.

Unpredictable Revenue

Estimated revenues shall include only those reasonably expected to be realized during the fiscal year.

Grant funding will be pursued and used for a variety of purposes. Application to apply will be reviewed and evaluated in advance for consistency with Commissioners goals and compatibility with County programs and objectives. All new grants must be presented to Board of Commissioners for consideration before application is made. Any awarded funds will be accepted only after Commissioners review and approval. Any changes in the original intended use of grant funds must be approved by the granting agency and County Commissioners.

EXPENDITURES

Balanced Budget

The County shall prepare an annual balanced budget in accordance with the Local Government Budget and Fiscal Control Act and generally accepted accounting principles (GAAP).

Actual funds expended and received against budget will be reported to the County Manager and County Commissioners on a monthly basis.

Evaluation and Prioritization

Expenditures shall be reviewed by staff, the County Manager, and County Commissioners prior to adoption, and continually monitored throughout the budget year. Priority will be given to expenditures consistent with those necessary to carry out the mandated and core services of the County.

RESERVES

Fund Balance

The County shall maintain a minimum unassigned fund balance equal to 15-20% of the operating budget for each of the County's funds, with a target equal to 20%. The County Board of Commissioners may appropriate fund balances that will reduce available fund balance below the 20% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of Yadkin County. In such circumstances, after available fund balances have been calculated as part of closing-out a fiscal year, the Board will adopt a plan as part of the following year's budget process to restore the available fund balance to the policy level within 36 months from the date of the budget adoption. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different, but appropriate time period.

The Board of Commissioners may take formal action at any open meeting to establish, modify or rescind a fund balance commitment. Committed fund balances do not lapse at the end of the fiscal year. The Board may take informal action to authorize a portion of fund balance for a particular purpose or program and designates similar authority to the County Manager. Assigned fund balances lapse at the end of the fiscal year unless these assignments are extended.

DEBT MANAGEMENT

Debt Model

The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided. The County will take a balanced approach to capital funding utilizing debt financing and pay-as-you-go funding that will provide the least financial impact on the taxpayer. Pay-as-you-go funding will come from budgeted appropriations.

Debt Service

The total annual debt service paid on tax-supported debt shall not exceed 15% of the operating expenditures in the General Fund including inter-fund transfers. If for any

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reason, it does exceed 15%, Finance staff must obtain approval from the Board of Commissioners.

Direct Net Debt

The outstanding direct net debt will not exceed the NC statutory limit of 8% of the appraised property subject to taxation with an optimal level of less than 4%.

Bonded Debt

Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

CAPITAL INVESTMENT

It is the responsibility of the Board of Commissioners to provide for the capital facilities necessary to deliver governmental services to Yadkin County citizens, as well as facilities for the Yadkin County Public Schools. The County will consider all capital improvements in accordance with an adopted Capital Improvement Plan. The Capital Improvement Plan is inclusive of capital improvements (renovations), replacement (vehicles and heavy equipment) and major capital projects (new construction).

The capitalization threshold minimum for capital assets is set at \$5,000. The threshold will be applied to individual capital assets and will only be capitalized if they have a useful life of at least one year from the date of acquisition.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

The accounting systems for the County will be compliant with the North Carolina Local Government Budget and Fiscal Control Act and will be maintained to enable the preparation of financial statements that conform to generally accepted accounting principles (GAAP).

Access to the financial system will be made available to Department Directors and other staff for the continuous monitoring of revenues and expenditures. Emphasis will be placed on internal budgetary and financial controls with regard to the financial system for the purposes of maintaining proper checks and balances.



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The County will have an annual independent audit performed by a certified accounting firm that will issue an opinion of the annual financial statements that are required by the Local Government Budget and Fiscal Control Act.

Full disclosure will be provided in all regulatory reports, financial statements and debt offering statement.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**County of Yadkin
North Carolina**

For the Fiscal Year Beginning

July 1, 2016

Jeffrey R. Evans

Executive Director

FY2017-2018 RECOMMENDED BUDGET

Transmittal Letter

May 31, 2017

**The Honorable County Commissioners
And the Citizens of the County of Yadkin:**

As County Manager, I am pleased to present you and the residents of the County of Yadkin the *Recommended Budget* for the fiscal year beginning July 1, 2017 and ending June 30, 2018. This budget is in accordance with §159-11 of the North Carolina General Statutes and meets the statutory and administrative obligations to prepare and present a balanced budget for your consideration.

The total budget for all funds (Governmental and Proprietary) is \$39,102,555.

The General Fund is the largest component of this total with expenditures of \$36,473,150, a decrease of 0.9% or \$333,120 below the current adopted amount of \$36,806,270. The approval of this budget does not require any tax increase to the ad valorem rate which will remain at 66 cents per \$100 assessed value.

It is recommended that the “rainy day fund”, General Fund unassigned fund balance, be appropriated for certain one-time expenses that total \$978,441 to balance this budget. This amount is approximately \$895,817 less than the amount appropriated in the FY2017 Adopted Budget that totaled \$1,874,258.

The County’s General Fund undesignated fund balance remains healthy and above the Financial Policy’s target of 15-20 percent with this recommended budget.

REVENUE HIGHLIGHTS

Ad Valorem Tax

In accordance with NCGS 159-11, in each year a general reappraisal of real property has been conducted, a revenue-neutral tax rate shall be calculated. Per guidance from the Local Government Commission, revenue neutral is calculated using the past seven years of audited analysis of the tax levy. Being that the FY2017 audit has not been completed, the levy amount submitted to the State Department of Revenue on the Tax Administrator’s TR-1 Report was used. The audited levy, as well as the amount submitted on the TR-1 are

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higher than the budget revenue estimates because they are final and after abatements, appeals, and exemptions have occurred. The Tax Administrator's real and personal property's assessed value as of May 2017 for Fiscal Year 2017/18 is approximately \$2,552,925,935, which is \$66,494,015 less than the \$2,619,419,950 levy reported on the FY2017 TR-1. The revenue neutral tax rate using the Local Government Commission's guidance, as well as the NC Department of Revenue's guidance based upon these levy amounts is \$0.677 per \$100 of assessed value for the County to maintain the same amount of revenue plus the annual growth factor. This budget recommends leaving the tax rate at \$0.66 per \$100 of assessed value. The FY2018 values at a 96.6% collection rate will produce an estimated \$16,849,311 in revenue. This projected revenue is an increase of \$261,675 or 1.5% from last year's budget estimate of \$16,587,636.

