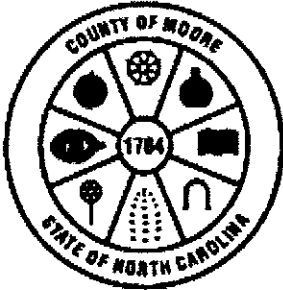


Budget Message

2009--2010



BUDGET MESSAGE

Fiscal Year 2009-2010

Letter of Transmittal
May 4, 2009

The Honorable Nick Picerno
The Honorable Members, Moore County Board of Commissioners

GENERAL OVERVIEW

This message is intended to convey succinctly and with purpose the key factors in this budget. As is well understood, the budget represents the financial plan for the County of Moore for the FY 2009-2010. At the adoption of the FY 2008-2009 budget, the Manager directed to staff that this coming year will be a year determined by a targeted budget. A targeted budget cuts expenditures to match resources. This meant a no tax increase budget. This position was affirmed by the Board of Commissioners at its Business Planning Retreat in January 2009. The Manager was directed to recommend a budget with no tax increase and possibly with a tax decrease.

The County was already watching the national media predict a recession. Needless to say, we all are very well aware of the tumultuous, impacting, and deteriorating financial, global conditions. Close to home the State of North Carolina is now predicting the State will have a \$3.2 billion budget shortfall. Several counties in North Carolina are facing very serious financial conditions. Various strategies have been used to address many different financial circumstances.

As of November 1, 2008 the Manager directed a series of budget reduction strategies to begin to reduce spending and prepare for revenue shortfalls. Departments were directed to submit priority lists of cuts up to 10% in the event further cuts were needed. Budget preparation began in November as departments began to reevaluate needs for the next year based on reduced revenue. Each department was instructed to submit a budget with a 5% reduction relative from FY2009. Each revenue of the County was continuously watched to project to the end of the year. We continue that projection.

In the beautiful, green ambience of Moore County beats a strong financial heart. Historically, this County has been less affected by steep, cyclical swings of the economy. The socio-economic demographics and the commercially and industrially diverse characteristics of our economy tend to protect us from most bad downswings. But, we do have negative impacts. These are not as bad, relatively, as most of our neighboring counties. Where others are experiencing 12 to 18 percent revenue drops, Moore County is projecting between 4 to 5 percent. The 5% budget reduction is a necessity and must be done responsibly while providing mandated services and maintaining excellence in our service delivery.

Chart I will be available as an overview to the budget document to describe all General Fund departments and enterprises, the two comparative years and the percent reductions. Not all departments can meet the 5%, but most have exceeded the cut to allow for an overall 5% reduction in General Fund operations. This list will show how severe these cuts are.

REVENUES

The Revenue side of the budget ends with real and personal taxes. To the extent that all other revenues from sales and other taxes, fees, grants, reimbursements, and transfers are applied to the operating budget, the real and personal taxes are reduced. If the State reduces or eliminates certain sales or other taxes and other revenue, the real and personal taxes have to be used to provide services mandated by the State. With the State in a severe budget revenue shortfall, counties are in dire jeopardy of losing revenue to the State. This is stated emphatically, because it is possibly the greatest, financially disruptive impact that might happen between now and June 30th. Otherwise, the County appears to be in a sound financial condition.

The following **Chart II** shows an extraordinary equity in that the efficient and dedicated process of the Tax Department staff and the positive response from our citizens result in almost all citizens paying their real and personal taxes. Higher collections mean lower tax rates.

Chart II

County Real/Personal Tax Collection Rates

| Year | Collection % | Tax Rate by year | Uncollected at year end |
|---------|--------------------|------------------|-------------------------|
| 1999-00 | 99.42% | 0.4900 | 125,706 |
| 2000-01 | 99.51% | 0.5300 | 117,317 |
| 2001-02 | 99.50% | 0.5450 | 129,344 |
| 2002-03 | 99.11% | 0.5450 | 239,540 |
| 2003-04 | 99.55% | 0.4750 | 149,659 |
| 2004-05 | 99.58% | 0.4750 | 142,724 |
| 2005-06 | 99.64% | 0.4550 | 122,795 |
| 2006-07 | 99.61% | 0.4550 | 137,655 |
| 2007-08 | 99.66% | 0.4450 | 158,046 |
| 2008-09 | 98.68% (10 months) | 0.4790 | 759,120 |

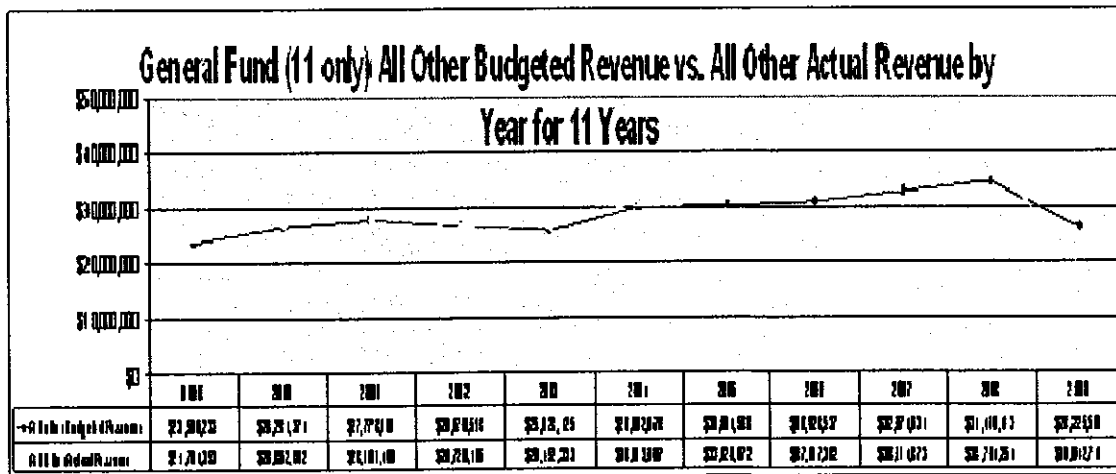
Motor Vehicle taxes are usually difficult to collect due to the transient nature of the tax base. Moore County has an excellent collection rate compared to other counties. Chart III demonstrates the collection rate over ten years. Obviously, FY 2009 is only a partial year.

Chart III
County Motor Vehicles Tax Collection Rates

| Year | Collection % | Tax Rate by year | Uncollected at year end |
|---------|--------------|------------------|-------------------------|
| 1999-00 | 92.42% | 0.4900 | 199,319 |
| 2000-01 | 91.07% | 0.5300 | 287,020 |
| 2001-02 | 93.61% | 0.5450 | 195,259 |
| 2002-03 | 91.76% | 0.5450 | 306,423 |
| 2003-04 | 92.04% | 0.4750 | 247,137 |
| 2004-05 | 94.17% | 0.4750 | 180,317 |
| 2005-06 | 94.08% | 0.4550 | 205,268 |
| 2006-07 | 94.08% | 0.4550 | 195,284 |
| 2007-08 | 94.04% | 0.4450 | 202,320 |
| 2008-09 | 88.24% | 0.4790 | 336,668 |

The revenues of the County are in two categories: 1) real and personal property taxes are about 50 to 57% of the total revenues. Property taxes have been realized as budgeted. All other revenues are the Second Category. This category of revenues is projected to shortfall about 4 to 5 percent. A history of the second category of revenue (All Other) is presented in **Chart IV** with budget to actual comparisons for eleven years.

