

INTRODUCTORY SECTION

General information provided to assist the reader's understanding of the format of this budget document, the County's organizational structure, financial reporting, and the annual budget process.



RANDOLPH COUNTY, NORTH CAROLINA

2016-2017 Budget

Readers' Guide



In addition to reporting the upcoming financial plan for Randolph County government, this budget is designed to assist the reader in understanding the responsibilities placed on the County, the relevant issues surrounding the budgeting process, the priorities identified in the allocating of limited county resources, goals and objectives determined for departmental operations, and results of services offered. It is intended to supply information to various readers, the most important of whom are our citizens. Please read the following information to gain a better understanding of the presentation and format of this budget document.

The budget document is divided into several sections:

Introductory - This section is designed to provide general information on the format of this budget document, the County's organizational structure, financial reporting, and the annual budget process in Randolph County.

Overview - This section is laid out in the chronological order of the budget process. It is designed to provide summary financial information on the proposed and adopted budgets, current priorities of this local government, the budget ordinance, and other organization-wide information. Budget issues and the resulting decisions are identified in the Proposed Budget Message and the Adoption of Final Budget narratives. County goals and policies provide further information on fiscal responsibility.

Strategic Planning - This section summarizes the policy goals, long-range planning processes, and organizational policies which help guide budget decisions. Successful planning incorporates both policy and financial forecasting. Five- year projections are provided, for budgeting and debt analysis. The County's financial policies are also included.

General Fund - Budget information for most County operations are found in this section, including descriptions of services and performance goals.

Other Funds With Annual Budgets - Funds other than the General Fund that have annually adopted budgets are contained in this section.

Capital Improvement Plan - This section documents significant capital needs within the County. Approved projects identify the financing method and future operating costs. Unapproved capital needs that have not been authorized are also listed. The County's debt service schedule for outstanding debt is also included.

Other Information - This section provides supplementary statistical information that may be helpful to the reader. The Glossary of terms is found here.

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Funds

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. This document contains the annual budgets for the following funds:

The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. It is the only major annually budgeted fund of the County.

Special Revenue Funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains three annually budgeted Special Revenue Funds:

Emergency Telephone System Fund is required under state regulations to account for the proceeds and use of the emergency telephone tax. The taxes are assessed to provide resources only for the installation, lease, purchase or maintenance of the emergency telephone system, which locates the origin of the distress call.

Landfill Closure Fund accounts for monies set aside to pay for post-closure costs of the County's closed landfill. Federal and state environmental regulations require the County to perform monitoring procedures on the landfill site for thirty years.

Fire Districts Fund accounts for the collection and distribution of voter approved property taxes, levied to provide fire protection for nineteen special fire districts. The Board of Commissioners set each district tax rate during the annual budget process.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County has one annually budgeted enterprise fund:

Water Fund accounts for bulk sales of water to municipal providers. Randolph County is a member of the Piedmont Triad Regional Water Authority and receives an allotment of treated water, which is sold to municipal water systems for final delivery to consumers.

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Organization

To effectively manage the delivery of services, County government is divided into departments. These departments are also the primary organizational unit within the General Fund budget. Departments provide specific services to our citizens, other local governments, community service organizations, or other County departments. The Board of Commissioners authorize funding and personnel limits at this level.

However, to better understand the various operations conducted, we have developed organizational levels within each department for purposes of presenting budgeted information and tracking the results of operations. Each department has organized its operations into “*Service Areas*,” which are groups of services with similar goals and objectives. For example, the Tax Department is divided into five service areas: Appraisal, Billing, Collections, Customer Service, and Mapping. Some of the larger departments also have an intermediate “*Division*” level.

Requested, Proposed and Final Budgets

The County's budgets are adopted as required by the North Carolina General Statutes. G.S. 159-8 requires that “each local government and public authority shall operate under an annual balanced budget ordinance adopted and administered in accordance with this Article. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.”

Each department or agency prepares a budget request, which is based on their financial needs to provide existing services during the upcoming year, plus additional funding for improvements or expansion of services to accomplish specific goals. These requests are given to the Assistant County Manager, who serves as the Budget Officer. The Budget Officer is required by state law to propose a budget to the county commissioners and comment on the issues influencing his recommendations.

However, due to requests from the public, supported agencies, or other factors, the Board may decide to change the recommendations of the Budget Officer to arrive at the final approved budget. This may result in information in the budget message which does not correspond to the final budget ordinance. Please refer to the reconciliation on page 35 for a summary of the changes between the proposed and final approved budgets.