FY2014-2015 was the first full year of Tag & Tax Together implementation. Tag & Tax Together requires motorists to pay their motor vehicle taxes at the same time they pay their vehicle registration. Under the new structure, the taxes are not levied until the bills are issued. The Recommended Budget revenue for motor vehicle taxes is based upon 9 months of levy (July 2016-April 2017). The motor vehicle assessed value as of May 2017 for Fiscal Year 2017-18 is \$298,939,394 at a collection rate of 100% will produce an estimated \$1,973,000 in revenue.

The budget also projects approximately \$665,000 in prior year taxes and \$200,000 in interest and penalties.

Sales Tax

The Fiscal Year 2016/17 adopted budget, projected \$5,359,512 in sales tax revenue. The North Carolina General Assembly expanded the applicability of sales tax which has benefitted Yadkin County. This budget estimates sales tax revenue at \$6,460,000, an increase of 20.5% or \$ 1,100,488.

We continue to be moderately conservative in our projections.

Budget Preparation

In developing the FY2018 recommended budget, the strategies used to balance the budget included:

- Calculate revenue neutral
- Moderate revenue estimates

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- One-time strategic use of fund balance
- Continue core services with limited additions

In starting the budget process, County priorities were identified and the budget was framed around them. Those priorities included the following:

- Protect the financial position of the County
- Re-establish healthcare in Yadkin County
- Expand water and sewer service
- Evaluate employee benefits
- In collaboration with the Chamber of Commerce and Economic Development Council, develop a comprehensive Economic Development Plan
- Continue to work with the Yadkin County Public Schools and Surry Community College to effectively and efficiently meet the educational needs within the County
- Expand the parks and river accesses in Yadkin County
- Review County properties for need and improvements

Every department in the County contributed to the overall goal of recommending a budget that incorporates a fiscally responsible plan for the continuation of basic quality services that meets the County's priorities as set forth above. Departments were charged with submitting a flat budget that aligned with current department priorities and service delivery.

EXPENDITURE HIGHLIGHTS

Continuing Core Services

Our workforce is the backbone to the continuation of high-quality services to our community. As a priority, this recommended budget reflects the continuation of a compensation strategy that pays market wages to employees doing similar jobs in the current labor market. One and a half percent (1.5%) of salaries is included for performance increases consistent with the County's Performance Pay Plan. Each department will encumber this amount and it will be at the discretion of the Department Director on how the percentage is distributed within his or her department based upon performance scores. The County Manager will continue to use the expenditure line in Non-Departmental

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at her discretion for Department Directors' performance increase that she evaluates. Also included is the Classification and Pay Plan Study for the remaining County departments that have not completed the study. The Study was divided into thirds and this is the final year of the study. Classification and Pay Plans should be assessed every five to seven years and this will conclude this study. This change will keep us competitive with other local governments. We are appreciative of the Commissioners' support and commitment to market employee compensation and benefits.

The County added a new benefit in FY2017 for County employees by providing an Employee Wellness Clinic. The County is partially self-insured for health insurance in that we pay our own claims rather than paying a premium to an insurance company to assume all liability. This provides the County more control and opportunities to improve employees' health, while saving county tax dollars. Employees are encouraged to have a health risk assessment conducted and to utilize the Wellness Clinic to meet their medical needs. Employees are not required to use sick leave or to pay a co-pay, as the medical visits are not filed on County insurance, rather the visits are paid through a not-to-exceed flat contract with an independent third-party vendor. By reducing the number of claims processed by our third-party claims administrator, the fee for this service has been reduced, allowing the County to reduce overall cost of providing health insurance to employees. In addition, we have selected to increase the amount of our stop-loss or reinsurance plan to \$125,000 from \$100,000 per occurrence, thereby reducing County cost for insurance further. This budget contains an amount of \$8,200 per employee in FY2018 versus \$9,000 in FY2017.

The FY2018 budget also reflects a decrease in workers' compensation and property/liability insurance from FY2017.

Additional funding is needed to continue core services at current levels. Many of these services require capital expenditures to insure staff has the proper resources to complete their jobs safely and effectively. Some of these initiatives include the following:

- Stair chairs and training simulator mannequins for Emergency Medical Services
- Remount of two ambulances totaling \$200,000
- Computer upgrades and mobility within Human Services

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- Scheduled computer replacement
- Generator for server room
- Phone System replacement
- Increase in grant match funding for the Trails Grant received in FY2016 and in anticipation of receiving the PARTF Grant for Phase II of Yadkin Memorial Park

Not Included

A number of worthwhile service expansions and new modifications were requested and reviewed as part of our efforts to propose a frugal and focused spending plan for next year. We have attempted to balance Commissioners' priorities with available resources, minimizing the impact on our citizens and taxpayers. I hope you will find this proposal, which has been developed with your guidance, achieves that. For example, additional requests from various County departments and outside agencies that are not included total over \$2.9 million.

Emergency Telephone Fund

Revenues and expenditures are restricted in this fund for communications related to citizens' ability to call 911 for emergency assistance. The State 911 Board has decreased revenue to Yadkin County from \$237,630 in FY2017 to \$208,644 in FY2018. The requirement to have a back-up public-safety answering point (PSAP) will be met and fully operational by July 1, 2017.

Law Enforcement Fund

The Law Enforcement Fund remains flat, as the restricted revenues and expenditures come from Federal law enforcement drug cases.

Enterprise Funds

Solid Waste

The Solid Waste budget was reduced \$34,702, or 1.6% from \$2,186,263 in FY2017 to a recommended FY2018 budget of \$2,151,561. The use of fund balance to balance the budget was also reduced from \$259,658 in FY2017 to \$25,056 in FY2018, a savings of \$234,602 or 90%. The revenues for this budget are based upon an increase in tipping fees from \$53.00 per ton to \$60.00 per ton, with a minimum of \$7.00 tipping fee.

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Water and Sewer

The Water and Sewer Fund continues to be self-sustaining. The water and sewer lines in the Yadkinville area are leased to the Town of Yadkinville and no expense is budgeted for these lines. Revenues for the Highway 21 waterline are based upon the water rates set by the Town of Jonesville and the expenditures are based upon the water purchase contract between the Town and the County and our cost to maintain the line. The East Bend Waterline is expected to be completed and brought on-line in FY2018. The revenues for this line are estimated on the usage by the Town of East Bend and the expenditures are based upon the water purchase contract between the Winston-Salem/ Forsyth County Utilities Commission and our cost to maintain the line. The budget does include the operator of the waterlines at 70% and a part-time operator to assist as needed. The Water and Sewer budget for FY2018 is \$263,200 increased by \$125,378 from FY2017's budget of \$137,822. The increase is due to completion of the East Bend Waterline and it coming on-line in FY2018.

COUNTY FEES

The Recommended Budget for FY2018 is based on minimal changes to the fee schedule and the Fee Schedule will be submitted June 19 for the Board's consideration.

