

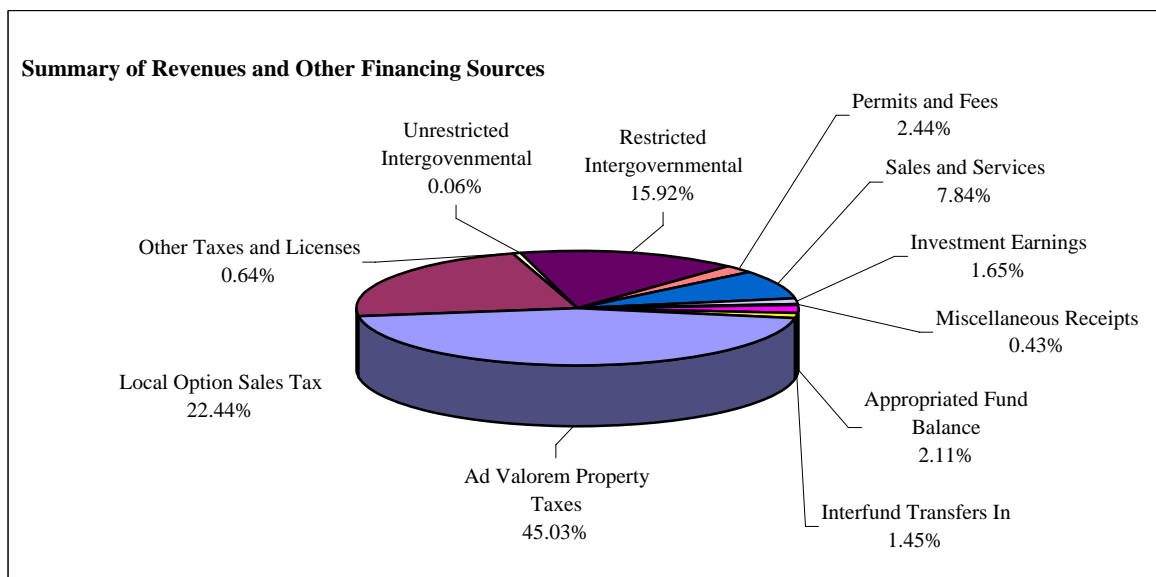
# RANDOLPH COUNTY

## General Fund

### Budget Summary for Revenues and Other Financing Sources

Fiscal Year 2006-2007

	2004-2005	2005-2006	2006-2007		
	Actual	Final Approved	Department Request	Proposed	Final Approved
<b>Revenues:</b>					
Ad Valorem Property Taxes	\$ 42,593,541	\$ 44,390,800	\$ 50,826,377	\$ 46,737,000	\$ 46,311,750
Local Option Sales Tax	21,496,129	21,767,500	23,080,000	23,080,000	23,080,000
Other Taxes and Licenses	615,547	609,000	654,000	654,000	654,000
Unrestricted Intergovernmental	73,019	56,900	56,900	56,900	56,900
Restricted Intergovernmental	15,629,820	13,820,183	14,871,819	14,871,819	16,371,819
Permits and Fees	2,420,032	2,381,250	2,507,250	2,507,250	2,507,250
Sales and Services	7,704,172	7,166,859	8,067,182	8,067,182	8,067,182
Investment Earnings	887,341	936,000	1,695,000	1,695,000	1,695,000
Miscellaneous Receipts	1,420,406	650,249	443,073	443,073	443,073
<b>Total Revenues</b>	<b>92,840,007</b>	<b>91,778,741</b>	<b>102,201,601</b>	<b>98,112,224</b>	<b>99,186,974</b>
<b>Other Financing Sources:</b>					
Appropriated Fund Balance	-	3,272,713	2,237,260	2,237,260	2,165,418
Interfund Transfers In	1,866,780	2,490,140	1,492,015	1,492,015	1,492,015
Debt Issued	235,743				
<b>Total Other Financing Sources</b>	<b>2,102,523</b>	<b>5,762,853</b>	<b>3,729,275</b>	<b>3,729,275</b>	<b>3,657,433</b>
<b>Total Budgeted Revenues and Other Financing Sources</b>	<b>\$ 94,942,530</b>	<b>\$ 97,541,594</b>	<b>\$ 105,930,876</b>	<b>\$ 101,841,499</b>	<b>\$ 102,844,407</b>