In this document, the requested, proposed, and final budgets for next year are presented, along with comparative budget information from the current budget year and actual financial results from the most recent completed fiscal year. This provides the reader with data for three fiscal years, found in both summary and detail information.

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Format

The budget pages for the General Fund consist of financial information at the department level and performance data for each service area within the department. Departments are identified with the following heading. Detailed budget information is found on these pages:

NAME OF DEPARTMENT

For a few large departments, there are Division pages. These help divide the larger departments into easy to understand groups of service areas. Divisions are not necessary for most departments.

Service Area pages disclose specific performance data and are indicated with a white text box. These pages disclose the mission, goals, staffing, and performance of that service area:

<i>Department</i>	NAME OF DEPARTMENT
<i>Division</i>	Name of Division
<i>Service Area</i>	Name of Service Area

General County Revenues

This is a concept to identify those revenues accounted for in the General Fund that are not related to specific operations. Many departments obtain revenues to directly support their services, such as user fees or federal or state grant assistance. By contrast, General County Revenues are those resources, including property taxes and local option sales taxes, which are available to support any governmental activity. By segregating these revenues, we can see how they are used. Each department identifies the amount of General County Revenues it needs to operate under the various budgets.

Policy Objectives and Service Goals

This document reflects our effort to show a relationship between budgeted costs with the goals and objectives related to services provided. Accordingly, certain statistics, commonly referred to as performance measures, are reported to assist the reader in understanding the department's plan for meeting our community's needs efficiently and effectively.

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Below is a general outline of the revenue and expenditure categories included in the budget. Not all funds will utilize each type of revenue, and expenditure types will vary by fund.

Revenues By Type

The revenue types supporting the funds are divided into ten categories as follows:

Ad Valorem Property Taxes

These revenues represent assessed taxes on the value of property owned within the County. Property taxes are the primary source of County revenues (approximately 56% of total General Fund revenues and 100% of Fire District Fund revenues).

Local Option Sales Taxes

These revenues represent a retail sales and use tax, which is available to local governments. Approximately 19% of the General Fund budget comes from sales tax collections.

Other Taxes and Licenses

Certain other assessed taxes, including occupancy and scrap tire tax collections.

Intergovernmental Revenues

Funds received from federal, state or other local governments in the form of grants and shared revenues. These funds may be restricted for a legally defined purpose. Approximately 16% of General Fund revenues are from federal and state grants, primarily for human service programs.

Permits and Fees

These revenues come from the County's register of deeds fees, franchise licenses to cable television companies, and inspection services to enforce compliance with minimum code requirements for building and operating safety.

Charges for Sales and Services

These revenues represent collections received for services performed by various County departments, including ambulance fees, solid waste tipping fees, and health fees.

Investment Earnings

Interest generated from a fund's share of the County's pooled cash reserves.

Miscellaneous Revenue

This category is comprised of revenue sources that do not fit the other categories.

Other Financing Sources:

Appropriated Fund Balance

The amount of available fund balance remaining from the prior year which has been designated as an other financing source within the budget.

Interfund Transfers In

Amounts transferred from another fund to assist in financing the services for the recipient fund.

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Expenditures By Function

Departmental budgets and appropriations to other agencies with similar function and/or customers are presented in the following categories of expenditures:

General Government

This category contains the budgets for the County's elective, administrative and support services, including the Governing Body, Administration, Computer Services, Tax, Register of Deeds, Elections, and Public Buildings.

Public Safety

This category contains Sheriff, Emergency Management, Building Inspections and the Day Reporting Center. It also includes contributions to other organizations to provide public safety services such as fire protection and rescue.

Economic and Physical Development

Included in this category are Planning and Zoning, Cooperative Extension Service, and Soil and Water Conservation. It also includes contributions to organizations such as the Randolph County Economic Development Corporation.

Environmental Protection

This category contains the Public Works Department, which is responsible for solid waste disposal.

Human Services

This category contains the Public Health, Social Services, Veterans Office, and Child Support Enforcement departments. It also includes contributions to health and welfare organizations such as the Randolph County Senior Adults Association and Sandhills Center.

Cultural and Recreational

This category contains the Public Library and contributions to certain other cultural organizations.

Education

Counties in North Carolina are required to provide local financial assistance to supplement State support for public schools and its community college.

Debt Service

The cost of paying principal and interest on borrowed money according to a predetermined payment schedule. Debt is issued for construction and renovation of public buildings and other capital assets.

Other Financing Uses:

Interfund Transfers Out

Amounts transferred to another fund to assist in financing the services for the recipient fund.