COMMITMENT

The County is committed to creating financial resiliency in preparation for the opportunities that we will face in the years to come. We continue to challenge each other and our systems, policies and methods of operation to ensure our taxpayer dollars are used efficiently and responsibly. As the General Assembly convenes and deliberates the future with regard to various revenue stream distributions, as well as expenditures that may be placed upon us, we will move forward conservatively to preserve our revenue sources as well as remain flexible and proactive in our efforts to maintain quality services. We will continue to engage all employees in our efforts to make sure the way we provide services to citizens and how we conduct our internal business represents the core values established by the County.

In closing, I would like to commend the efforts of the County Commissioners for their guidance in the preparation of this budget and for their commitment to quality services for our community. I would also like to commend County departments who worked tirelessly and shared in the preparation of this very challenging budget. I would like to especially thank Tom Sarratt, Brittany Allen, Lindsey Cearlock and Wendi Thompson.



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The FY2017-18 Budget is now respectfully turned over to Commissioners and the community for consideration. We stand ready to support you as you make these decisions.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Lisa L. Hughes".

Lisa L. Hughes
Yadkin County Manager

REVENUE AND EXPENDITURE SUMMARY

Operating Funds	Revenues	Expenditures
General Fund	\$ 32,211,780	\$ 32,211,780
Emergency Telephone Fund	\$ 208,644	\$ 208,644
Law Enforcement Fund	\$ 6,000	\$ 6,000
Solid Waste	\$ 2,151,561	\$ 2,151,561
Water and Sewer Fund	\$ 263,200	\$ 263,200
Self-Insurance Fund	\$ 2,401,100	\$ 2,401,100
Subtotal	\$ 37,242,285	\$ 37,242,285
Debt Service Funds		
General Fund	\$ 4,261,370	\$ 4,261,370
Solid Waste	\$ -	\$ -
Water and Sewer Fund	\$ -	\$ -
Subtotal	\$ 4,261,370	\$ 4,261,370
TOTAL ALL FUNDS	\$ 41,503,655	\$ 41,503,655

GENERAL FUND BUDGET SUMMARY (Including Interfund Transfers)

	FY15-16 Actual	FY16-17 Budgeted	FY17-18 Recommended	Variance FY17 to FY18
Revenues				
Property Tax	\$19,553,445	\$ 19,450,636	\$ 19,677,311	1.2%
Local Sales Tax	\$ 5,459,105	\$ 5,359,512	\$ 6,460,000	20.5%
Other Revenue	\$ 9,439,654	\$ 10,121,864	\$ 9,357,398	-7.6%
Appropriated Fund Balance	\$ -	\$ 1,874,258	\$ 978,441	-47.8%
Total	\$ 4,452,204	\$ 36,806,270	\$ 36,473,150	-0.9%

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Expenditures	FY 15-16 Actual	FY 16-17 Budgeted	FY 17-18 Recommended	Variance FY17 to FY18
Governing Body	\$ 58,407	\$ 59,530	\$ 63,360	6.4%
Administration	\$ 355,966	\$ 386,905	\$ 375,100	-3.1%
Finance	\$ 247,734	\$ 211,532	\$ 264,160	24.9%
Tax	\$ 848,560	\$ 861,614	\$ 803,705	-6.7%
License Plate Agency	\$ 91,985	\$ 89,523	\$ 88,342	-1.3%
Court Facilities	\$ 53,471	\$ 56,850	\$ 57,000	0.3%
Elections	\$ 210,423	\$ 227,838	\$ 223,955	-1.7%
Register of Deeds	\$ 250,332	\$ 256,069	\$ 247,764	-3.2%
Information Technology	\$ 272,831	\$ 275,406	\$ 273,265	-0.8%
Transfers to Other Funds	\$ 529,905	\$ 322,068	\$ 522,068	62.1%
Public Buildings	\$ 313,843	\$ 433,090	\$ 472,070	9.0%
Sheriff	\$ 5,272,267	\$ 5,630,788	\$ 5,702,025	1.3%
Emergency Services	\$ 3,124,832	\$ 3,475,332	\$ 3,347,080	-3.7%
Building Inspections	\$ 220,112	\$ 267,821	\$ 268,800	0.4%
Medical Examiner	\$ 18,900	\$ 20,000	\$ 20,000	0.0%
Animal Shelter	\$ 244,698	\$ 205,043	\$ 193,250	-5.8%
Planning	\$ 164,321	\$ 141,723	\$ 139,590	-1.5%
Economic Development	\$ 113,305	\$ 103,000	\$ 103,000	0.0%
Cooperative Extension	\$ 158,435	\$ 163,827	\$ 181,685	10.9%
Soil and Water Conservation	\$ 290,104	\$ 335,977	\$ 317,595	-5.5%
Health	\$ 1,408,675	\$ 1,403,284	\$ 1,442,422	2.8%
Mental Health	\$ 130,800	\$ 126,000	\$ 110,000	-12.7%
Juvenile Crime Prevention	\$ 132,469	\$ 135,920	\$ 135,892	0.0%
Social Services	\$ 6,005,792	\$ 7,561,367	\$ 6,683,750	-11.6%
Community Action Programs	\$ 1,211,097	\$ 1,212,564	\$ 1,229,398	1.4%
Veteran Services	\$ 51,541	\$ 52,899	\$ 53,023	0.2%
Public Schools	\$ 6,696,850	\$ 6,467,145	\$ 6,550,725	1.3%
Community College	\$ 228,688	\$ 228,688	\$ 228,688	0.0%
Hospital	\$ 354,207	\$ 285,045	\$ 188,980	100.0%
Recreation	\$ 485,402	\$ 533,003	\$ 531,608	-0.3%
Non-Departmental	\$ 1,746,202	\$ 1,161,914	\$ 1,393,480	19.9%
Debt Service	\$ 4,172,251	\$ 4,114,505	\$ 4,261,370	3.6%
Total	\$35,464,406	\$36,806,270	\$ 36,473,150	-0.9%

FY2017-2018 RECOMMENDED BUDGET

FUNDS AND FUND BALANCES

The Budget Message highlights the following funds; General Fund, Solid Waste Enterprise Fund, Water and Sewer Enterprise Fund, and Emergency Telephone (E911) Fund.

Each of these fund types has its own specific legal and accounting requirements. Appropriations lapse at year-end in the each fund creating its own fund balance. Fund balance represents monies that remain unspent after all budgeted expenditures have been made. These unspent monies serve as a working capital reserve to pay expenditures in the early part of the fiscal year before taxes are collected.