Chart IV



An additional important aspect of the budget is the continuing maintenance of the approved Fiscal Policy. Contained therein are the requirements of the undesignated fund balance. **Chart V** shows the history of the improvement of the fund balance. This improvement has enabled the County to have its credit ratings upgraded twice within one year from an A level to an AA level. This is estimated to save the County about \$2,500,000 from interest reductions over the life of the currently issued new and refunded bonds. It is strategic to the maintenance of the County's credit rating that the Fiscal Policy be consistently controlling. The fund balance drives the capital reserve and allows debt service for capital projects to be paid with no tax increase.

Chart V
County Historical Fund Balance
(Audited)

| <u>Fiscal Year</u> | <u>Undesignated Fund Balance</u> <u>June 30</u> | <u>Fund Balance as a % of</u> <u>Expenditures</u> | <u>(Designated) Fund Balance</u> <u>Appropriated</u> | <u>Fund Balance</u> <u>Used</u> |
|--------------------|--|--|---|--|
| 1997 | \$ 3,443,581 | 8.51% | \$2,447,039 | 0 |
| 1998 | \$ 3,956,870 | 9.14% | \$2,569,650 | 0 |
| 1999 | \$ 3,354,134 | 6.87% | \$4,226,450 | \$391,587 |
| 2000 | \$ 2,566,350 | 4.88% | \$3,837,564 | \$ 1,074,191 |
| 2001 | \$ 2,423,941 | 4.21% | \$3,474,781 | \$ 1,798,772 |
| 2002 | \$1,711,290 | 2.96% | \$6,703,356 | \$ 1,921,725 |
| 2003 | \$5,180,121 | 8.84% | \$3,971,110 | \$ 1,717,176 |
| 2004 | \$8,970,289 | 14.24% | \$1,319,946 | 0 |
| 2005 | \$8,265,847 | 12.47% | \$2,273,698 | 0 |
| 2006 | \$9,439,529 | 13.58% | \$5,988,448 | 0 |
| 2007 | \$17,996,937 | 24.05% | \$8,416,943 | 0 |
| 2008 | \$22,478,657 | 28.53% | \$1,349,411 | 0 |

EXPENDITURES

Where does the County spend the appropriated funds? The next Chart (VI) will visually demonstrate what drives the County services costs. By far, the largest investment the County makes is in education. In referendums just recently and over the years, the citizens of this County have indicated by a margin of 70% (Schools) and 62% (College) that education is very important to them and to the future of this County. Human Services and Public are provided the next two largest funding.

Chart VI
10 Year Expenditure Analysis

| | Public Safety | Human Services | Education |
|-------------|--------------------------|---------------------------|---------------------|
| 1999 | \$ 5,594,854 | \$12,553,434 | \$16,572,091 |
| 2000 | \$ 5,980,828 | 13,772,769 | \$17,661,661 |
| 2001 | \$ 6,315,812 | 15,587,379 | \$18,960,377 |
| 2002 | \$ 6,299,723 | 15,726,498 | \$19,740,153 |
| 2003 | \$ 6,296,029 | 16,190,131 | \$20,475,494 |
| 2004 | \$ 7,134,382 | 16,973,005 | \$21,991,838 |
| 2005 | \$ 7,838,136 | 18,108,215 | \$22,684,354 |
| 2006 | \$8,571,140 | 19,375,086 | \$23,722,362 |
| 2007 | \$9,854,855 | 20,384,852 | \$25,867,807 |
| 2008 | \$10,640,019 | 20,154,478 | \$29,248,424 |

The funding of the largest budgetary item is critical to understand the major pressures on the tax levy. The next two charts (VII, VIII) show the funding support the County has given to the Public Schools and to Sandhills Community College.

Chart VII

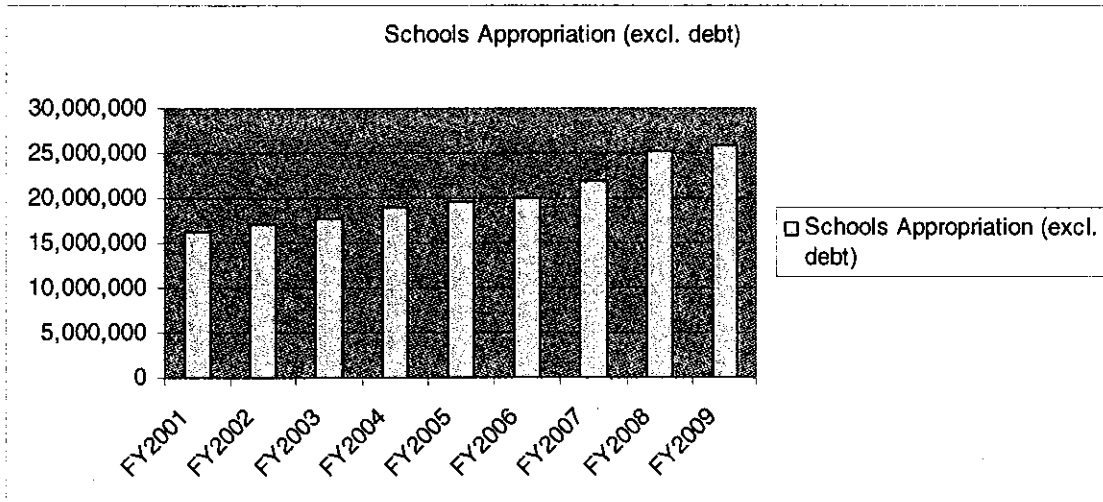
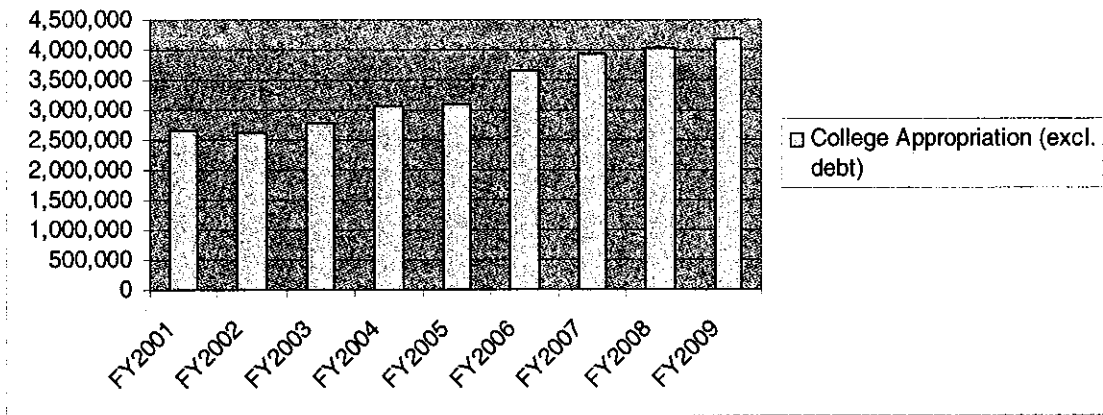