# RANDOLPH COUNTY

## General Fund

### Schedule of Revenues and Other Financing Sources

#### By Type and Function

#### Fiscal Year 2006-2007

#### With Comparative Totals from Fiscal Year 2005-2006

Revenues and Other Sources By Type	Revenues and Other Sources By Function					
	General County Revenues	General Government	Public Safety	Economic & Physical Development	Environmental Protection	Human Services
Revenues:						
Ad Valorem Taxes	\$ 46,311,750	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	23,080,000					
Other Taxes	89,000			375,000	190,000	
Intergovernmental:						
Unrestricted	56,900					
Restricted		250,000	948,095	21,720	22,050	12,079,847
Permits and Fees	336,000	1,108,000	758,000	29,000	-	276,250
Sales and Services	167,450	215,750	3,671,169		3,048,000	839,243
Investment Earnings	1,695,000					
Miscellaneous	95,359		279,494	6,548		
<b>Total Revenues</b>	<b>71,831,459</b>	<b>1,573,750</b>	<b>5,656,758</b>	<b>432,268</b>	<b>3,260,050</b>	<b>13,195,340</b>
Other Financing Sources:						
Appropriated Fund Balance	2,165,418					-
Interfund Transfers In						
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 73,996,877</b>	<b>\$ 1,573,750</b>	<b>\$ 5,656,758</b>	<b>\$ 432,268</b>	<b>\$ 3,260,050</b>	<b>\$ 13,195,340</b>

Revenues and Other Sources By Function			
Cultural & Recreational	Education	Debt Service	2006-2007 Proposed Budget
\$ -	\$ -	\$ -	\$ 46,311,750
			23,080,000
			654,000
			56,900
312,238		2,737,869	16,371,819
-			2,507,250
125,570			8,067,182
			1,695,000
		61,672	443,073
437,808	-	2,799,541	99,186,974
			2,165,418
		1,492,015	1,492,015
\$ 437,808	\$ -	\$ 4,291,556	\$ 102,844,407

2005-2006 Approved Budget	Percent Change
44,390,800	4.33%
21,767,500	6.03%
609,000	7.39%
56,900	0.00%
13,820,183	18.46%
2,381,250	5.29%
7,166,859	12.56%
936,000	81.09%
650,249	-31.86%
91,778,741	
3,272,713	-33.83%
2,490,140	-40.08%
\$ 97,541,594	5.44%

# General County Revenues

There are many sources of revenue available to the County which are not directly related to specific programs nor generated by departments through user fees or grant assistance. We refer to these as General County Revenues, which can be used for any public purpose authorized by the Board of County Commissioners. These funds represent the majority of the revenue resources available to the County. Some of these revenues are determined by the County; others are merely collections, outside of the County's ability to control. Regardless, they are critical in providing the funds necessary for the County to meet its responsibilities to its citizens. The primary General County Revenues are described below.

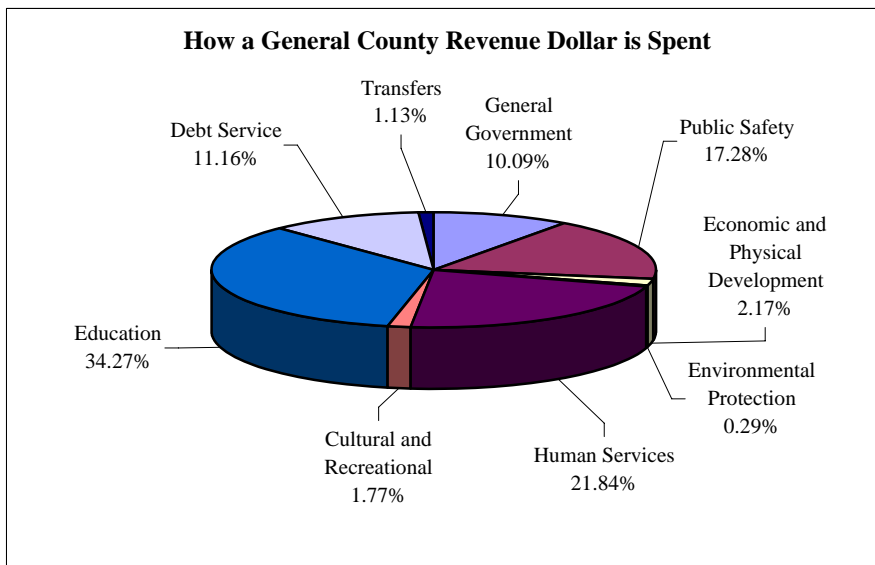
Ad Valorem Property Taxes - levied on real and personal property (including motor vehicles) which is not specifically exempted by statute. The total value of all such taxable property becomes the tax base. The County Commissioners set a tax rate per \$100 of valuation. The 2006-07 tax rate is 53.5¢ per \$100. This tax is the largest revenue in the budget and provides the greatest flexibility in meeting the financial needs of the County.