General Fund

The General Fund is the principal fund used to account for the provision of governmental services. This fund summarizes the financial transactions of functional services, based on departmental operations, except for those transactions that must be accounted for separately in other funds. Unassigned fund balance June 30, 2016 was \$8,168,062 or 23% of the General Fund expenditures for the year according to our unqualified audit. The Local Government Commission recommends that counties maintain a minimum of 8% fund balance in the General Fund.

Solid Waste Enterprise Fund

The recommended FY17-18 budget for the Solid Waste Enterprise Fund is \$2,151,561 representing a 1.6% or \$34,702 decrease over the FY16-17 budget of \$2,186,263.

This budget is balanced with a fund balance appropriation from the Solid Waste Enterprise Fund balance of \$25,056. As of June 30, 2016 the unrestricted Solid Waste Enterprise Fund balance was \$506,908.

Water & Sewer Enterprise Fund

The FY2017-18 Water and Sewer Fund budget totals \$263,200. This budget is a \$125,378 increase over the FY2016-2017 original budget of \$137,822. The FY2017-2018 budget does not require an appropriation of fund balance.

Emergency Telephone System Special Revenue Fund

The projected Emergency Telephone System (911) revenue recommended in this budget is \$208,644. The Emergency Telephone Fund's fund balance as of June 30, 2016 was \$446,189. The State 911 Board reduced the revenue for Yadkin County in FY2018 to \$208,644 from \$237,630 in FY2017.

The Emergency Telephone System's expenditures are restricted by general statute and are subject to approval by the State 911 Board. Essentially, these funds can only be used for expenses related to the calls coming into the Communications Center.

AUTHORIZED POSITION LISTING

The authorized position listing (full-time equivalent or FTE) summarizes the net changes in positions for the fiscal years 2016-17 through the FY2017-18 budgets. Elections, Emergency Services, Recreation, Sheriff's Office and Solid Waste use additional non-benefitted part-time employees within their appropriated part-time salaries budget that are not included in the position listing.

	FY16 Actual	FY17 Adopted	FY18 Requested	FY18 Recommended
Administration	5	5	5	5
Finance	3	3	4	4
Tax	14	13	13	13
Elections	2	2	2	2
Register of Deeds	3.5	3.5	3.5	3.5
Information Technology	4	4	4	4
Public Buildings	4	4	5	5
Sheriff	83	83	89	83
Emergency Services	34	41	41	41
Building Inspections	4.5	4.5	4	4
Animal Shelter	3	3	3.25	3
Planning	2	2	2	2
Soil & Water	3	3	3	3
Health	20	20	20.3	20.3
Social Services	60	60	60	60
Veterans	1	1	1	1
Hospital	6	4.5	1.1	1.1
Recreation	6	7	7	7
Solid Waste	5.5	5.5	5.5	5.5
Water and Sewer	0.5	1	1.25	1.25

FY2017-2018 RECOMMENDED BUDGET

Overview

The FY2018 Recommended Budget reflects the elimination of the Assistant County Manager position and part-time Building Inspector position. It transfers the Banquet Manager position from Public Buildings to Administration and two maintenance positions from the Hospital to Public Buildings. It creates an Accounting Technician in Finance and includes a reclassification of the Accounting Specialist position to Accountant. The Accounting Technician will be responsible for assuming payroll duties from Administration and utility billing for the East Bend Waterline once it is operational. It allows Cooperative Extension to add a part-time employee to assist with the high demand 4-H program and is paid through the State. Lastly, it allows for part-time non-benefitted Assistant Fire Marshals to assist with the back-log of fire inspections and the expense is off-set by an increase of revenues. Additional positions were requested in the Sheriff's Office (2 deputies, 2 Detention Officers and 1 Crime Prevention position), Animal Shelter (part-time Technician to work weekends) and a request from Human Services to change the status of the lab technician from 80% to 100%. The Human Services Agency shares Administrative personnel on a percentage basis and in its budget request, there is a decrease in Social Services personnel costs and an increase in Health personnel costs, as staff time will be reallocated.

The FY2018 Water and Sewer budget increases funding to 70% for the Water ORC shared with Environmental Health and allows for hiring of a back-up ORC on an as needed basis. This position will continue to be shared with Environmental Health until Environmental Health staff is certified in all disciplines and for the employee to maintain his Environmental Health certification.

GENERAL FUND REVENUE ESTIMATE

Revenues	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Property Tax	\$ 19,553,445	\$ 19,450,636	\$ 19,677,311
Local Sales Tax	\$ 5,459,105	\$ 5,359,512	\$ 6,460,000
Fees & Permits	\$ 2,629,495	\$ 2,263,500	\$ 2,479,252
Intergovernmental	\$ 6,201,770	\$ 7,576,764	\$ 6,679,146
Other	\$ 424,288	\$ 162,250	\$ 199,000
App. Fund Balance	\$ -	\$ 1,874,258	\$ 978,441
Total	\$ 34,268,103	\$ 36,686,920	\$ 36,473,150

FY2017-2018 RECOMMENDED BUDGET

Property Taxes

Property Taxes are the largest revenue source for the General Fund at approximately 54% representing \$19.6 million. The amount represented here includes current and prior year tax as well as penalties and interest. The property tax rate will be \$0.66 per \$100 assessed valuation. The revenue neutral property tax rate to achieve the same amount of revenue based upon the reappraisal values would be \$0.677 per \$100 assessed valuation. It is not recommended to increase the tax rate to the revenue neutral rate. The revenue estimate is based upon a 96.6% collection rate for Property and a 100% collection rate for Motor Vehicles.

The County's real property tax base is expected to total approximately \$2,552,925,935. Motor Vehicle property is projected to be approximately \$298,939,394.

Local Sales Tax

Local sales tax revenues for FY2018 are estimated at \$6,460,000, which is a 20.5% or \$1,100,488 increase over FY2017's estimate of \$5,359,512. Sales tax revenues reflect 17.71% of total revenues in FY2018.

Fees and Permits

This revenue category includes the anticipated revenues for items including: building permits, recreational fees and facility rentals and, represents a 9.53% or \$215,752 increase over FY2017's amount of \$2,263,500 for an estimate of \$2,479,252 in FY2018.

Intergovernmental

The total for Intergovernmental Revenues represents approximately 18.31% of the County's anticipated total revenues at a value of \$6.679 million. These revenues include state grants, state allotments for Public Health and Social Services, utility franchise taxes, beer and wine, video programming tax, court fees, and local jurisdictions contributions. The FY2018 intergovernmental revenue estimate reflects an \$897,618 or 11.85% decrease from FY2017. The County continues to see a decrease in funding from the Federal and State governments for Social Services and Health programs.

