2026



2025-2026 Budget Message

RUTHERFORD COUNTY, NC

STEVE GARRISON, COUNTY MANAGER

WWW.RUTHERFORDCOUNTYNC.GOV | 289 N. Main Street, Rutherfordton, NC 28139 - *Copies of the recommended budget will be available in the Clerk to the Board's office for public review. Individuals desiring a personal copy may download a copy from the County Website, www.rutherfordcountync.gov.*

May 5, 2025

Dear Commissioners:

Please find attached the proposed budget for the fiscal year beginning July 1, 2025, and ending June 30, 2026 (FY2025-26). Attached are descriptions of our Budget Challenges/Opportunities and Budget Worksheets.

All funds in the FY2025-26 budget are balanced. A property tax rate of 56.9 cents per $100 valuation is recommended. No appropriation of General Fund Fund Balance will be required to balance the General Fund as proposed.

The FY2025-26 budget was created centered around the vision, strategic objectives and core values defined in our mission statement, which is "To foster and sustain thriving communities and improve the quality of the lives of our citizens, we will maintain public trust, cultivate strategic partnerships and create opportunities to inspire excellence through strategic decision making and sound management." The Commissioners have clearly stated in previous budget cycles that County government should serve to improve the quality of life of the citizens we serve while being good stewards of their tax dollars. The monumental task facing the Commissioners is how to ensure that we are providing exceptional service delivery across all our County Departments while continuing to support the operations and capital needs of our community partners, all within a very restrictive and conservative budget and as required by State mandates.

The extended and sustained inflation, supply chain issues, the decrease in our Sales Tax revenues, the public demand for increased fiscal support for education and public safety, etc., will continue to create unique challenges and lingering effects for the County as we begin the FY2025-2026 budget cycle. I would like to publicly acknowledge my great respect and appreciation to the Rutherford County Department Heads and our Administrative Team here at the Administration Building as we navigated through this complex budget process. Permit me to specifically acknowledge the contributions of Planning & Public Works Director Danny Searcy, IT Director Jai Doherty and HR Director Debra Conner and their teams as they expended additional time and resources pulling together information, data, and numbers from each of the County Departments to include in our Capital Facility Plan, IT Hardware/Software Plan and the departmental human resource requests. Finance Director Paula Roach and her team work extremely hard to ensure that we maintain our high credit rating, that our expenditures stay within budget and to ensure that the integrity of the handling of our finances are beyond reproach.

The recommendations contained herein are those of the County Manager. I appreciate the opportunity to serve the Board of Commissioners and the citizens of Rutherford County. I look forward to working with the Board to review these recommendations and adopt a budget ordinance for FY2025-26.

Sincerely,

Steven W. Garrison
County Manager

The proposed budget for Fiscal Year 2025-2026 is presented for your consideration. This budget is based on a property tax rate of 56.9 cents per $100 valuation that yields a budget that is within 16.64% of last year's adopted budget. This budget message is divided into several sections:

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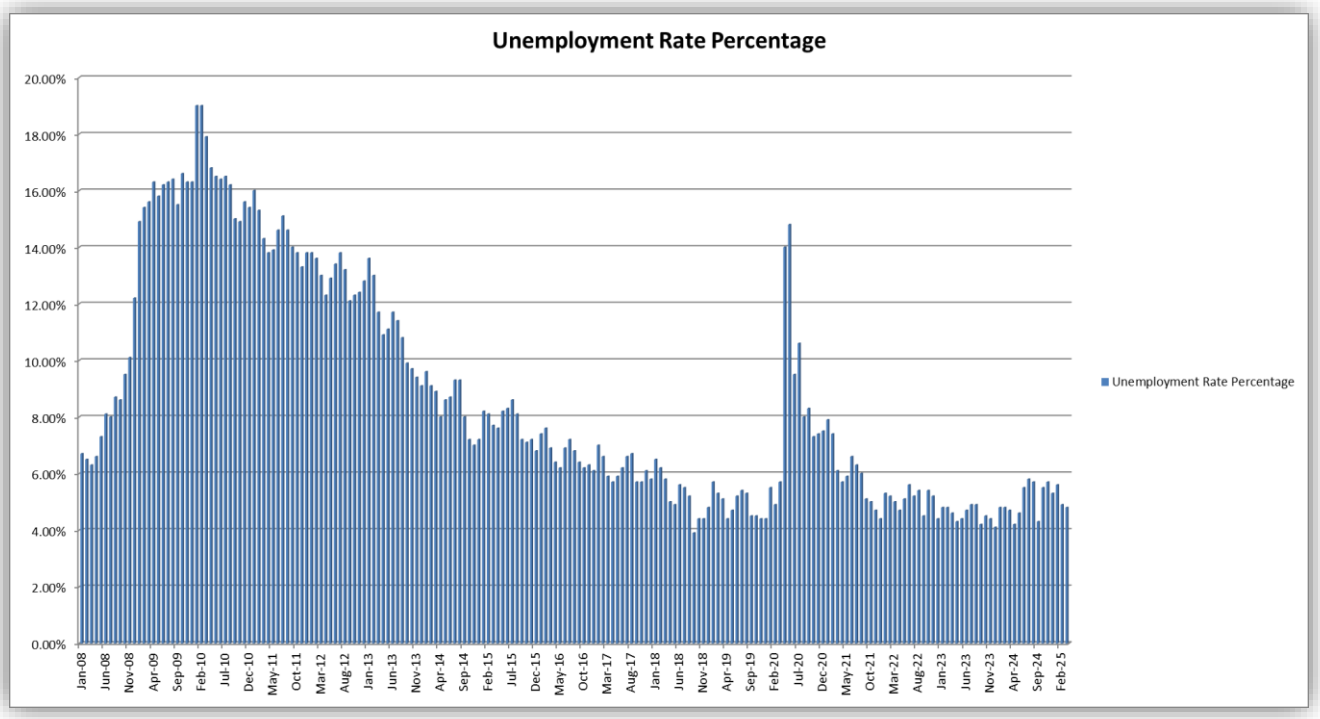
Budget Challenges/Opportunities

The FY2025-2026 budget was created to ensure that the County can continue to provide core and mandated services, support education, shift from a "living wage" to a "thriving wage" philosophy, and still make investments in economic development and quality of life projects. Rutherford County remains in good financial condition; however, the County continues to feel the effects of the economic recession that began in 2008 and Rutherford County remains a NC Commerce Tier I economically distressed county and an Appalachian Regional Commission economically at-risk county. As of March, of this year, Rutherford County's unemployment rate has dropped down to 4.8%, back down to the rates we experienced in the late 1990's. Our observation is that there are more jobs available in the county than we have had within the last two decades that pay above median income and offer benefits. However, there is much work to be done to help our available workforce to return to the job market here as evidenced by a higher unemployment rate than the State and the regional averages.



Based on information available in the North Carolina Association of County Commissioners 2024 County Map Book, Rutherford County saw a slight population increase of .6%, the first increase since 2010. The County ranks 27th highest in NC (up from 47th highest in 2023) on total taxable property per capita ($169,290), ranked 90th (an improvement over 2023's rank of 91st and 2022's rank of 93rd) in average income per capita ($42,525), 21% of our children live in poverty (ranked 52nd in NC, which is an improvement over last year's ranking of 63rd), our food insecurity rate was 18% as of 2022 (4th highest in NC and a 2% increase over 2023), and our rate of uninsured residents is 14% (ranked 65th in NC as of 2021 pre-Medicaid Expansion), which continues to demonstrate that while many of the metropolitan service areas centered around North Carolina's larger urban areas are experiencing significant growth in their revenues, the rural counties such as Rutherford County still lag behind and are not experiencing the same level of economic recovery.

There has been no significant growth in County staff levels or programs/services (apart from the federal/state mandated Medicaid Expansion and the shift from 24-hour shifts to 12-hour shifts for