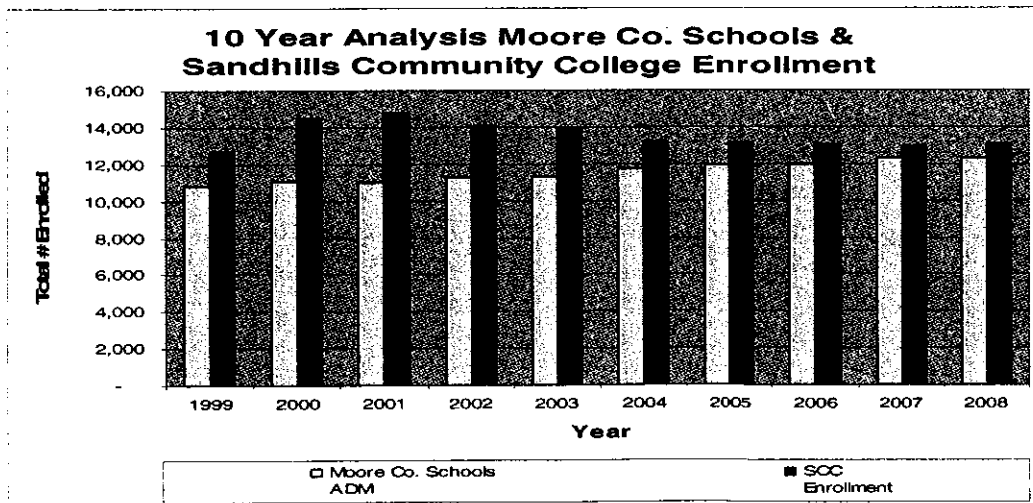
Chart VIII

College Appropriation (excl. debt)



The economy downturn has increased the unemployment rate. This typically results in increased enrollment at the College and is currently stated to be up by 10%. With the BRAC transition by 2011, increased enrollment in the Schools is a possibility. Enrollments over the last ten years are shown on Chart IX.

Chart IX



In order to maintain a no tax increase status, it is unfortunately necessary to cut both the College and the Schools. Although each has cooperatively followed the request to present current expense and operating budgets with no increase, the College has a \$378,140 overall increase in debt service. The Schools have an increase of \$1,127,670 in its debt service. Both of these are requirements from taxes. The Manager recommends:

■ Sandhills Community College

| | | | |
|-----------------|------------------|-------------------------------|------------------------|
| <u>Request:</u> | Current Expense: | 4,135,541 | <u>Recommendation:</u> |
| | Capital Outlay | 50,000 | 4,563,681 |
| | Debt Service | <u>378,140</u> (net increase) | -189,070 |
| | | 4,563,681 | 4,374,611 |

To cut from Current Expense is the equivalent of a 4.6% cut.

■ Moore County Public Schools

| | | | |
|-----------------|-----------------|---------------------------------|------------------------|
| <u>Request:</u> | Current Expense | 24,935,195 | <u>Recommendation:</u> |
| | Capital Outlay | 1,133,950 | 27,196,815 |
| | Debt Service | <u>1,127,670</u> (net increase) | - 840,000 |
| | | 27,196,815 | 26,356,815 |

To cut from Current Expense is the equivalent of a 3.4% cut.

The County General Fund total budget is \$87,512,323. The total Education budget is \$37,731,053. Education represents 43.12% of the County General Fund budget. The inclusion of Education in the General Fund represents an overall increase of 3.08%. Without the inclusion of Education, the General Fund operating and Capital budgets are decreased 4.6%. Without considering the transfers to the Capital Reserve, the County operating and capital reduction is 10.57%. This is a close reflection of how much the County departments have cut budgets.

This County budget is complex in many ways and does not lend itself to easy calculations. Education represents a large part of our budget and, with added, mandated State services, the budget does not have very large controllable costs. After much review, analysis, and deep drilling into the aspects of this budget in order to find and make responsible reductions in operating and capital costs, the result is a one cent reduction in the tax levy.

The Financial Efficiency Committee was correct in their assessment of further reductions. The financial analysis shows that further reductions will severely and negatively affect the ability to have a viable, capital reserve with the ability to avoid tax increases in our debt service. If the county wants to build a courthouse in the future, to have a real pay-as-you-go process, to hold the capital debt costs level with no increase in taxes for our citizens, to be able to remove future spikes in the budget caused by necessary capital replacements, to retain and continue to improve our credit ratings, then it is important to note that these may be lost if the financial structure approved by the Board is disrupted. With revenue loss in the category other than property taxes, it is difficult to find a responsible way to further reduce taxes.

Due to the roller coaster, global economy, the increased unemployment, and the possibility of further descending into a pit of deeper recession, stringent measures are necessary to prepare the County for further revenue loss. To overestimate or overcut the budget can be financially debilitating. Revenues have been projected conservatively to avoid drastic, mid-year reductions. The uncertainty of job stability and the improvement of the unemployment levels require the County to cut personnel costs.

This budget does not have funding for cost of living increases, pay steps, performance pay, or for longevity. This has been discussed with employee groups. They have responded well and understand the economic necessity. These cuts can hopefully avoid employee lay-offs.

Cutting longevity is the most difficult of all. The other cuts are future increases. Longevity is seen as compensation, especially, by our long time and faithful employees. It is tantamount to cutting the salaries of a group of our employees. If during budget work sessions, any thing can be added back, this will be the Manager's first recommendation. Additionally, it is important to convey that our employees have fervently asked, if longevity must be considered, that it simply be unfunded for this fiscal year and reinstated next year if the economy improves. This is a reasonable request from our employees and, if unfunded, the Manager emphatically supports reinstatement next year. To retain our valuable, knowledgeable, and experienced staff, it is important to continue to recognize and reward their continued service to the County.

PUBLIC SAFETY: FIRE, RESCUE, and EMERGENCY MEDICAL RESPONSE:

Given that County departments, including Social Services and Public Health, the Schools, the College, non-profits, and others have complied to the extent possible with significant cuts, the fire departments and the rescue squads requests have been reviewed and assessed. Our volunteers provide valuable and mission critical service to citizens in time of need. During discussions last year fire departments agreed not to ask for increases this year if they received the budgets negotiated. Almost all departments received more funding than the approved budget due to tax collection percentages.

The departments were asked by the Public Safety Director to set aside any additional money from last year for capital purchases. Most departments received extra funding. The level of extra funding was used as a basis for a 5% reduction. This will result in most departments receiving about the same amount of funding as FY09. The wild card for some of the seventeen departments is that some fire districts lost part of their tax base. If a department received less funding than last year, it most likely is due to their tax base. A schedule of full details of calculations and results is included in the budget package.