Other Revenue

Other revenue includes miscellaneous revenue sources in the amount of \$199,000, and \$36,750 increase over FY2017's estimate of \$162,250.

FY2017-2018 RECOMMENDED BUDGET

Appropriated Fund Balance

Appropriated fund balance in the amount of \$978,441 is included for one-time expenditures or restricted funds received in FY2017 that are being carried forward for expenditure in FY2018. Of this amount, \$136,762 represents funds that will go into the FY2017 fund balance that are grant funds or donations and are committed for certain programs; \$290,000 is to replace the phone system, \$200,000 is for Parks and Recreation projects, and the remainder is for other capital expenditures contained within the budget.

DEPARTMENTS

Governing Body

The five-member Board of County Commissioners is the official legislative and policy-making body of the County. Commissioners are elected at large for staggered two or four year terms. The lowest vote-getter serves a two-year term.

All official actions of the County Commissioners are taken at public meetings. County Commissioners holds regular public meetings on the first and third Monday of each month. The County Commissioners also conduct special meetings, work sessions on the County budget, and other issues of special interest.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 45,901.56	\$ 45,925.00	\$ 46,810.00
Operating	\$ 12,505.02	\$ 13,605.00	\$ 16,550.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 58,406.58	\$ 59,530.00	\$ 63,360.00

FY2017-2018 RECOMMENDED BUDGET

Administration

The County Manager is appointed by the County Commissioners and serves as Chief Executive Officer of the County of Yadkin. The County Manager provides leadership and management of County operations and works through a management team composed of a Finance Officer, Department Directors, and other key staff members to identify needs, establish priorities, administer programs, policies and operations, and build organizational capacity. The County Manager also assists County Commissioners in their policy making role by providing recommendations and background materials on programs, trends, and issues of concern to the County Commissioners and the Administration. County Administration also includes the Clerk to the Board and Human Resources/Risk Management.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 330,206.68	\$ 360,760.00	\$ 347,775.00
Operating	\$ 25,758.99	\$ 26,145.00	\$ 27,325.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 355,965.67	\$ 386,905.00	\$ 375,100.00

Finance

The Finance Department focuses on the County's financial services, including audit, debt service management, cash investments, payroll, payables, and purchasing. While payroll is a function of finance, it has been processed through Administration since 2010. With the creation of the Accounting Technician, this function as well as utility billing will return to Finance.

FY2017-2018 RECOMMENDED BUDGET

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 234,461.03	\$ 191,687.00	\$ 244,830.00
Operating	\$ 13,273.42	\$ 19,845.00	\$ 19,330.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 247,734.45	\$ 211,532.00	\$ 264,160.00

Tax

The Tax Office appraises business, personal and real property, as well as billing and collecting those taxes. Motor vehicles are appraised, billed and collected by the State since the implementation of Tax and Tag Together in FY2014. The Tax Office also operates the License Plate Agency.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 704,525.53	\$ 713,077.00	\$ 706,735.00
Operating	\$ 236,019.76	\$ 238,060.00	\$ 185,312.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 940,545.29	\$ 951,137.00	\$ 892,047.00

FY2017-2018 RECOMMENDED BUDGET

Court Facilities

Counties are required by statute to provide space for the courts, Judges, District Attorney, Clerk of Court, Probation and Magistrates. To offset the expense, counties receive a portion of court fees.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ -	\$ -	\$ -
Operating	\$ 54,436.66	\$ 53,000.00	\$ 57,000.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 54,436.66	\$ 53,000.00	\$ 57,000.00

Elections

The Board of Elections is responsible for all elections and hires staff as appropriate to fulfill their statutory obligations.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 117,440.74	\$ 135,353.00	\$ 135,800.00
Operating	\$ 92,982.26	\$ 92,485.00	\$ 88,155.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 210,423.00	\$ 227,838.00	\$ 223,955.00

FY2017-2018 RECOMMENDED BUDGET

Register of Deeds

The Registrar of Deeds is elected by the citizens every four years and hires Deputy Registrars to serve as appropriate to fulfill his statutory obligations.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 196,249.84	\$ 198,394.00	\$ 191,719.00
Operating	\$ 54,082.22	\$ 57,675.00	\$ 56,045.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 250,332.06	\$ 256,069.00	\$ 247,764.00

Information Technology

The Information Technology Department provides a wide array of services which support all departments through end-user client support, network infrastructure, software applications, and championing the use of technology to meet the County's needs.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 256,127.74	\$ 258,321.00	\$ 255,720.00
Operating	\$ 16,703.37	\$ 17,085.00	\$ 17,545.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 272,831.11	\$ 275,406.00	\$ 273,265.00

FY2017-2018 RECOMMENDED BUDGET

Public Buildings

Public Buildings is responsible for cleaning, utilities and maintenance of all County buildings. The FY2018 budget includes transferring the Banquet Manager position to Administration and two maintenance positions from the hospital to Public Buildings.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 136,430.35	\$ 199,685.00	\$ 245,370.00
Operating	\$ 177,412.27	\$ 233,405.00	\$ 226,700.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ 374,060.48	\$ 367,090.00	\$ 360,115.00
TOTAL	\$ 687,903.10	\$ 800,180.00	\$ 832,185.00

Sheriff

The Sheriff is elected by the citizens every four years and hires sworn deputies and other personnel to serve at his pleasure in the Sheriff's Office, Communications, and Detention Center. Currently, 43 of his employees are sworn officers. He provides four School Resource Officers for the Yadkin County Public Schools and operates the Animal Control Program. The Sheriff's budget also includes the Law Enforcement Officers' Separation Allowance for sworn officers who retire and meet the criteria established in the North Carolina General Statutes.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 4,263,043.27	\$ 4,561,233.00	\$ 4,653,103.00
Operating	\$ 1,009,223.30	\$ 1,069,555.00	\$ 1,048,922.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ 613,977.64	\$ 613,990.00	\$ 613,990.00
TOTAL	\$ 5,886,244.21	\$ 6,244,778.00	\$ 6,316,015.00

FY2017-2018 RECOMMENDED BUDGET

Emergency Services

Emergency Services provides Emergency Management, Emergency Medical Services and Fire Marshal services within the County. The FY2018 budget includes funding for 2 ambulance remounts, stair chair replacements, training mannequin replacements for Emergency Medical Services. The Fire Marshal's budget includes funding for non-benefitted part-time Assistant Fire Marshals to complete fire inspections and the expense is offset by additional revenues.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 2,540,074.18	\$ 2,711,712.00	\$ 2,713,265.00
Operating	\$ 407,631.36	\$ 386,970.00	\$ 413,815.00
Programs	\$ -	\$ -	\$ -
Capital	\$ 177,126.42	\$ 376,650.00	\$ 220,000.00
Debt Service	\$ 29,748.82	\$ 29,190.00	\$ 28,625.00
TOTAL	\$ 3,154,580.78	\$ 3,504,522.00	\$ 3,375,705.00

