

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; and
- Adopt FY06 Proposed Budget by second Wednesday in April.

SERVICE LEVELS

	FY04 Budget	FY04 Actual	FY05 Budget	FY05 Forecast	FY06 Budget
Per capita cost of operating department	\$8.10	\$7.91	\$8.45		\$ 9.27
Average days after month end to close	10	5	5	5	5
Number of budget transfers processed	250	434	200	434	434

MUNICIPAL BOND RATINGS FOR HANOVER COUNTY

<u>Fiscal Year</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
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+
2004	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

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.

Finance

BUDGET HIGHLIGHTS (continued)

FY06

Salaries and fringe benefits increased due to continued higher health insurance costs, the addition of a Budget Analyst position, and the reclassification of a position. The increase in operating expenditures is one time costs associated with the new position and cyclical computer replacements.

BUDGET SUMMARY

Expenditures

	FY04 Budget	FY04 Actual	FY05 Budget	FY06 Budget	Percent Change
Finance					
Salaries and Fringe Benefits	\$ 687,471	\$ 678,646	\$ 733,463	\$ 815,645	11.2%
Operating Expenditures	72,630	63,802	76,279	88,875	16.5%
Capital Outlay	-	-	-	-	0.0%
Total Expenditures	\$ 760,101	\$ 742,448	\$ 809,742	\$ 904,519	11.7%

Revenue

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

Other General Fund Revenue	\$ 760,101	\$ 742,448	\$ 809,742	\$ 904,519	11.7%
Other General Fund Percent of Budget	100.0%	100.0%	100.0%	100.0%	

Full-time Positions	11	11	11	12	9.1%
Part-time Positions	1	1	2	2	0.0%
Full-time Equivalents	11.4	11.4	11.8	12.7	7.6%

FUTURE FUNDING ISSUES

Expenditures

	FY07 Plan	FY08 Plan	FY09 Plan	FY10 Plan
Salaries and Fringe Benefits	\$ 855,262	\$ 891,183	\$ 928,612	\$ 967,614
Operating Expenditures	91,319	93,830	96,411	99,062
Capital Outlay	-	-	-	-
Total Expenditures	\$ 946,581	\$ 985,013	\$ 1,025,023	\$ 1,066,676

Revenue

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

Other General Fund Revenue	\$ 946,581	\$ 985,013	\$ 1,025,023	\$ 1,066,676
Other General Fund Percent of Budget	100.0%	100.0%	100.0%	100.0%

Full-time Positions	12	12	12	12
Part-time Positions	2	2	2	2
Full-time Equivalents	12.7	12.7	12.7	12.7

The budget includes a reclassification of a position in FY07. All other funding is maintenance level.