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Expenditure Classifications

Each fund is made up of accounts for maintaining fiscal control. For budget presentation, these accounts are grouped into expenditure classifications, as follows:

Salaries

Expenses for salaries, wages, per diem or other compensation, fees, or allowances for travel expenses, paid to any officer or employee for services rendered.

Fringe Benefits

Social Security taxes, health insurance, and retirement employee benefits.

Operating Expenditures

Operating costs such as office supplies, program supplies, and repair and maintenance, postage, contractual services, leases, utilities and communications, and employee training and travel.

Capital Outlay

Expenditures associated with the acquisition, construction, improvement, or renovation of land and facilities or the purchase or replacement of vehicles and equipment. Any amounts below \$5,000 are considered routine operating costs and expensed.



Randolph County, North Carolina Budget Process



Statutory Requirements - In accordance with North Carolina General Statutes, the County maintains a fiscal year from July 1 to June 30. The County's operating budgets are adopted as required by the statutes. An annual budget is adopted for the general fund, three special revenue funds, and the enterprise fund. All annual appropriations lapse at fiscal year-end. G.S. 159-8 requires that "each local government and public authority shall operate under an annual balanced budget ordinance adopted and administered in accordance with this Article. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations."

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 - Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.

June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.

July 1 - The budget ordinance shall be adopted by the governing board.

Budgetary Basis - All budgets are prepared using the modified accrual basis of accounting. An annual budget is adopted for the general, three special revenue funds, and the enterprise fund. All annual appropriations lapse at fiscal year-end. Under the County's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

Randolph County, North Carolina Budget Process



Continued

Budget Development - The budget development process begins in the first quarter of the calendar year at the Board of County Commissioners retreat, where certain priorities and strategic goals are established. Following that, departments evaluate programs and allocation of resources, resulting in a requested budget for the upcoming year. Department heads discussed their requested budgets with the Budget Officer during early April. The Proposed Budget was completed by the Budget Officer during April and May.

The Proposed Budget was presented to the Board of Commissioners at a specially scheduled May meeting. During the month of June, the Board of Commissioners scheduled meetings with various department heads and representatives of the many organizations that requested funding. At these sessions, the Commissioners reviewed the Proposed Budget, considered requested new positions, discussed proposed service levels, and offered changes to departmental budgets; they often ask that further information be provided.

Budget Message - The Budget Officer is also required to submit a Budget Message. G.S. 159-11 states "the budget message should contain a concise explanation of the governmental goals fixed by the budget for the budget year, should explain important features of the activities anticipated in the budget, should set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and should explain any major changes in fiscal policy." The Budget Message can be found in the Overview section of this document, as well as a reconciliation between the Proposed and Final Adopted budgets.

Budget Adoption - A public hearing allows citizens the opportunity to voice their opinion on issues related to the budget. Public comment includes discussion of requested fire district tax rates. Adoption of the final budget ordinance occurs no later than July 1, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. At the same time as the budget ordinance is adopted, the Commissioners set the county-wide property tax rate as well as tax rates for eighteen fire districts and two school districts.

Budget Amendments - During the year, amendments to the original budget may be necessary. Expenditures may not legally exceed appropriations at the departmental level for the general fund and special revenue funds, and the project level for capital ordinances. The County Manager is authorized to transfer appropriations within a department; however, any revisions that alter the total expenditures of any department must be approved by the governing board. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

Randolph County 2016-2017 Budget Schedule

Tuesday,

May 31 6:00 - 6:40 p.m. Proposed County Budget Presented to Commissioners
 6:40 - 7:00 p.m. Asheboro City Schools
 7:00 - 7:20 p.m. Randolph County Schools
 7:20 - 7:40 p.m. Randolph Community College
 7:40 - 8:00 p.m. Sandhills Mental Health

Monday,

June 6	6:00 p.m.	Regular June Commissioners Meeting
	7:00 p.m.	Zoning Public Hearing

Note: No Budget presentations will be scheduled at this meeting.

Thursday,

June 9 6:00 - 8:00 p.m. All County Departments

Monday,

June 13 6:00 – 6:30 p.m. Community Agencies Requesting Financial Assistance
 6:30 p.m. Fire Department Presentations
 Public Hearing on County Budget

Monday,

June 20 6:00 p.m. Approve Close-out Budget Amendments for FY 15-16
 Discussion of Capital Improvement Plan
 Budget Discussion
 Adopt School and Fire District Tax Rates
 Adopt Fee Schedules
 Adoption of Final 2016-17 Budget

Randolph County, North Carolina Financial Structure



Fund Accounting - The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The County utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Basis of Accounting - The accounting and budgeting approach applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting for both budgeting and reporting purposes. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are "measurable" and "available") to pay the liabilities of the current period. The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual.