Building Inspections

Building Inspections operates Central Permitting in Yadkin County for all building inspections, new construction fire inspections and scheduled Environmental Health permits. The Director has delegated authority from the Human Services Director to supervise the Environmental Health Program.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 204,831.23	\$ 249,046.00	\$ 251,155.00
Operating	\$ 15,280.60	\$ 18,775.00	\$ 17,645.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 220,111.83	\$ 267,821.00	\$ 268,800.00

FY2017-2018 RECOMMENDED BUDGET

Medical Examiner

North Carolina General Statutes require counties to pay for services rendered by the North Carolina Medical Examiner as needed.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Operating	\$ 18,900.00	\$ 20,000.00	\$ 20,000.00

Animal Shelter

The Animal Shelter provides shelter and care for animals that are lost or in need of a home. The Shelter operates a Spay-Neuter Program in an effort to help reduce the stray animals within Yadkin County. The Shelter works with many rescue groups to help find forever homes for the animals that make their way to the Shelter.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 161,165.16	\$ 146,538.00	\$ 130,630.00
Operating	\$ 58,533.11	\$ 58,505.00	\$ 62,620.00
Programs	\$ -	\$ -	\$ -
Capital	\$ 25,000.00	\$ -	\$ -
Debt Service	\$ 29,650.02	\$ 29,090.00	\$ 28,525.00
TOTAL	\$ 274,348.29	\$ 234,133.00	\$ 221,775.00

FY2017-2018 RECOMMENDED BUDGET

Planning

Planning is responsible for planning, zoning, addressing and GIS within Yadkin County. Staff works closely with the Planning Board and Board of Adjustment.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 148,189	\$ 129,868	\$ 127,955
Operating	\$ 16,133	\$ 11,855	\$ 11,635
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 164,321	\$ 141,723	\$ 139,590

Cooperative Extension

Cooperative Extension is a cooperative effort between NC State, A&T University and counties. Employees are cost-shared between the State and the County to provide services to farmers, 4-H Clubs and many others within the County. The FY2018 budget includes funding for a part-time employee to assist with the high demands of the 4-H program.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 145,571	\$ 150,627	\$ 167,635
Operating	\$ 12,865	\$ 13,200	\$ 14,050
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 158,435	\$ 163,827	\$ 181,685

FY2017-2018 RECOMMENDED BUDGET

Soil and Water Conservation District

Soil and Water Conservation District Board members are elected every four years and hire staff to assist citizens with erosion control, watershed areas and farm plans. The FY2018 budget includes \$100,000 for improvements to our watershed dams.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 166,712	\$ 168,307	\$ 171,985
Operating	\$ 111,078	\$ 151,170	\$ 130,610
Programs	\$ -	\$ -	\$ -
Capital	\$ 12,314	\$ 16,500	\$ 15,000
Debt Service	\$ 638,088	\$ 638,100	\$ 638,100
TOTAL	\$ 928,192	\$ 974,077	\$ 955,695

Human Services Agency

Human Services is the consolidated agency that comprises Public Health and Social Services. Yadkin County consolidated administration and operations of these departments in February 2013, but continue to budget them separately due to State and Federal funding. The FY2018 budgets reflect decreases in funding from the Federal and State governments, which corresponds to decreases in expenditures. Both divisions share Administrative staff and this budget reflects a shift of minimal time from Social Services to Health.

BUDGET SUMMARY

HEALTH	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 1,103,586	\$ 1,075,732	\$ 1,119,743
Operating	\$ 279,167	\$ 306,752	\$ 307,679
Programs	\$ -	\$ -	\$ -
Capital	\$ 25,922	\$ 20,800	\$ 15,000
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 1,408,675	\$ 1,403,284	\$ 1,442,422

FY2017-2018 RECOMMENDED BUDGET

SOCIAL SERVICES	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 3,287,640	\$ 3,549,891	\$ 3,474,670
Operating	\$ 207,224	\$ 215,130	\$ 254,895
Programs	\$ 2,510,927	\$ 3,796,346	\$ 2,954,185
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 6,005,792	\$ 7,561,367	\$ 6,683,750

Veterans' Services

Yadkin County has many citizens who have served our Country and are entitled to certain benefits and services. The Veterans' Services' Officer meets with veterans and helps them apply and receive these benefits and services.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 49,204	\$ 49,774	\$ 48,913
Operating	\$ 2,338	\$ 3,125	\$ 4,110
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 51,541	\$ 52,899	\$ 53,023

Hospital

The County has obtained the license for the hospital and has requested that it be considered a Legacy Medical Facility as authorized in North Carolina General Statutes so that it can be reopened within thirty-six months. A minimal staff has been retained to maintain the medical records, both paper and radiology.

FY2017-2018 RECOMMENDED BUDGET

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 164,469.45	\$ 152,250.00	\$ 50,930.00
Operating	\$ 189,737.78	\$ 132,795.00	\$ 138,050.00
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 354,207.23	\$ 285,045.00	\$ 188,980.00

Recreation

Parks and Recreation maintains all of the County parks, including Memorial Park and all of our river accesses. Staff also provides grounds maintenance for all County property. Richmond Hill Law School Commission funding was moved to Recreation from Community Action as Recreation currently maintains the Park at the Law School.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 357,341	\$ 403,288	\$ 401,615
Operating	\$ 128,061	\$ 129,715	\$ 129,993
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service		\$ -	\$ -
TOTAL	\$ 485,402	\$ 533,003	\$ 531,608

Education

Education continues to represent approximately 19% of our local budget, with revenues pledged for the current expense and capital needs of the Yadkin County Public School System and the Surry Community College's Yadkin Center. Although the State is

FY2017-2018 RECOMMENDED BUDGET

responsible for funding the cost of school operations, the General Assembly continues to inadequately fund public schools. The debt service for the Public Schools increases the portion of the County's budget to 25.4% for Education.

The Yadkin County Board of Education has completed its FY2017-18 appropriation request. The Superintendent's final request for \$7,320,870 has been submitted. This request reflected a \$1,220,145 or 20% increase. The Manager's recommended budget for the Public School System is \$6,310,725, which reflects an overall \$210,000 or 3.4% increase. In the prior two fiscal years, the County appropriated additional funding for the replacement of all lights within the elementary, middle and high schools. According to information provided by the Schools, this should result in a \$122,291 savings annually in utility bills, which are paid from the current expense allocation. These savings are in addition to any additional materials and labor savings in maintaining the current lights. These savings should be fully realized in FY2018.