Local Option Sales Taxes - proceeds from the local portion of the tax on retail sales. Merchants collect state and local sales taxes and remit the total amount to the state. The local sales tax portion is distributed to local governments monthly. Currently, the County receives 2.5% on retail sales transactions. Most of the tax is unrestricted; however, a portion of the Articles 40 and 42 taxes are restricted for school construction or debt service on obligations related to school construction. The remainder is available for unrestricted purposes.

	Tax on retail sales	Percent of tax Unrestricted	Percent of tax Restricted	Restricted Purpose
Article 39	1 percent	100%	0%	n/a
Article 40	½ percent	70%	30%	Schools
Article 42	½ percent	40%	60%	Schools
Article 44	½ percent	100%	0%	n/a

Investment earnings - interest earned on certificates of deposit and other demand deposits. North Carolina General Statutes restrict the types of financial instruments in which a local government may invest its idle funds.

The following graph shows where these general dollars are utilized.



# RANDOLPH COUNTY

## Summary of Budgeted General County Revenues

Fiscal Year 2006-2007

With Comparative Amounts For 2004-2005 and 2005-2006

Description	2004-2005	2005-2006	2006-2007		
	Actual	Final Approved	Department Request	Proposed	Final Approved
Ad valorem property taxes:					
Current Year Levy	\$ 42,010,793	\$ 43,885,800	\$ 50,016,377	\$ 45,927,000	\$ 45,501,750
Prior Year Taxes:					
On Secured Property	266,627	240,000	240,000	240,000	240,000
On Unsecured Property	75,397	65,000	370,000	370,000	370,000
Interest and Penalties	240,725	200,000	200,000	200,000	200,000
Local Option Sales Tax:					
1% Unrestricted Article 39	7,885,860	8,060,000	7,466,000	7,466,000	7,466,000
1/2% Unrestricted Article 40	3,415,600	3,434,000	4,003,000	4,003,000	4,003,000
1/2% Restricted Article 40	1,463,829	1,473,500	1,716,000	1,716,000	1,716,000
1/2% Unrestricted Article 42	1,941,244	1,950,000	2,277,000	2,277,000	2,277,000
1/2% Restricted Article 42	2,911,866	2,930,000	3,415,000	3,415,000	3,415,000
1/2% Unrestricted Article 44	3,877,730	3,920,000	4,203,000	4,203,000	4,203,000
Other Taxes and Licenses:					
Animal Tax	69,311	68,000	68,000	68,000	68,000
Gross receipts tax - lease/rent	27,663	21,000	21,000	21,000	21,000
Unrestricted intergovernmental:					
Payment in lieu of taxes	13,308	6,900	6,900	6,900	6,900
Gas Tax Refund	59,711	50,000	50,000	50,000	50,000
Permits and fees:					
Cable TV Franchise Fee	217,819	215,000	336,000	336,000	336,000
Sales and services:					
Bad Check Fees	2,422	2,000	2,000	2,000	2,000
Foreclosures - Sheriff Fee	29	250	250	250	250
Tax Garnishments	61,324	62,000	62,000	62,000	62,000
Rent - Sandhills Center	101,400	101,400	101,400	101,400	101,400
Rent - Space for ATM Machine	1,650	1,800	1,800	1,800	1,800
Investment earnings:					
Interest on Investments	887,341	936,000	1,695,000	1,695,000	1,695,000
Miscellaneous receipts:					
Miscellaneous revenues	463,623	21,026	20,984	20,984	20,984
Gas Rebate Revenues	8,909	7,000	7,000	7,000	7,000
Sale of County Property	20,762	18,000	18,000	18,000	18,000
Ramseur Loan Repayment	39,375	39,375	39,375	39,375	39,375
Civil Licenses (DWI)	12,450	10,000	10,000	10,000	10,000
Total Revenues	66,076,768	67,718,051	76,346,086	72,256,709	71,831,459
Other Financing Sources:					
Appropriated Fund Balance	-	3,272,713	2,237,260	2,237,260	2,165,418
Total General County Revenues	\$ 66,076,768	\$ 70,990,764	\$ 78,583,346	\$ 74,493,969	\$ 73,996,877