In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Comprehensive Annual Financial Report (CAFR) shows the status of the County's finances on a basis of generally accepted accounting principles (GAAP). In most cases this conforms to the way the County prepares its budget. The CAFR shows fund expenditures and revenues on both a GAAP basis and Budget Basis for comparison purposes.

Annually Budgeted Funds of Randolph County

	General Fund (a major fund)		Water Fund
Description:	The primary operating fund for Randolph County services. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.		Enterprise fund to account for bulk sales of water to municipal providers. Randolph County is a member of the Piedmont Triad Regional Water Authority and receives an allotment of treated water.
Primary Revenues:	<ul style="list-style-type: none"> ▪Property Taxes ▪Sales Taxes ▪Federal and State grants 		<ul style="list-style-type: none"> ▪Bulk water sales to municipal water systems
Primary Expenditures:	<ul style="list-style-type: none"> ▪Employee Salaries and Benefits ▪Appropriations to Public Schools and Community College ▪Interest and Principal on Outstanding Debt 		<ul style="list-style-type: none"> ▪Purchase of bulk water from Piedmont Triad Regional Water Authority

	Emergency Telephone System Fund	Landfill Closure Fund	Fire Districts Fund
Description:	Required under state regulations to account for the proceeds and use of the surcharge fees on telephone service. The taxes are assessed to provide resources for the installation, lease, purchase or maintenance of the emergency telephone system, which locates the origin of the distress call.	Accounts for monies set aside to pay for post-closure costs of the County's closed landfill. Federal and state environmental regulations require the County to perform monitoring procedures on the landfill site for thirty years.	Accounts for the collection and distribution of voter approved property taxes, levied to provide fire protection for nineteen special fire districts. The Board of Commissioners set each district tax rate during the annual budget process.
Primary Revenues:	Distributions of telephone surcharge fees collected by the State of NC and remitted to the County	Interest earnings	Special district ad valorem property taxes
Primary Expenditures:	<ul style="list-style-type: none"> ▪Purchase of emergency telephone equipment ▪Computer hardware and software ▪Addressing database maintenance 	Engineering and other monitoring costs	Distributions to volunteer fire departments for fire protection services in the designated districts