The Yadkin County Board of Education anticipates a decrease of 100 students from the FY2017 allotted average daily membership (ADM) in 2016-2017 and decreased funding from the State, but as the State budget has not been adopted at this time, it is difficult to know the actual funding levels from the State and the Federal Government.

The Superintendent's request for Capital Outlay was \$822,200, a \$582,200 or 242% increase over FY2017. Some of the items included are routine maintenance items such as painting, carpet replacement, etc., while other items were much larger. There are several bills pending in the General Assembly that would provide additional funding for the larger items. Therefore, the recommendation is to maintain current level of capital funding at \$240,000 to take care of the safety issues such as carpet and furniture replacements, air conditioning in the cafeteria at Yadkinville Elementary School, paint and line parking lots, tighten gym floors, install an ADA ramp at Forbush High School and other small items.

Surry Community College requested a \$47,172 or 20.6% increase over the FY2017 amount of \$228,688 for a total of \$275,860. Yadkin County and Surry Community College opened the Yadkin County Agricultural and Educational Building in June 2016. The County assumed grounds maintenance and waste management for the current Yadkin Center building, as well as the new building. These saved the Community College approximately \$60,000 in contractual services for maintenance and waste management. The Manager's recommendation is flat for FY2017-2018 as the current year, which actually yields an increase of funding availability for the College.

FY2017-2018 RECOMMENDED BUDGET

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Public Schools Current	\$ 6,040,725	\$ 6,100,725	\$ 6,310,725
Public Schools Capital	\$ 264,125	\$ 240,000	\$ 240,000
Public Schools Lights	\$ 392,000	\$ 126,420	\$ -
Public Schools Debt Service	\$ 2,486,727	\$ 2,437,045	\$ 2,592,015
Surry Community College	\$ 228,688	\$ 228,688	\$ 228,688
Total	\$ 9,412,265	\$ 9,132,878	\$ 9,371,428

Community Action Programs

The County assists various non-profit organizations within the County who provide services that the County would have to provide otherwise. Each non-profit agency receiving funding from the County will have a contractual relationship with the County to provide the services requested.

Yadkin Valley Economic Development, Inc. (YVEDDI) receives Home Community Care Block Grant (HCCBG) funds and ROAP Grant funds that are earmarked by the State for services to be provided in Yadkin County and are distributed to YVEDDI at the discretion of the Board of Commissioners. The HCCBG funds are distributed directly to YVEDDI, whereas the ROAP funds are sent to the County to be distributed. YVEDDI also operates three Senior Centers (Yadkinville, Yadkin Valley and East Bend). Citizens of Surry County also utilize the Yadkin Valley Center and Surry County shares in the funding of the Center, so the Yadkin County funding is reduced for that Center. YVEDDI requested reduced funding for the East Bend Senior Center, as they have other financial sources available to them. The County is committed to providing home-delivered meals for senior citizens within the County and makes that a funding priority for YVEDDI.

Northwest Regional Library operates thirteen libraries in four counties (Alleghany, Stokes, Surry and Yadkin). They operate four libraries in Yadkin County (Yadkinville, East Bend, Boonville and Jonesville). Each Town contributes \$2,500 for the respective library within its township. In FY2017, the County paid 97.65% of total library operations within Yadkin County, while citizens living outside the four towns' jurisdiction make up 84.39% of the population. The FY2018 budget recommends flat funding for the Library System

FY2017-2018 RECOMMENDED BUDGET

BUDGET

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
YVEDDI APPROPRIATION	\$ 65,804	\$ 85,804	\$ 47,213
ROAP EMPLOYMENT-YVEDDI	\$ 10,593	\$ 10,593	\$ 10,115
ROAP RGP-YVEDDI	\$ 63,892	\$ 63,982	\$ 71,913
YADKIN SENIOR CENTER	\$ 39,500	\$ 39,500	\$ 39,500
SENIOR MEALS RESERVE	\$ -	\$ -	\$ 38,591
JONESVILLE SENIOR CENTER	\$ 39,500	\$ 19,750	\$ 23,700
EAST BEND SENIOR CENTER	\$ 39,500	\$ 39,500	\$ 35,550
FORESTRY CONTRIBUTION	\$ 51,150	\$ 51,225	\$ 51,805
ROAP EDTAP-YVEDDI	\$ 53,782	\$ 53,782	\$ 60,413
YADKIN VALLEY HERITAGE	\$ -	\$ -	\$ -
YADKIN HOME PLACE	\$ -	\$ -	\$ -
YADKIN LIBRARIES	\$ 415,293	\$ 415,293	\$ 422,957
RICHMOND HILL LAW SCHOOL	\$ 7,500	\$ 7,500	\$ -
ARTS COUNCIL	\$ 17,500	\$ 17,500	\$ 17,500
COG PRETRIAL	\$ 88,835	\$ 91,135	\$ 92,141
RESCUE SQUAD	\$ 163,000	\$ 163,000	\$ 163,000
SALES TAX CONTRIB.TO VFD'S	\$ 155,248	\$ 154,000	\$ 155,000
MISCELLANEOUS	\$ -	\$ -	\$ -
TOTAL	\$ 1,211,097	\$ 1,212,564	\$ 1,229,398

While Mental Health is not funded in Community Action Programs budget, it is appropriate to discuss it here. The FY2018 recommends a reduction from FY2017's level of \$126,000 to \$110,000, as they have sufficient remaining County funding within Partners' Behavioral Health where appropriations in the past were not fully expended.

The funding for Richmond Hill Law School Commission has been transferred to the Parks and Recreation Department, as they maintain the County owned park surrounding the home.

Non-Departmental

Expenditures that benefit all departments are placed in the Non-Departmental Category. All software maintenance agreements and phone services (excluding the Sheriff's Office

FY2017-2018 RECOMMENDED BUDGET

and Social Services were moved to Non-Departmental to improve efficiencies in FY2017. This will provide better management of technology needs and funding levels. The FY2018 Non-Departmental budget includes replacement of the County's phone system.