## RANDOLPH COUNTY, NORTH CAROLINA

### Analysis of Countywide Property Valuation

Fiscal Year Ended	Real Property	Personal Property	Public Service Companies	Motor Vehicles	Total	Percent Change from Prior Year
June 30						
2002	6,137,411,981	771,491,569	213,387,177	1,027,156,873	8,149,447,600	revaluation
2003	6,287,748,531	774,527,937	221,213,919	1,039,550,562	8,323,040,949	2.13%
2004	6,410,897,906	744,596,572	225,908,336	1,043,721,152	8,425,123,966	1.23%
2005	6,507,926,668	761,330,299	221,789,833	1,048,476,664	8,539,523,464	1.36%
2006	6,504,000,000	824,000,000	222,000,000	1,050,000,000	8,600,000,000	0.71%
2007	6,574,500,000	894,500,000	206,000,000	1,075,000,000	8,750,000,000	1.74%

Note: Valuations for FY 2006 and 2007 are estimates

## RANDOLPH COUNTY, NORTH CAROLINA

### PRINCIPAL TAXPAYERS

#### 2005 Levy

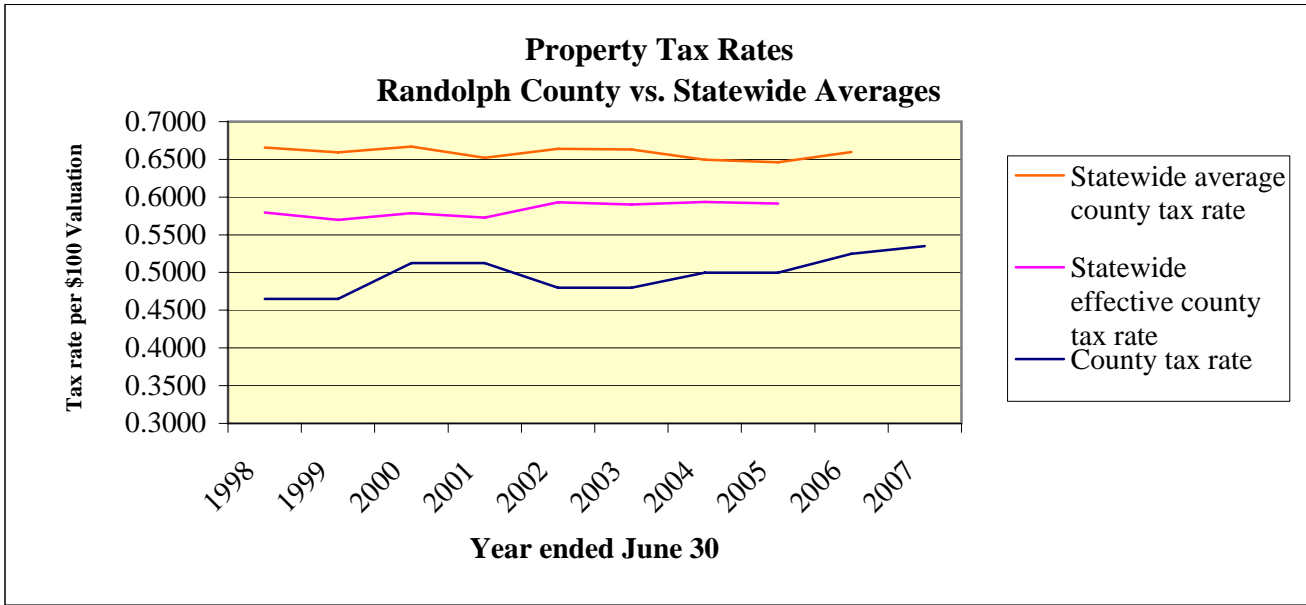
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Energizer	Battery Manufacturer	\$148,797,834	1.73%
Klaussner Furniture Industries	Furniture Manufacturer	\$55,099,673	0.64%
Technimark	Plastic Manufacturer	\$41,717,750	0.49%
Duke Energy Corp.	Public Electric Company	\$39,974,880	0.46%
Randolph Electric Membership	Membership Electric Company	\$39,551,919	0.46%
Goodyear	Wire Manufacturer	\$36,969,496	0.43%
Progress Energy	Public Electric Company	\$36,438,377	0.42%
Sealy, Inc.	Mattress Manufacturer	\$32,895,400	0.38%
Ramtex, Inc.	Woven Fabric	\$32,634,281	0.38%
Timken Company (The)	Bearings Manufacturer	\$32,429,655	0.38%