Near the beginning of the budget process in November, the Manager and Public Safety Director began an assessment of the fund equity in Advanced Life Support. The tax to support the County Emergency Medical Response began at 5 cents and was later dropped to 4 cents. In FY 08, the rate was dropped to 3 cents at the recommendation of the County Manager. In FY 09, the rate was recommended to be cut to 2.5 cents. An analysis of equity, revenue, operating and capital needs has been done. The Manager's is recommendation to further reduce the ALS tax to 2 cents.

SUMMARY:

The County is required to meet all its debt obligations which include a 15.2% increase. The Schools and College together represent 43% of the General Fund budget and show no decrease due to debt service funding. This budget through the structured plans for the capital reserve fund and its infusion of funds into the debt service defeasance for capital projects allows payment for the \$70 million in education bonds, the three new County buildings, and the financial software to be accomplished at no tax increase. It also allows a pay-as-you-go and depreciation funding.

This budget recommends a five percent reduction of the County operating and capital budgets to meet the projection of reduced Category Two Revenue. . The property tax revenue budget has already been met this fiscal year. This budget recommends a one cent tax reduction. The total tax decreases for each tax district are exhibited on Chart IX as an addendum.

Through the doom and gloom of recession comes the optimism of an uplifting economy. Moore County unemployment rates were 5.8% last May, climbed to 11% in February and have declined to 10.2% as of April 27th. After severe swings, the Dow has climbed back to 8400. The media is trying to be the harbinger of good news and optimism for an improving economy. Time will tell. This budget is submitted as a responsible plan to provide for mandated and necessary services while preparing for the progress of Moore County as it moves toward helping to improve the quality of life of each of its citizens. One Team. One Mission.

Respectfully Submitted,



T. Cary McSwain
County Manager
County of Moore

Addendum Total Tax Reductions by District

| Department | CURRENT | | | | PROPOSED | | | | Overall Rate Decrease |
|-------------------|-------------|----------|-------------|------------|-------------|----------|---------------|------------|-----------------------|
| | County Rate | ALS Rate | FD Tax Rate | Total Rate | County Rate | ALS Rate | Fire Tax Rate | Total Rate | |
| Aberdeen | 0.479 | 0.025 | 0.097 | 0.601 | 0.469 | 0.020 | 0.088 | 0.577 | 2.4 |
| Cameron | 0.479 | 0.025 | 0.105 | 0.609 | 0.469 | 0.020 | 0.097 | 0.586 | 2.3 |
| Carthage | 0.479 | 0.025 | 0.065 | 0.569 | 0.469 | 0.020 | 0.061 | 0.550 | 1.9 |
| Circle V | 0.479 | 0.025 | 0.065 | 0.569 | 0.469 | 0.020 | 0.061 | 0.550 | 1.9 |
| Crains Creek | 0.479 | 0.025 | 0.115 | 0.619 | 0.469 | 0.020 | 0.104 | 0.593 | 2.6 |
| Crestline | 0.479 | 0.025 | 0.083 | 0.587 | 0.469 | 0.020 | 0.080 | 0.569 | 1.8 |
| Eagle Springs | 0.479 | 0.025 | 0.073 | 0.577 | 0.469 | 0.020 | 0.069 | 0.558 | 1.9 |
| Eastwood | 0.479 | 0.025 | 0.070 | 0.574 | 0.469 | 0.020 | 0.066 | 0.555 | 1.9 |
| High Falls | 0.479 | 0.025 | 0.049 | 0.553 | 0.469 | 0.020 | 0.047 | 0.536 | 1.7 |
| Pinebluff | 0.479 | 0.025 | 0.085 | 0.589 | 0.469 | 0.020 | 0.078 | 0.567 | 2.2 |
| Pinehurst | 0.479 | 0.025 | 0.086 | 0.590 | 0.469 | 0.020 | 0.080 | 0.569 | 2.1 |
| Robbins | 0.479 | 0.025 | 0.063 | 0.567 | 0.469 | 0.020 | 0.060 | 0.549 | 1.8 |
| Seven Lakes | 0.479 | 0.025 | 0.042 | 0.546 | 0.469 | 0.020 | 0.038 | 0.527 | 1.9 |
| Southern Pines | 0.479 | 0.025 | 0.090 | 0.594 | 0.469 | 0.020 | 0.086 | 0.575 | 1.9 |
| West End | 0.479 | 0.025 | 0.060 | 0.564 | 0.469 | 0.020 | 0.060 | 0.549 | 1.5 |
| Westmoore | 0.479 | 0.025 | 0.057 | 0.561 | 0.469 | 0.020 | 0.054 | 0.543 | 1.8 |
| *Whispering Pines | 0.479 | 0.025 | 0.055 | 0.559 | 0.469 | 0.020 | 0.051 | 0.540 | 1.9 |

FY2009-2010 Budget Summary (5-15-09)

| | Original 08-09 Budget | Requested 09-10 Budget | Recommended 09-10 Budget | Recommended Increase/ (Decrease) | Recommended % increase/ (decrease) |
|--------------------------------|--------------------------|---------------------------|-----------------------------|--|--|
| General Fund | | | | | |
| Revenues: | | | | | |
| Taxes | | | | | |
| Property taxes - current year | 53,770,823 | 52,247,253 | 51,552,099 | (2,218,724) | -4.1% |
| Property taxes - prior years | 240,000 | 220,000 | 230,000 | (10,000) | -4.2% |
| Penalties and interest | 300,000 | 225,000 | 231,500 | (68,500) | -22.8% |
| Privilege license taxes | 15,000 | 12,000 | 12,000 | (3,000) | -20.0% |
| Rental vehicle tax | 45,000 | 42,000 | 42,000 | (3,000) | -6.7% |
| Sales taxes | 15,827,373 | 14,343,112 | 14,343,112 | (1,484,261) | -9.4% |
| Alcohol Beverage Control funds | 618,054 | 612,000 | 612,000 | (6,054) | -1.0% |
| Total | 70,816,250 | 67,701,365 | 67,022,711 | (3,793,539) | -5.4% |
| General revenues | | | | | |
| Interest earnings | 1,225,000 | 1,225,000 | 1,225,000 | - | 0.0% |
| Departmental revenues and fees | 6,153,776 | 4,502,091 | 4,502,091 | (1,651,685) | -26.8% |
| Total | 7,378,776 | 5,727,091 | 5,727,091 | (1,651,685) | -22.4% |
| Human services | | | | | |
| Child support enforcement | 708,728 | 721,105 | 721,105 | 12,377 | 1.7% |
| Other grants | 414,155 | 424,330 | 424,330 | 10,175 | 2.5% |
| Aging | 896,507 | 881,495 | 881,495 | (15,012) | -1.7% |
| Total | 2,019,390 | 2,026,930 | 2,026,930 | 7,540 | 0.4% |
| Transfers In | | | | | |
| Self-Insurance Fund | - | 293,314 | 293,314 | 293,314 | 0.0% |
| Capital Reserve Fund | - | 2,730,840 | 2,730,840 | 2,730,840 | 0.0% |
| Total | - | 3,024,154 | 3,024,154 | 3,024,154 | 0.0% |
| Total revenues | 80,214,416 | 78,479,540 | 77,800,886 | (2,413,530) | -3.0% |
| Expenditures: | | | | | |
| General government | | | | | |
| Governing body | 234,831 | 260,129 | 225,134 | (9,697) | -4.1% |
| Administration | 593,781 | 582,648 | 546,226 | (47,555) | -8.0% |
| Human Resources | 291,816 | 286,829 | 281,400 | (10,416) | -3.6% |
| Financial services | 777,638 | 775,744 | 723,399 | (54,239) | -7.0% |
| County attorney | 649,917 | 671,933 | 611,667 | (38,250) | -5.9% |
| Tax and revaluation | 2,294,494 | 2,318,885 | 2,111,225 | (183,269) | -8.0% |
| Elections | 492,901 | 778,055 | 591,006 | 98,105 | 19.9% |
| Register of deeds | 1,504,111 | 1,410,285 | 1,353,621 | (150,490) | -10.0% |
| Annual Increment | 200,000 | 210,000 | - | (200,000) | -100.0% |
| Total | 7,039,489 | 7,294,508 | 6,443,678 | (595,811) | -8.5% |

