

RANDOLPH COUNTY, NORTH CAROLINA
Appropriated Fund Balances
Fiscal Year 2006-2007



Fund balances are maintained in all funds to supply emergency reserves, to provide resources during periods when disbursements exceed cash deposits, and to generate investment earnings. The County attempts to maintain an undesignated, unreserved fund balance of at least twenty percent of the total General Fund budget in order to have adequate reserves to offset revenue volatility, to maintain liquidity despite the timing of cash inflows/outflows, and to meet unforeseen contingencies. As of June 30, 2005, the County had an undesignated, unreserved fund balance of twenty-seven percent.

Occasionally, fund balances may be appropriated in the budget to fund anticipated expenditures beyond those possible with current revenues. In the General Fund, usually those expenditures are non-recurring, such as capital items or economic development incentives. For the Emergency Telephone System Fund and the Landfill Closure Fund, special revenues collected but not used in prior years have accumulated as fund balance. The fund balances available in those funds are frequently appropriated to fund their respective operations beyond those possible with current resources.

Under state law, only a portion of fund balance is available for appropriation. G.S. Statute 159-8 defines fund balance available for appropriation as “cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year.”

The following summarizes the amount of appropriated fund balance in the Final 2006-2007 Budget Ordinance:

General Fund

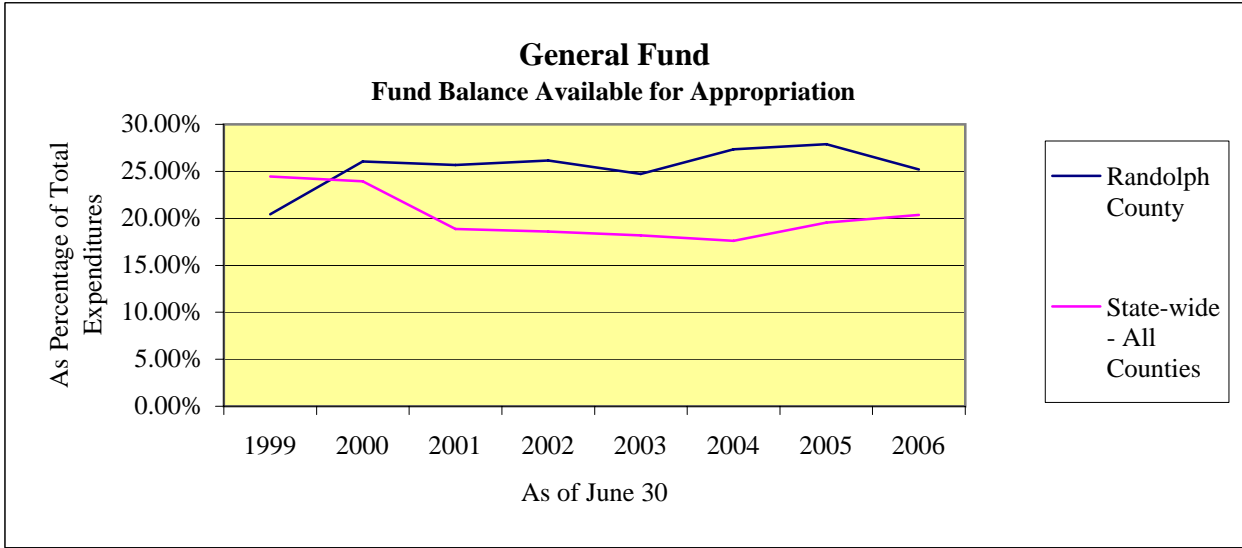
For Additional Education Appropriations	\$ 1,778,158
For Sheriff Appropriations from Restricted Forfeiture Funds	<u>387,260</u>
Total Appropriated Fund Balance - General Fund	<u><u>\$ 2,165,418</u></u>

Emergency Telephone System Fund

For Wireline Operations	\$ 17,057
For Wireless Operations	<u>1,799</u>
Total Appropriated Fund Balance - Emergency Telephone	<u><u>\$ 18,856</u></u>

Landfill Closure Fund

Total Appropriated Fund Balance - Landfill Closure	<u><u>\$ 63,500</u></u>
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Data is for actual year-end fund balances except for 2006, which is an estimated amount.

Randolph County attempts to maintain an undesignated fund balance of at least twenty percent of the budget, which would cover expenditures for 2.4 months. Despite the budget problems faced during the last few years, Randolph County continues to maintain good financial strength compared to the state-wide average for all counties. The County dropped below the state average in 1999, when a large transfer was made to the Randleman Dam Capital Project. During 2006, the County advanced funds to the School Capital Projects, which will be returned to the General Fund after issuance of debt in August 2006.