## Comparison of Tax Rates with Neighboring Counties

### 2006-2007 Tax Rate per \$100 Valuation

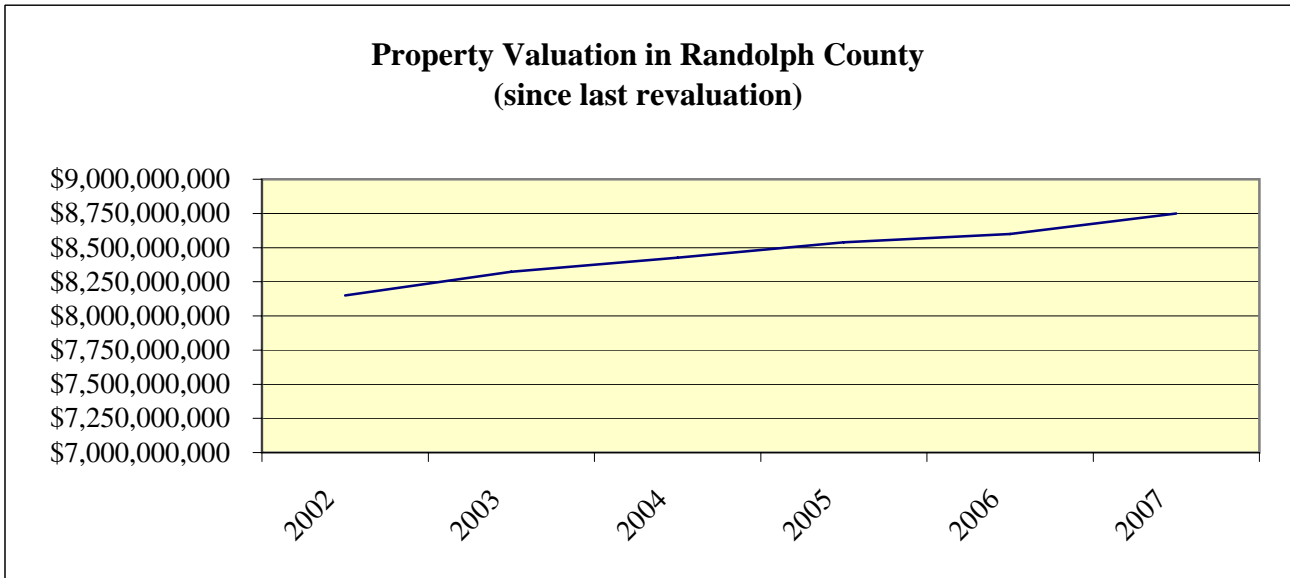
	<u>County-wide Rate</u>	<u>State-wide Rank*</u>
Moore	\$ 0.4550	11
<b>Randolph</b>	<b>\$ 0.5350</b>	24
Davidson	\$ 0.5400	27
Alamance	\$ 0.5750	32
Montgomery	\$ 0.5800	33
Chatham	\$ 0.5970	35
Guilford	\$ 0.6615	54
Forsyth	\$ 0.6660	55
Rockingham	\$ 0.6850	60
Statewide Average	\$ 0.6520	