FY2009-2010 Budget Summary (5-15-09)

| | <u>Original 08-09 Budget</u> | <u>Requested 09-10 Budget</u> | <u>Recommended 09-10 Budget</u> | <u>Recommended Increase/ (Decrease)</u> | <u>Recommended % increase/ (decrease)</u> |
|--|----------------------------------|-----------------------------------|-------------------------------------|---|---|
| Public safety | | | | | |
| Sheriff | 7,051,799 | 6,740,332 | 6,483,330 | (568,469) | -8.1% |
| Detention Center | 3,578,725 | 3,675,384 | 3,514,187 | (64,538) | -1.8% |
| Day reporting center | 95,853 | 98,552 | 98,552 | 2,699 | 2.8% |
| Public safety and E911 | 1,713,740 | 1,673,345 | 1,415,558 | (298,182) | -17.4% |
| Total | 12,440,117 | 12,187,613 | 11,511,627 | (928,490) | -7.5% |
| Environment and community developme | | | | | |
| Solid Waste | 2,096,985 | 2,182,758 | 2,055,179 | (41,806) | -2.0% |
| Planning/community development | 1,335,601 | 1,337,940 | 1,261,660 | (73,941) | -5.5% |
| GIS | 333,568 | 441,953 | 400,894 | 67,326 | 20.2% |
| Cooperative extension | 505,257 | 593,590 | 467,010 | (38,247) | -7.6% |
| Soil and water conservation | 268,018 | 268,976 | 261,159 | (6,859) | -2.6% |
| Total | 4,539,429 | 4,825,217 | 4,445,902 | (93,527) | -2.1% |
| Human services | | | | | |
| Child support enforcement | 708,970 | 694,897 | 658,795 | (50,175) | -7.1% |
| Youth services | 106,646 | 109,494 | 109,136 | 2,490 | 2.3% |
| Veteran's service | 195,439 | 200,241 | 188,925 | (6,514) | -3.3% |
| Aging/RSVP | 1,586,552 | 1,704,979 | 1,711,267 | 124,715 | 7.9% |
| Total | 2,597,607 | 2,709,611 | 2,668,123 | 70,516 | 2.7% |
| Cultural development | | | | | |
| Library | 564,329 | 567,146 | 533,339 | (30,990) | -5.5% |
| Recreation | 719,038 | 635,391 | 683,089 | (35,949) | -5.0% |
| Total | 1,283,367 | 1,202,537 | 1,216,428 | (66,939) | -5.2% |
| Education | | | | | |
| School current expense | 24,935,195 | 24,935,195 | 24,495,195 | (440,000) | -1.8% |
| School capital outlay | 933,950 | 1,133,950 | 733,950 | (200,000) | -21.4% |
| School debt service-principal | 3,644,985 | 4,182,202 | 4,288,602 | 643,617 | 17.7% |
| School debt service-interest | 2,284,522 | 3,454,799 | 2,768,575 | 484,053 | 21.2% |
| College current expense | 4,135,541 | 4,135,541 | 3,946,471 | (189,070) | -4.6% |
| College capital outlay | 50,000 | 50,000 | 50,000 | - | 0.0% |
| College debt service-principal | 749,305 | 908,055 | 941,655 | 192,350 | 25.7% |
| College debt service-interest | 699,251 | 1,109,605 | 885,041 | 185,790 | 26.6% |
| Total | 37,432,749 | 39,909,347 | 38,109,489 | 676,740 | 1.8% |
| Grants/court facility costs | 1,369,211 | 1,546,140 | 1,380,910 | 11,699 | 0.9% |

FY2009-2010 Budget Summary (5-15-09)

| | Original 08-09 Budget | Requested 09-10 Budget | Recommended 09-10 Budget | Recommended Increase/ (Decrease) | Recommended % increase/ (decrease) |
|---|--------------------------|---------------------------|-----------------------------|--|--|
| Transfers | | | | | |
| Social service operations fund | 7,244,016 | 4,975,844 | 4,758,222 | (2,485,794) | -34.3% |
| Health operations fund | 3,389,047 | 3,389,047 | 3,392,381 | 3,334 | 0.1% |
| Airport Enterprise Fund | 142,704 | 151,086 | 151,086 | 8,382 | 5.9% |
| Airport Capital Projects Fund | 59,260 | - | - | (59,260) | -100.0% |
| Capital Reserve Fund | <u>1,895,910</u> | <u>6,796,695</u> | <u>3,121,660</u> | <u>1,225,750</u> | 64.7% |
| Total | 12,730,937 | 15,312,672 | 11,423,349 | (1,307,588) | -10.3% |
| Other | | | | | |
| Debt service-principal | 633,760 | 477,664 | 477,664 | (156,096) | -24.6% |
| Debt service-interest | <u>147,750</u> | <u>123,716</u> | <u>123,716</u> | <u>(24,034)</u> | -16.3% |
| Total | 781,510 | 601,380 | 601,380 | (180,130) | -23.0% |
| Total expenditures | <u>80,214,416</u> | <u>85,589,025</u> | <u>77,800,886</u> | <u>(2,413,530)</u> | -3.0% |
| Net excess | <u>-</u> | <u>(7,109,485)</u> | <u>-</u> | <u>-</u> | |
| <u>Social Services Operations Fund</u> | | | | | |
| Revenues: | | | | | |
| Transfer from general fund | 7,244,016 | 6,815,459 | 4,758,222 | (2,485,794) | -34.3% |
| Grants and other revenues | <u>7,215,233</u> | <u>6,964,132</u> | <u>7,504,077</u> | <u>288,844</u> | 4.0% |
| Total revenues | 14,459,249 | 13,779,591 | 12,262,299 | (2,196,950) | -15.2% |
| Expenditures: | | | | | |
| Administration | 1,520,683 | 1,685,690 | 1,667,032 | 146,349 | 9.6% |
| Income maintenance support | 262,479 | 262,472 | 239,300 | (23,179) | -8.8% |
| Services support | 726,992 | 686,381 | 689,739 | (37,253) | -5.1% |
| Income maintenance | 1,578,005 | 1,574,905 | 1,539,088 | (38,917) | -2.5% |
| Services | 2,463,276 | 2,286,875 | 2,245,217 | (218,059) | -8.9% |
| Program allocations | 4,130,942 | 4,237,774 | 4,237,923 | 106,981 | 2.6% |
| Entitlement programs | <u>3,776,872</u> | <u>1,744,600</u> | <u>1,644,000</u> | <u>(2,132,872)</u> | -56.5% |
| Total expenditures | 14,459,249 | 12,478,697 | 12,262,299 | (2,196,950) | -15.2% |
| Net excess | <u>-</u> | <u>1,300,894</u> | <u>-</u> | <u>-</u> | |

