

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 FY04 Proposed Budget by second Wednesday in April;

SERVICE LEVELS

	<u>FY02</u> <u>Budget</u>	<u>FY02</u> <u>Actual</u>	<u>FY03</u> <u>Budget</u>	<u>FY03</u> <u>Forecast</u>	<u>FY04</u> <u>Budget</u>
Per capita cost of operating department	\$ 7.38	\$ 7.27	\$ 7.74		\$ 7.82
Average days after month end to close	10	5	10	5	5
Number of budget transfers processed	300	267	250	150	200

MUNICIPAL BOND RATINGS FOR HANOVER COUNTY

<u>Fiscal Year</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
1993	AA	AA-	N/A
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+

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

FY03

The increase in salaries and fringe benefits includes additional funding for the part-time Budget Analyst position to provide support for GASB 34 implementation. Operating expenditures includes funding for the new HTE payroll system maintenance, additional insurance costs due to a Countywide reallocation, and additional funds for replacement computers.

Finance

BUDGET HIGHLIGHTS (continued)

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.

BUDGET SUMMARY

Expenditures

Finance	FY02	FY02	FY03	FY04	Percent
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Salaries and Fringe Benefits	\$ 605,592	\$ 593,661	\$ 643,516	\$ 687,473	6.8%
Operating Expenditures	67,331	69,731	79,817	72,630	-9.0%
Capital Outlay	-	-	-	-	0.0%
Total Expenditures	\$ 672,923	\$ 663,392	\$ 723,333	\$ 760,103	5.1%

Revenue

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

Other General Fund Revenue	\$ 672,923	\$ 663,392	\$ 723,333	\$ 760,103	5.1%
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	1	0.0%
Full-time Equivalents	11.3	11.3	11.4	11.2	-1.8%

FUTURE FUNDING ISSUES

<u>Expenditures</u>	FY05	FY06	FY07	FY08
	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>
Salaries and Fringe Benefits	\$ 708,097	\$ 778,111	\$ 801,454	\$ 825,498
Operating Expenditures	74,445	83,437	85,522	87,661
Capital Outlay	-	-	-	-
Total Expenditures	\$ 782,542	\$ 861,548	\$ 886,977	\$ 913,158

Revenue

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

Other General Fund Revenue	\$ 782,542	\$ 861,548	\$ 886,977	\$ 913,158
Other General Fund Percent of Budget	100.0%	100.0%	100.0%	100.0%

Full-time Positions	11	12	12	12
Part-time Positions	1	1	1	1
Full-time Equivalents	11.2	12.2	12.2	12.2

The department plans to add a Budget Analyst position in FY06. All other funding is maintenance level.