\* Lowest Tax Rate Out of NC's 100 Counties

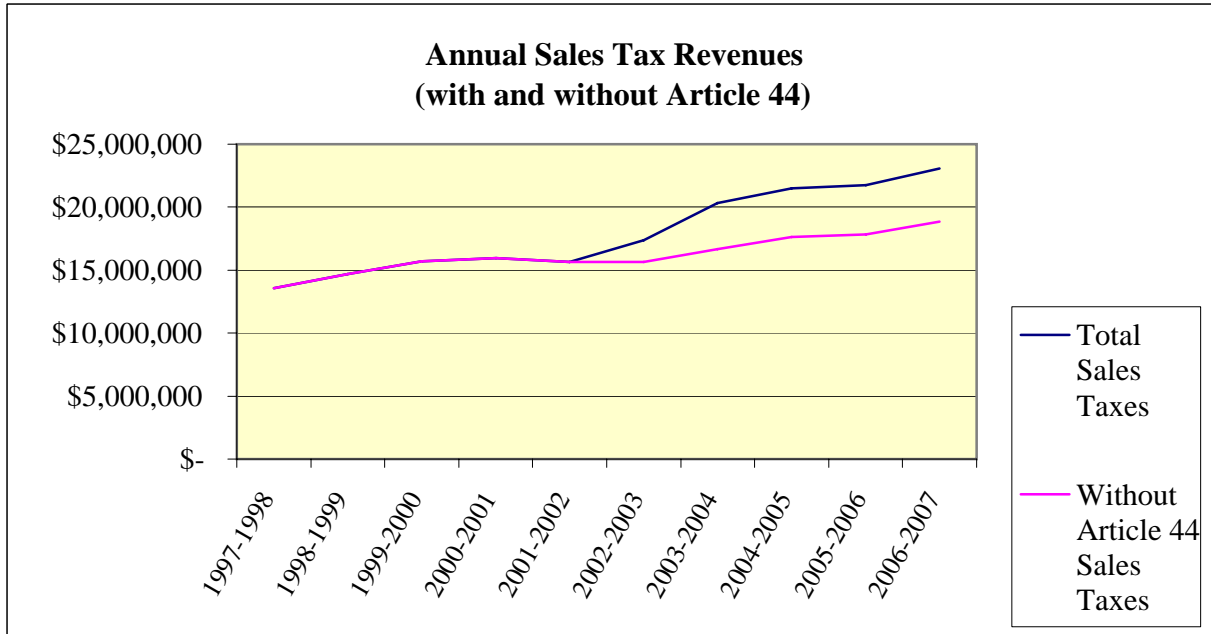


Randolph County has traditionally maintained a low property tax rate. Especially during the recent economic downturn, Randolph County has strived to keep our citizens' tax burden low. In 2006-07, Randolph had the 24th lowest county tax rate of North Carolina's 100 counties. The increase in the tax rate for 2006-07 reflects the financial impact from new debt for school construction and the County's share of operating costs in the Piedmont Triad Regional Water Authority.

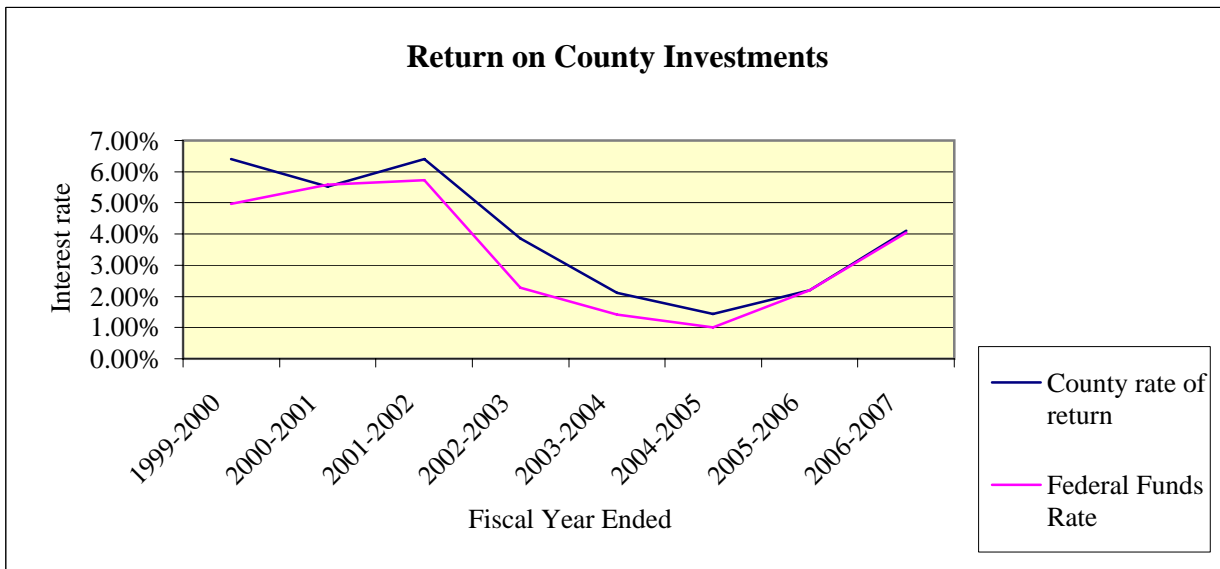
The effective tax rate equals the property tax levy divided by the estimated market value of assessed property.