FY2009-2010 Budget Summary (5-15-09)

| | Original 08-09 Budget | Requested 09-10 Budget | Recommended 09-10 Budget | Recommended Increase/ (Decrease) | Recommended % increase/ (decrease) |
|--|--------------------------|---------------------------|-----------------------------|--|--|
| <u>Health Operations Fund</u> | | | | | |
| Revenues: | | | | | |
| Transfer from general fund | 3,389,047 | 3,389,047 | 3,392,381 | 3,334 | 0.1% |
| Grants and other revenues | 1,873,057 | 1,873,057 | 1,528,706 | (344,351) | -18.4% |
| Total revenues | 5,262,104 | 5,262,104 | 4,921,087 | (341,017) | -6.5% |
| Expenditures: | | | | | |
| Health administration | 826,119 | 909,953 | 849,357 | 23,238 | 2.8% |
| Environmental health | 917,369 | 884,619 | 868,153 | (49,216) | -5.4% |
| Clinical Support | 1,348,771 | 1,188,687 | 1,177,665 | (171,106) | -12.7% |
| Women infants and children | 319,284 | 331,230 | 303,858 | (15,426) | -4.8% |
| Community Health | 56,733 | 59,017 | 62,725 | 5,992 | 10.6% |
| Maternal | 353,514 | 326,645 | 309,336 | (44,178) | -12.5% |
| Child Health | 192,611 | - | - | (192,611) | -100.0% |
| Child Services Coordination | 224,835 | 270,509 | 298,653 | 73,818 | 32.8% |
| Family Planning | 313,463 | 315,194 | 310,407 | (3,056) | -1.0% |
| Other Programs | 88,192 | 83,086 | 41,856 | (46,336) | -52.5% |
| Other grants | 24,000 | 60,609 | 26,851 | 2,851 | 11.9% |
| Animal control | 597,213 | 650,125 | 672,226 | 75,013 | 12.6% |
| Total expenditures | 5,262,104 | 5,079,674 | 4,921,087 | (341,017) | -6.5% |
| Net excess | - | 182,430 | - | - | |
| <u>Water Pollution Control Plant Fund</u> | | | | | |
| Revenues: | | | | | |
| User fees | 2,186,391 | 4,056,581 | 4,056,581 | 1,870,190 | 85.5% |
| Total revenues | 2,186,391 | 4,056,581 | 4,056,581 | 1,870,190 | 85.5% |
| Expenses: | | | | | |
| Operations | 2,016,391 | 2,065,249 | 3,363,349 | 1,346,958 | 66.8% |
| Capital outlay | 170,000 | 436,337 | 693,232 | 523,232 | 307.8% |
| Debt | - | - | - | - | |
| Total expenses | 2,186,391 | 2,501,586 | 4,056,581 | 1,870,190 | 85.5% |
| Net excess | - | 1,554,995 | - | - | |
| <u>Public Utilities Fund</u> | | | | | |
| Revenues: | | | | | |
| Water sales | 5,471,581 | 5,090,220 | 5,090,220 | (381,361) | -7.0% |
| Sewer sales | 3,573,162 | 3,645,962 | 3,645,962 | 72,800 | 2.0% |
| Tap fees | 676,300 | 201,000 | 201,000 | (475,300) | -70.3% |
| Capacity fees | 647,000 | 186,000 | 186,000 | (461,000) | -71.3% |
| Other utility revenues | 389,960 | 334,960 | 334,960 | (55,000) | -14.1% |
| Retained earnings appropriated | 785,405 | 1,377,419 | 1,377,419 | 592,014 | 75.4% |
| Total revenues | 11,543,408 | 10,835,561 | 10,835,561 | (707,847) | -6.1% |

FY2009-2010 Budget Summary (5-15-09)

| | Original 08-09 Budget | Requested 09-10 Budget | Recommended 09-10 Budget | Recommended Increase/ (Decrease) | Recommended % increase/ (decrease) |
|--|--------------------------|---------------------------|-----------------------------|--|--|
| Expenses: | | | | | |
| Administration/operations | 1,304,352 | 1,311,806 | 1,268,335 | (36,017) | -2.8% |
| Maintenance | 3,695,440 | 3,912,839 | 3,932,977 | 237,537 | 6.4% |
| Water quality | 1,864,834 | 1,667,957 | 1,670,503 | (194,331) | -10.4% |
| Engineering | 241,142 | 232,511 | 221,368 | (19,774) | -8.2% |
| Capital outlay | 2,111,000 | 845,000 | 1,963,000 | (148,000) | -7.0% |
| Debt service | 2,326,640 | 1,761,271 | 1,779,378 | (547,262) | -23.5% |
| Total expenses | 11,543,408 | 9,731,384 | 10,835,561 | (707,847) | -6.1% |
| Net excess | - | 1,104,177 | - | - | 0.0% |
| <u>East Moore Water District Fund</u> | | | | | |
| Revenues | 11,937,746 | 8,367,207 | 8,367,207 | (3,570,539) | -29.9% |
| Expenses | 11,937,746 | 7,842,032 | 8,367,207 | (3,570,539) | -29.9% |
| Net excess | - | 525,175 | - | - | |
| <u>Information Technology Fund</u> | | | | | |
| Revenues: | | | | | |
| IT user fees | 2,225,250 | 1,601,934 | 1,605,189 | (620,061) | -27.9% |
| Total revenues | 2,225,250 | 1,601,934 | 1,605,189 | (620,061) | -27.9% |
| Expenses: | | | | | |
| Operations | 1,547,350 | 1,467,707 | 1,547,189 | (161) | 0.0% |
| Capital outlay | 612,900 | 485,353 | 58,000 | (554,900) | -90.5% |
| Debt service | 65,000 | 256,441 | - | (65,000) | -100.0% |
| Total expenses | 2,225,250 | 2,209,501 | 1,605,189 | (620,061) | -27.9% |
| Net excess | - | (607,567) | - | - | |
| <u>Self-Insurance Fund</u> | | | | | |
| Revenues | 6,850,101 | 7,010,060 | 7,010,649 | 160,548 | 2.3% |
| Expenses | 6,850,101 | 7,199,550 | 7,010,649 | 160,548 | 2.3% |
| Net excess | - | (189,490) | - | - | |