RANDOLPH COUNTY, NORTH CAROLINA
Fund and Organizational Structure

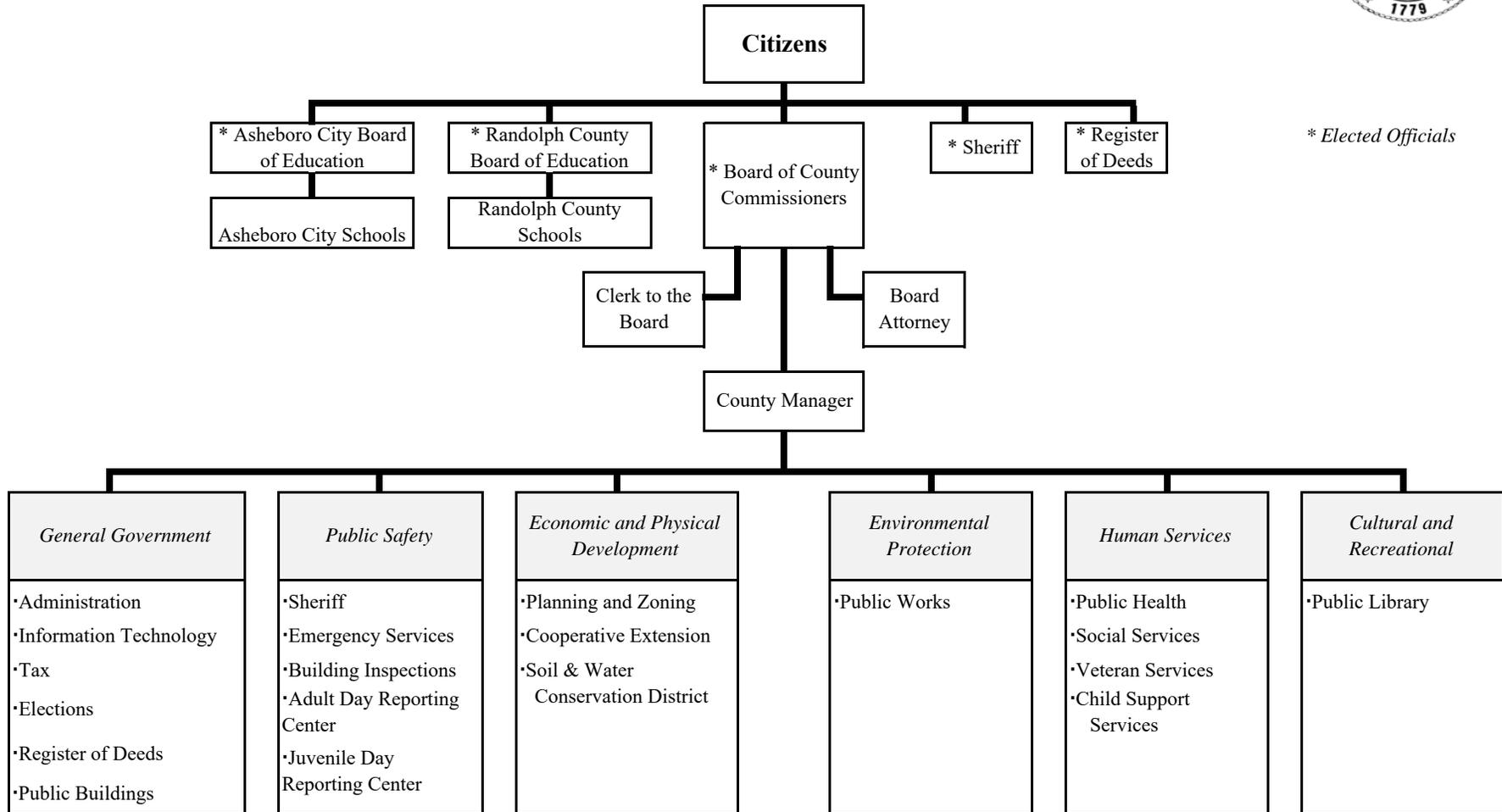
Fund	<u>Function</u>	<u>Department</u>
General Fund		
	General Government	<i>Governing Body</i> <i>Administration</i> <i>Information Technology</i> <i>Tax</i> <i>Elections</i> <i>Register of Deeds</i> <i>Public Buildings</i>
	Public Safety	<i>Sheriff and Jail</i> <i>Emergency Services</i> <i>Building Inspections</i> <i>Adult Day Reporting Center</i> <i>Juvenile Day Reporting Center</i> <i>Other Public Safety Appropriations</i>
	Economic and Physical Development	<i>Planning and Zoning</i> <i>Cooperative Extension Service</i> <i>Soil and Water Conservation</i> <i>Other Economic Development Appropriations</i>
	Environmental Protection	<i>Public Works</i>
	Human Services	<i>Public Health</i> <i>Social Services</i> <i>Veteran Services</i> <i>Child Support Services</i> <i>Other Human Services Appropriations</i>
	Cultural and Recreational	<i>Public Library</i> <i>Other Cultural and Recreational Appropriations</i>
	Education	
	Debt Service	
	Interfund Transfers	
Other Funds		
	Emergency Telephone System Fund	Public Safety
	Landfill Closure Fund	Environmental Protection
	Fire Districts Fund	Public Safety
	Water Fund	Utility

RANDOLPH COUNTY, NORTH CAROLINA

ORGANIZATION CHART



* Elected Officials



Randolph County, North Carolina
List of Principal Officials



Elected Officials

County Commissioner	Darrell L. Frye, <i>Chairman</i>
County Commissioner	Phil Kemp, <i>Vice Chairman</i>
County Commissioner	David Allen
County Commissioner	Stan Haywood
County Commissioner	Arnold Lanier
Sheriff	Robert Graves
Register of Deeds	Krista Lowe

Appointed County Officials

County Manager	Hal Johnson
Assistant County Manager / Finance Officer	William Massie
Associate County Attorney	Aimee Scotton
Tax Administrator	Debra Hill

Department Heads

Building Inspections	David Bryant
Child Support Services	Damon Brown
Cooperative Extension	Jonathan Black
Adult Day Reporting Center	Pam Smith
Juvenile Day Reporting Center	Megan McKinnon
Information Technology	Michael Rowland
Elections	Melissa Johnson
Emergency Services	Donovan Davis
Planning /Zoning	Jay Dale
Public Buildings	James Chriscoe
Public Health	Susan Hayes
Public Library	Ross Holt
Public Works	Paxton Arthurs
Soil & Water Conservation District	Jenny Parks
Social Services	Beth Duncan
Veteran Services	Terry Van Vliet



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Randolph County
North Carolina**

For the Fiscal Year Beginning

July 1, 2015

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA)

Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Randolph County, North Carolina for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.