Valuation of taxable property increased an average of seven percent between the revaluation years of 1993-04 and 2001-02. However, the average percent growth since the 2001 levy is approximately 1.5%. Based on projections from the Randolph County Tax Department, the 2006-07 Budget assumes estimated growth in our tax base will be 1.74%. Randolph County will have its next revaluation on 1/1/07.



Data is for actual revenues except for 2005-06 and 2006-07, which are budgeted amounts. Sales taxes are a critical financial resource to the County, making up over 20% of the total revenues available in a year. During the 1990's, the average growth rate was nearly seven percent per year. However, this revenue source remained level for several years during the economic slowdown, excluding the addition of the article 44 one-half cent tax which began in December 2002. Fortunately, retail sales have improved over the past few years. However, the rising cost of energy and gasoline are expected to have an impact next year. Compared with the 2005-06 budget, the 2006-07 Budget reflects a six percent increase; however, next year's revenues assume only 3.5% percent growth above actual 2006 collections.



For several years, the decline in interest rates reduced the amount of investment income available to the County. Because the Federal Reserve began increasing the federal funds rate steadily after June 2004, our return on investments has improved. The percentage of investment income to the total budget has decreased from approximately 2% in 1998 to 1% in 2006 to 1.6% in 2007.

## Program Revenues

Many County departments are able to generate sources of revenue through user fees or grant assistance. These revenues represent a significant resource to pay for services. The departmental budgets reflect these program-generated resources and how much they pay for service costs. However, some of these program revenues are not controlled by the County, such as the level of available state and federal grants. The most important of these are described below:

Restricted Intergovernmental - Federal and state financial assistance is often provided to local governments for restricted purposes. Often, these funds help cover costs associated with mandated services, such as health and social service assistance programs. Grant revenues have remained nearly the same over the past few years. Estimated revenues are based upon a) notification of next year's funding levels by grantor agencies or b) current year amounts.

Percent of Total Budget

2004-2005	2005-2006	2006-2007
Actual	Final Approved	Final Approved
16.84%	15.06%	15.92%

Permits and Fees - Certain services are provided due to regulatory requirements. The person being regulated is generally required to reimburse the government through a permit fee or license. Sometimes the fee is set by or is limited by statute. These fees may be used for any public purpose, although they are intended to fund the cost of regulation and are budgeted as a program revenue for the applicable department. Register of Deeds fees have remained high due to mortgage refinancings. Other permit revenues have shown little growth during the past few years. Estimated revenues for the upcoming year are based primarily upon current collection levels.

Percent of Total Budget

2004-2005	2005-2006	2006-2007
Actual	Final Approved	Final Approved
2.61%	2.59%	2.44%

Sales and Services - Certain services are provided to citizens, other agencies, or businesses upon request. The related costs can be substantially recovered by user fees, thus charging the cost to the parties which benefit from the service. The North Carolina General Statutes authorize a local governmental unit to engage in and charge for various activities. Subject to these statutes, any service that can be divisible into units and is delivered to an identifiable user may be appropriate for user fee financing. Randolph County receives reimbursements for inmate housing and school resource officers, charges for ambulance billings, solid waste tipping fees, and collections of patient fees from health services. Estimated revenues for the upcoming year are based primarily upon current collection levels.

Percent of Total Budget

2004-2005	2005-2006	2006-2007
Actual	Final Approved	Final Approved
8.30%	7.81%	7.84%