BUDGET

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
PERFORMANCE	\$ -	\$ 5,760	\$ 9,000
UNEMPLOYMENT	\$ 1,310	\$ 20,000	\$ 10,000
PROFESSIONAL SERVICES	\$ 722,261	\$ 200,000	\$ 200,000
COUNTY ATTORNEY	\$ 115,974	\$ 129,000	\$ 130,000
RADIO CONSULTANT	\$ -	\$ -	\$ -
ANNUAL AUDIT	\$ 49,075	\$ 52,000	\$ 52,000
CONTRACTED SERVICES	\$ 15,026	\$ 10,000	\$ 15,000
FRAUD HOTLINE	\$ 2,000	\$ 2,000	\$ 2,000
INSURANCE CONSULTING	\$ 49,640	\$ 55,000	\$ 42,000
PUBLIC RELATIONS	\$ 18,525	\$ 22,000	\$ 22,000
PARK IMPROVEMENTS	\$ 236,121	\$ 75,000	\$ 75,000
BANK SERVICE FEES	\$ 22,875	\$ 15,000	\$ 15,000
POOL VEHICLE MAINTENANCE	\$ 5,081	\$ 5,000	\$ 5,000
TELEPHONE	\$ -	\$ 54,840	\$ 45,300
TELEPHONE SYS.	\$ 18,148	\$ 30,000	\$ 20,000
SOFTWARE CONTRACT	\$ 162,763	\$ 214,780	\$ 244,180
MUNIS	\$ -	\$ 20,000	\$ -
DUES & SUBSCRIPTIONS	\$ 24,775	\$ 25,000	\$ 25,000
HR RESOURCES	\$ 4,761	\$ 5,000	\$ 8,000
CHRISTMAS HAM	\$ 16,011	\$ 16,500	\$ 19,000
TECHNOLOGY CAPITAL OUTLAY	\$ 195,370	\$ 150,000	\$ 385,000
RADIO EQUIPMENT UPGRADE	\$ 6,000	\$ -	\$ -
BUILDING IMPROVEMENTS	\$ 80,486	\$ 15,000	\$ 20,000
CONTINGENCY	\$ -	\$ 40,034	\$ 50,000
TOTAL	\$ 1,746,202	\$ 1,161,914	\$ 1,393,480

FY2017-2018 RECOMMENDED BUDGET

Transfers to Other Funds

The County transfers funds to other funds, such as the Capital Projects Fund as needed. The transfer in the FY2018 Budget is for the grant matches for the Trails Grant received in FY2016 and in anticipation of being awarded the PARTF Grant for Phase II of Memorial Park. The transfer also includes an additional \$200,000 for parks projects.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ -	\$ -	\$ -
Operating	\$ 529,905	\$ 322,068	\$ 522,068
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 529,905	\$ 322,068	\$ 522,068

EMERGENCY TELEPHONE FUND

Expenditures in this Fund are restricted to those authorized by North Carolina General Statute and approved by the NC 911 Board. These expenditures are managed by the Sheriff's Office for its Communications Center.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel			
Operating	\$ 90,884	\$ 122,700	\$ 208,644
Programs			
Capital	\$ 520	\$ 114,930	\$ -
Debt Service			
TOTAL	\$ 91,404	\$ 237,630	\$ 208,644

FY2017-2018 RECOMMENDED BUDGET

LAW ENFORCEMENT SPECIAL REVENUE FUND

Revenues in this Fund can only be spent on certain expenditures for law enforcement as determined by the Federal Department of Justice. These expenditures are managed by the Sheriff's Office.

BUDGET

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Operating	\$ 4,984	\$ 6,000	\$ 6,000

FIRE SERVICE DISTRICTS FUND

The Board of Commissioners is authorized by North Carolina General Statutes to create Fire Service Districts and to levy property taxes and set the tax rate within those districts. The Fire Departments completed budget documents from all of the fire departments, except Yadkinville. Revenue neutral was calculated for each of the fire districts.

FIRE DEPARTMENTS TAX RATE

Fire Department	Current	Requested	Recommended Rate
Arlington	0.08	0.08	0.08
Boonville	0.0725	0.0825	0.073
Buck Shoals	0.05	0.05	0.05
Courtney	0.08	0.08	0.08
East Bend	0.0675	0.0875	0.068
Fall Creek	0.06	0.06	0.06
Forbush	0.07	0.08	0.07
Lone Hickory	0.0750	0.0750	0.075
West Yadkin	0.0875	0.0875	0.087
Yadkinville	0.0650		0.065

FY2017-2018 RECOMMENDED BUDGET

SOLID WASTE ENTERPRISE FUND

The Solid Waste Fund generates revenue from the Solid Waste Household Fee and fees generated at the Transfer Station located at the Solid Waste Facility. The County also operates seven Collection Sites strategically located for convenience within the County. This budget is based upon an increase the tipping fee from \$52.00 per ton to \$60.00 per ton and less reliance on appropriated fund balance.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 244,423	\$ 228,073	\$ 276,793
Operating	\$ 1,845,059	\$ 1,958,190	\$ 1,874,768
Programs			\$ -
Capital	\$ -	\$ -	\$ -
Debt Service			
TOTAL	\$ 2,089,482	\$ 2,186,263	\$ 2,151,561

WATER AND SEWER ENTERPRISE FUND

The Water and Sewer Fund is to operate the water and sewer lines owned by the County. Effective July 1, 2016, the Town of Yadkinville leased the water and sewer lines they maintained and operated for many years. The FY2018 Budget includes the revenues and expenditures for the Highway 21 waterline and the East Bend Waterline, as this project will be completed in FY2018. The personnel costs include the ORC of the waterlines, whose time (70%) is shared with Environmental Health (30%), as well as hiring a back-up ORC to work as needed.

BUDGET SUMMARY

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
Personnel	\$ 15,496	\$ 35,452	\$ 61,795
Operating	\$ 495,660	\$ 102,370	\$ 201,405
Programs	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
TOTAL	\$ 511,156	\$ 137,822	\$ 263,200

FY2017-2018 RECOMMENDED BUDGET

SELF INSURANCE INTERNAL SERVICE FUND

This fund services the employees' health insurance administration and claims and is funded from all County departments. It also includes the Employee Wellness Clinic that opened in FY2017. The fixed costs expenditure line reflects a decrease in administrative fees charged by the third-party administrator due to the reduced number of medical claims being processed and a reduced premium for stop-loss coverage as we increased the amount from \$100,000 to \$125,000 per occurrence.

BUDGET

	FY2016 Actual	FY2017 Original Budget	FY2018 Recommended Budget
CLAIMS	\$ 1,756,406	\$ 1,647,302	\$ 1,650,000
MEDICAL FIXED COSTS	\$ 326,536	\$ 328,911	\$ 360,000
YMCA PARTNERSHIP	\$ 5,374	\$ 15,717	\$ 10,600
EMPLOYER \$500	\$ 105,700	\$ 127,000	\$ 127,000
EMPLOYEE CLINIC	\$ -	\$ 288,000	\$ 250,000
ADMIN SVCS	\$ 9,970	\$ 3,000	\$ 3,500
TOTAL	\$ 2,203,986	\$2,409,930	\$ 2,401,100