

Finance

DESCRIPTION

The Finance Department is responsible for the financial management and planning of the County. This includes establishing and maintaining effective controls over the County's financial activities, providing accurate financial information to all County and School Board departments in a timely manner, and coordinating the annual budget and monitoring compliance after adoption. Finance performs analyses of financial condition including interim and annual financial reports and recommends financial policies to the County Administrator and Board of Supervisors. The payroll processing function is performed by Finance, including the preparation of all payroll tax forms.

GOALS AND OBJECTIVES

- Receive Government Finance Officers' Association's Distinguished Budget Award;
- Receive Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting;
- Adopt FY05 Proposed Budget by second Wednesday in April;

SERVICE LEVELS

	<u>FY03</u> <u>Budget</u>	<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Budget</u>	<u>FY04</u> <u>Forecast</u>	<u>FY05</u> <u>Budget</u>
Per capita cost of operating department	\$ 7.70	\$ 7.55	\$ 7.90		\$ 8.21
Average days after month end to close	10	5	5	5	5
Number of budget transfers processed	250	275	200	200	200

MUNICIPAL BOND RATINGS FOR HANOVER COUNTY

<u>Fiscal Year</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
1994	AA	AA-	N/A
1995	AA	AA-	N/A
1996	AA1	AA-	AA
1997	AA1	AA	AA
1998	AA1	AA	AA
1999	AA1	AA	AA+
2000	AA1	AA	AA+
2001	AA1	AA	AA+
2002	AA1	AA	AA+
2003	AA1	AA	AA+

A rating of AAA is described to be of the best quality with extremely strong capacity to pay principal and interest. A rating of AA is deemed to be of high quality. Within groups, those bonds with the strongest attributes are designated with a "1" or "+". Municipal bond ratings are a current assessment of the creditworthiness of an obligator with respect to a specific obligation. What the bond analyst looks for is a clear trend of sound performance, both financially and operationally, that is reinforced by a record of management's responsiveness to bondholder needs. Generally, the rating is an assessment of four key areas: debt, economic, administrative, and financial factors.

BUDGET HIGHLIGHTS

FY04

The increase in salaries and benefits is due to the reclassification of three positions. The decrease in operating expenditures is due to fewer computer replacements and the printing of fewer financial documents due to an increased reliance on the internet.

Finance

BUDGET HIGHLIGHTS (continued)

FY05

Salaries and fringe benefits increased due to higher VRS contributions and health insurance costs. A part-time Budget Technician is also included in the budget at no increased cost. The remainder of the budget represents a maintenance level of funding with \$5,000 included for enhancements to the financial system of the County.

BUDGET SUMMARY

Expenditures

Finance	FY03 <u>Budget</u>	FY03 <u>Actual</u>	FY04 <u>Budget</u>	FY05 <u>Budget</u>	Percent <u>Change</u>
Salaries and Fringe Benefits	\$ 643,516	\$ 636,456	\$ 687,471	\$ 733,463	6.7%
Operating Expenditures	79,817	72,049	72,630	76,279	5.0%
Capital Outlay	-	-	-	-	0.0%
Total Expenditures	\$ 723,333	\$ 708,505	\$ 760,101	\$ 809,742	6.5%

Revenue

Total Department Generated Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Generated Revenue Percent of Budget	0.0%	0.0%	0.0%	0.0%	

Other General Fund Revenue	\$ 723,333	\$ 708,505	\$ 760,101	\$ 809,742	6.5%
Other General Fund Percent of Budget	100.0%	100.0%	100.0%	100.0%	

Full-time Positions	11	11	11	11	0.0%
Part-time Positions	1	1	1	2	100.0%
Full-time Equivalents	11.4	11.4	11.4	11.8	3.5%

FUTURE FUNDING ISSUES

<u>Expenditures</u>	FY06 <u>Plan</u>	FY07 <u>Plan</u>	FY08 <u>Plan</u>	FY09 <u>Plan</u>
Salaries and Fringe Benefits	\$ 806,246	\$ 893,108	\$ 930,618	\$ 969,704
Operating Expenditures	76,355	79,142	81,279	83,473
Capital Outlay	12,325	7,500	-	-
Total Expenditures	\$ 894,926	\$ 979,750	\$ 1,011,897	\$ 1,053,178

Revenue

Total Department Generated Revenue	\$ -	\$ -	\$ -	\$ -
Generated Revenue Percent of Budget	0.0%	0.0%	0.0%	0.0%

Other General Fund Revenue	\$ 894,926	\$ 979,750	\$ 1,011,897	\$ 1,053,178
Other General Fund Percent of Budget	100.0%	100.0%	100.0%	100.0%

Full-time Positions	12	13	13	13
Part-time Positions	2	2	2	2
Full-time Equivalents	12.8	13.8	13.8	13.8

The budget includes the addition of a Accountant in FY06 and Budget Analyst in FY07, and IT equipment in FY06. All other funding is maintenance level.