FY2009-2010 Budget Summary (5-15-09)

| | Original 08-09 Budget | Requested 09-10 Budget | Recommended 09-10 Budget | Recommended Increase/ (Decrease) | Recommended % increase/ (decrease) |
|---|--------------------------|---------------------------|-----------------------------|--|--|
| <u>Property Management Fund</u> | | | | | |
| Revenues: | | | | | |
| Property management fees | 1,900,782 | 4,665,540 | 4,675,311 | 2,774,529 | 146.0% |
| Rental fees | 15,000 | 16,000 | 16,000 | 1,000 | 6.7% |
| Vehicle user fees | 2,352,708 | - | - | (2,352,708) | -100.0% |
| Appropriated Retained Earnings | 882,558 | - | - | - | 0.0% |
| Total revenues | 5,151,048 | 4,681,540 | 4,691,311 | (459,737) | -8.9% |
| Expenses: | | | | | |
| Administration/operations | 398,200 | 325,907 | 287,821 | (110,379) | -27.7% |
| Maintenance | 617,419 | 679,489 | 679,502 | 62,083 | 10.1% |
| Custodial services | 551,010 | 545,880 | 548,615 | (2,395) | -0.4% |
| Garage services | 2,454,919 | 2,195,393 | 2,124,973 | (329,946) | -13.4% |
| Utilities | 756,000 | 746,400 | 746,400 | (9,600) | -1.3% |
| Capital outlay | 373,500 | 499,500 | 304,000 | (69,500) | -18.6% |
| Total expenses | 5,151,048 | 4,992,569 | 4,691,311 | (459,737) | -8.9% |
| Net excess | - | (311,029) | - | - | |
| <u>Emergency Medical Services Fund</u> | | | | | |
| Revenues: | | | | | |
| Property taxes | 2,716,350 | 2,261,475 | 2,250,590 | (465,760) | -17.1% |
| Fees / other revenues | 2,409,289 | 1,907,742 | 1,941,432 | (467,857) | -19.4% |
| Appropriated fund balance | - | 412,937 | 412,937 | 412,937 | - |
| Total revenues | 5,125,639 | 4,582,154 | 4,604,959 | (520,680) | -10.2% |
| Expenditures: | | | | | |
| Operations | 4,604,702 | 4,296,171 | 4,192,022 | (412,680) | -9.0% |
| Capital outlay | 520,937 | 387,937 | 412,937 | (108,000) | -20.7% |
| Total expenditures | 5,125,639 | 4,684,108 | 4,604,959 | (520,680) | -10.2% |
| Net excess | - | (101,954) | - | - | |

FY2009-2010 Budget Summary (5-15-09)

| | Original 08-09 Budget | Requested 09-10 Budget | Recommended 09-10 Budget | Recommended Increase/ (Decrease) | Recommended % increase/ (decrease) |
|---|--------------------------|---------------------------|-----------------------------|--|--|
| <u>911 Telephone System Fund</u> | | | | | |
| Revenues: | | | | | |
| Revenues - E911 telephone fees | 632,354 | 632,354 | 632,354 | - | 0.0% |
| Total revenues | 632,354 | 632,354 | 632,354 | - | 0.0% |
| Expenditures: | | | | | |
| Operations | 131,714 | 304,775 | 359,311 | 227,597 | 172.8% |
| Capital outlay | 500,640 | 327,579 | 273,043 | (227,597) | -45.5% |
| Total expenditures | 632,354 | 632,354 | 632,354 | - | 0.0% |
| Net excess | - | - | - | - | |
| <u>Capital Reserve Fund</u> | | | | | |
| Revenues: | | | | | |
| Transfer from General Fund | - | - | 3,121,660 | 3,121,660 | - |
| Transfer from WPCP | - | - | 1,330,404 | 1,330,404 | - |
| | - | - | 4,452,064 | 4,452,064 | - |
| Expenditures: | | | | | |
| Transfer to General Fund | - | - | 2,730,840 | 2,730,840 | - |
| Available to be transferred to GF | - | - | 390,820 | 390,820 | - |
| Available to be transferred to WPCP | - | - | 1,330,404 | 1,330,404 | - |
| | - | - | 4,452,064 | 4,452,064 | - |
| Net excess | - | - | - | - | |
| <u>MCTS Operations Fund</u> | | | | | |
| Revenues: | | | | | |
| Revenues - user fees | 630,566 | 744,396 | 748,367 | 117,801 | 18.7% |
| Grants | 563,832 | 579,970 | 579,970 | 16,138 | 2.9% |
| Sale of fixed assets | - | 9,000 | 9,000 | 9,000 | - |
| Total revenues | 1,194,398 | 1,333,366 | 1,337,337 | 142,939 | 12.0% |
| Expenditures: | | | | | |
| Operations | 1,071,450 | 1,281,453 | 1,231,145 | 159,695 | 14.9% |
| Capital outlay | 122,948 | 106,192 | 106,192 | (16,756) | -13.6% |
| Total expenditures | 1,194,398 | 1,387,645 | 1,337,337 | 142,939 | 12.0% |
| Net excess | - | (54,279) | - | - | |

FY2009-2010 Budget Summary (5-15-09)

| | <u>Original 08-09 Budget</u> | <u>Requested 09-10 Budget</u> | <u>Recommended 09-10 Budget</u> | <u>Recommended Increase/ (Decrease)</u> | <u>Recommended % increase/ (decrease)</u> |
|--------------------------|----------------------------------|-----------------------------------|-------------------------------------|---|---|
| General fund | 80,214,416 | 85,589,025 | 77,800,886 | (2,413,530) | -3.0% |
| Social services fund | 14,459,249 | 12,478,697 | 12,262,299 | (2,196,950) | -15.2% |
| Health operations fund | 5,262,104 | 5,079,674 | 4,921,087 | (341,017) | -6.5% |
| Wastewater fund | 2,186,391 | 2,501,586 | 4,056,581 | 1,870,190 | 85.5% |
| Public utilities fund | 11,543,408 | 9,731,384 | 10,835,561 | (707,847) | -6.1% |
| EMWD fund | 11,937,746 | 7,842,032 | 8,367,207 | (3,570,539) | -29.9% |
| IT fund | 2,225,250 | 2,209,501 | 1,605,189 | (620,061) | -27.9% |
| Self Insurance fund | 6,850,101 | 7,199,550 | 7,010,649 | 160,548 | 2.3% |
| Property management fund | 5,151,048 | 4,992,569 | 4,691,311 | (459,737) | -8.9% |
| Capital Rserve Fund | - | - | 4,452,064 | 4,452,064 | - |
| EMS fund | 5,125,639 | 4,684,108 | 4,604,959 | (520,680) | -10.2% |
| E911 fund | 632,354 | 632,354 | 632,354 | - | 0.0% |
| MCTS operations fund | <u>1,194,398</u> | <u>1,387,645</u> | <u>1,337,337</u> | <u>142,939</u> | <u>12.0%</u> |
| Total budget | 146,782,104 | 144,328,125 | 142,577,484 | (4,204,620) | -2.9% |
| Less transfers | <u>(12,730,937)</u> | <u>(15,161,586)</u> | <u>(11,272,263)</u> | <u>1,315,970</u> | <u>-10.3%</u> |
| Net budget | <u>134,051,167</u> | <u>129,166,539</u> | <u>131,305,221</u> | <u>(2,888,650)</u> | <u>-2.2%</u> |

| Department | 2008/09 Tax Base | 08/09 Fire Tax Rate | 2008/09 Approved Budget | 2008/09 Estimated Payment | 2009/10 Tax Base | 09/10 Requested Budget | Rate needed to Fund Request | 5% Decrease over expected funding 08/09 | Rate for 5% Decrease | Managers Recommend @ 98.5% | Rate | Net Rate Change |
|-------------------|------------------|---------------------|-------------------------|---------------------------|------------------|------------------------|-----------------------------|---|----------------------|----------------------------|------|-----------------|
| | | | | | | | RB*100/TB | 08/09 Est * 95 | (5% Dec*100)/(TB) | (TB/100*MRR)*.98 | | |
| Aberdeen | \$74,735,100 | 9.7 | \$71,043 | \$74,751 | \$80,980,000 | 72,756 | 9.0 | \$71,013 | 8.8 | \$71,789 | 9.0 | -0.7 |
| Cameron | \$147,103,995 | 10.5 | \$151,370 | \$152,531 | \$148,692,000 | 157,436 | 10.6 | \$144,905 | 9.7 | \$150,855 | 10.3 | -0.2 |
| Carthage | \$337,194,084 | 6.5 | \$214,793 | \$224,788 | \$351,058,000 | 222,982 | 6.4 | \$213,549 | 6.1 | \$214,391 | 6.2 | -0.3 |
| Circle V | \$603,122,632 | 6.5 | \$384,189 | \$393,054 | \$615,123,000 | 405,000 | 6.6 | \$373,401 | 6.1 | \$381,715 | 6.3 | -0.2 |
| Crains Creek | \$86,482,535 | 11.5 | \$97,466 | \$98,877 | \$90,342,000 | 106,000 | 11.7 | \$93,933 | 10.4 | \$102,335 | 11.5 | 0.0 |
| Crestline | \$94,137,439 | 8.3 | \$76,571 | \$76,206 | \$90,026,000 | 76,000 | 8.4 | \$72,395 | 8.0 | \$73,601 | 8.3 | 0.0 |
| Eagle Springs | \$210,902,620 | 7.3 | \$150,880 | \$154,879 | \$214,003,000 | 151,511 | 7.1 | \$147,135 | 6.9 | \$149,663 | 7.1 | -0.2 |
| Eastwood | \$206,490,450 | 7.0 | \$141,652 | \$145,875 | \$209,728,000 | 144,625 | 6.9 | \$138,582 | 6.6 | \$142,542 | 6.9 | -0.1 |
| High Falls | \$154,449,962 | 4.9 | \$74,167 | \$74,267 | \$151,494,000 | 90,000 | 5.9 | \$70,553 | 4.7 | \$73,119 | 4.9 | 0.0 |
| Pinebluff | \$205,099,037 | 8.5 | \$170,847 | \$167,092 | \$203,084,000 | 174,264 | 8.6 | \$158,737 | 7.8 | \$168,032 | 8.4 | -0.1 |
| Pinehurst | \$605,781,415 | 8.6 | \$510,553 | \$536,325 | \$640,479,000 | 536,346 | 8.4 | \$509,508 | 8.0 | \$529,932 | 8.4 | -0.2 |
| Robbins | \$261,630,225 | 6.3 | \$161,531 | \$162,754 | \$259,379,000 | 164,761 | 6.4 | \$154,616 | 6.0 | \$160,958 | 6.3 | 0.0 |
| Seven Lakes | \$595,215,430 | 4.2 | \$244,991 | \$272,001 | \$653,313,000 | 245,654 | 3.8 | \$258,401 | 4.0 | \$244,535 | 3.8 | -0.4 |
| Southern Pines | \$535,800,642 | 9.0 | \$472,576 | \$482,537 | \$532,994,000 | 472,576 | 8.9 | \$458,410 | 8.6 | \$467,249 | 8.9 | -0.1 |
| West End | \$408,035,193 | 6.0 | \$239,925 | \$264,373 | \$420,576,000 | 258,570 | 6.1 | \$251,155 | 6.0 | \$248,560 | 6.0 | 0.0 |
| Westmoore | \$177,201,454 | 5.7 | \$98,985 | \$99,756 | \$175,701,000 | 104,000 | 5.9 | \$94,768 | 5.4 | \$98,647 | 5.7 | 0.0 |
| *Whispering Pines | \$137,471,068 | 5.5 | \$74,097 | \$69,354 | \$129,453,000 | 74,097 | 5.7 | \$65,886 | 5.1 | \$70,131 | 5.5 | 0.0 |

* No Request Submitted

TB=Value

TR= Rate

RB=Requested Budget

MRR=Managers Recommended Rate

Schedule A - Special District Tax Rates

| <u>Fire District</u> | <u>Current Rate</u> | <u>2009-2010 Tax Base</u> | <u>2009-2010 Tax Rate</u> | <u>2009-2010 Budget</u> |
|----------------------|---------------------|---------------------------|---------------------------|-------------------------|
| Aberdeen | 0.097 | 80,980,000 | 0.090 | 71,789 |
| Cameron | 0.105 | 148,692,000 | 0.103 | 150,855 |
| Carthage | 0.065 | 351,058,000 | 0.062 | 214,391 |
| Circle V - Vass | 0.065 | 615,123,000 | 0.063 | 381,715 |
| Crains Creek | 0.115 | 90,342,000 | 0.115 | 102,335 |
| Crestline | 0.083 | 90,026,000 | 0.083 | 73,601 |
| Eagle Springs | 0.073 | 214,003,000 | 0.071 | 149,663 |
| Eastwood | 0.070 | 209,728,000 | 0.069 | 142,542 |
| High Falls | 0.049 | 151,494,000 | 0.049 | 73,119 |
| Pinebluff | 0.085 | 203,084,000 | 0.084 | 168,032 |
| Pinehurst | 0.086 | 640,479,000 | 0.080 | 504,697 |
| Robbins | 0.063 | 259,379,000 | 0.063 | 160,958 |
| Seven Lakes | 0.042 | 653,313,000 | 0.038 | 244,535 |
| Southern Pines | 0.090 | 532,994,000 | 0.089 | 467,249 |
| West End | 0.060 | 420,576,000 | 0.060 | 248,560 |
| Westmoore | 0.057 | 175,701,000 | 0.057 | 98,647 |
| Whispering Pines | 0.055 | 129,453,000 | 0.055 | 70,131 |
| | | | Total | 3,322,819 |

Municipalities***

- Aberdeen
- Cameron
- Carthage
- Pinehurst
- Southern Pines
- Taylorstown
- Vass

*** As approved by respective council