EMS), yet the costs of maintaining and sustaining current operations has increased significantly. Most County department budgets have moderate increases due to continued inflation, supply chain delays and rising benefit costs primarily due to the required retirement rate and state health plan contributions. Uncertain seems to be the prevailing sentiment when it comes to the 2025 and 2026 national, state and local economies. Nationally, there may be early indicators that retail sales are slowing down, and the question remains as to whether the downturn in sales is an omen of what's to come. Consumer confidence has declined significantly in the early part of 2025 and the leading tracker of consumer confidence, the Conference Board, noted that in its most recent survey, the expectations index dropped to a 10-year low, and below the number of 80 that typically signals a future recession. A recent Deutsche Bank survey put the possibility of recession at close to 50% and a CNBC survey of CFOs found 60% of them predicting a recession in the second half of 2025, with 15% more expecting a 2026 recession. Continued, sustained inflation continues to plaque the County. The 12-month inflation for all items is currently at 2.8%. Also, growth in sales tax revenues continues to slow. Following years of pre-pandemic growth that ranged between 4 and 7% and multiple years of double-digit growth in the early 202s, we are now in the midst of the fifth year of year-over-year decline in the growth rate. Billions of dollars in Coronavirus Relief funds, American Rescue Plan Act funds, Community Development Block Grants, federal and state broadband funds, etc., have been poured into our local and state economies for going on the fifth year and these funds are reaching a point of depletion as the State, local governments, non-profits and other complete the investment of these funds for various one-time projects. Also, many of our municipalities increased or maintained their Ad Valorem tax rates to rates higher than the County's tax rate (the County reduced our tax rate by 14.3 cents to 45.4 during the last revaluation) and our fire departments did not reduce their fire district tax rates to a revenue neutral tax rate. As the County uses the Ad Valorem Sales Tax distribution model (as opposed to the Per Capital Sales Tax distribution model), this caused a shift of several million dollars from the County's sales tax receipts to the municipalities and fire districts.

The crafting of the FY2025-2026 budget takes into consideration the following impacts:

- Continued and sustained inflation coupled with continuing supply chain issues.
- Increased financial support for public education and public safety.
- For the FY2025-2026 budget, we are projecting conservative sales tax collections due to slowing growth and the expected impact of post-revaluation levies on the ad valorem distribution method calculation. In the current year, levy changes with several towns along with special districts had a negative impact on the distributions, which had levies above revenue neutral. This budget proposes a slight increase of 0.68% in sales tax collections as compared to current year budget as levy increases with those agencies were not as significant this year.
- There are a lot of uncertainties as to the short-term and long-term impact of Hurricane Helene on our local economy including our Ad Valorem property taxes, sales taxes, occupancy taxes, etc. The Revenue Department is projecting a loss of approximately $36 million in property values. The County also has in excess of $45 million of our general fund fund balance financing our debris removal (roadside and streams/rivers) and although these Hurricane Helene debris removal projects qualify for 100% reimbursement, there is no guarantee as to when the County can expect to be reimbursed by FEMA. The Tourism Development Authority is projecting a loss of approximately 40% of their occupancy tax collections in FY2025-2026 as a direct result of Hurricane Helene.
- An improving unemployment rate but still higher than the State and regional averages, higher poverty rate, a higher demand on health and human services and a quickly evolving and increasingly competitive regional local government job and wage market.

The FY2025-2026 proposed budget (General Fund, including DSS) is $94,273,625, an increase of 16.637%. The primary increases consist of the following: continued employee benefit costs including salary adjustments to enhance staff retention and recruitment efforts, significant increase in general operational costs, and critical information technology and building needs for the County. The FY2025-2026 funding request from the Rutherford County School system (RCS) exceeds the current fiscal year local county funds allocation by $6,993,746 million (38.07%). Challenges that RCS has faced in recent years includes decreased Average Daily Membership funding from the State, the expiration of temporary Elementary and Secondary School Emergency Relief Fund (ESSER) funds, special education funding shortfall, escalating personnel costs, and an increase in critical capital outlay needs and technology. The FY2025-2026 funding request from ICC operations of $3,263,017 exceeds the current fiscal year allocation of local county funds by 7.806%. ICC also requests $8.099 million in capital outlay, which includes $4 million for their new Health & Science building.

For Ad Valorem taxes, we are required to use a rate not to exceed the previous year's tax collection rate (of 98.27%) instead of the current projected collection rate.

The County Planning and Public Works Department has identified in excess of $1,290,077 in critical/urgent repair and renovation needs for county facilities and properties. This budget proposes expending $299,500. The Information Technology Department has identified $662,800 in critical/urgent needs across all departments. This budget proposes expending $626,377.

An additional budget impact for FY2025-26 includes an increase of the budget contribution from Rutherford and McDowell counties contributing to the regional Foothills Health District (an increase of $48,224 or 5% for Rutherford County). No increase in the dues and Rural Planning Organization (RPO) fees for the County's Council of Government, Foothills Regional Commission. Dues and RPO fees are expected to remain the same as budgeted for in FY2024-2025 at $39,654 and $10,078, respectively.

County funds are distributed categorically as demonstrated on the following pie chart.

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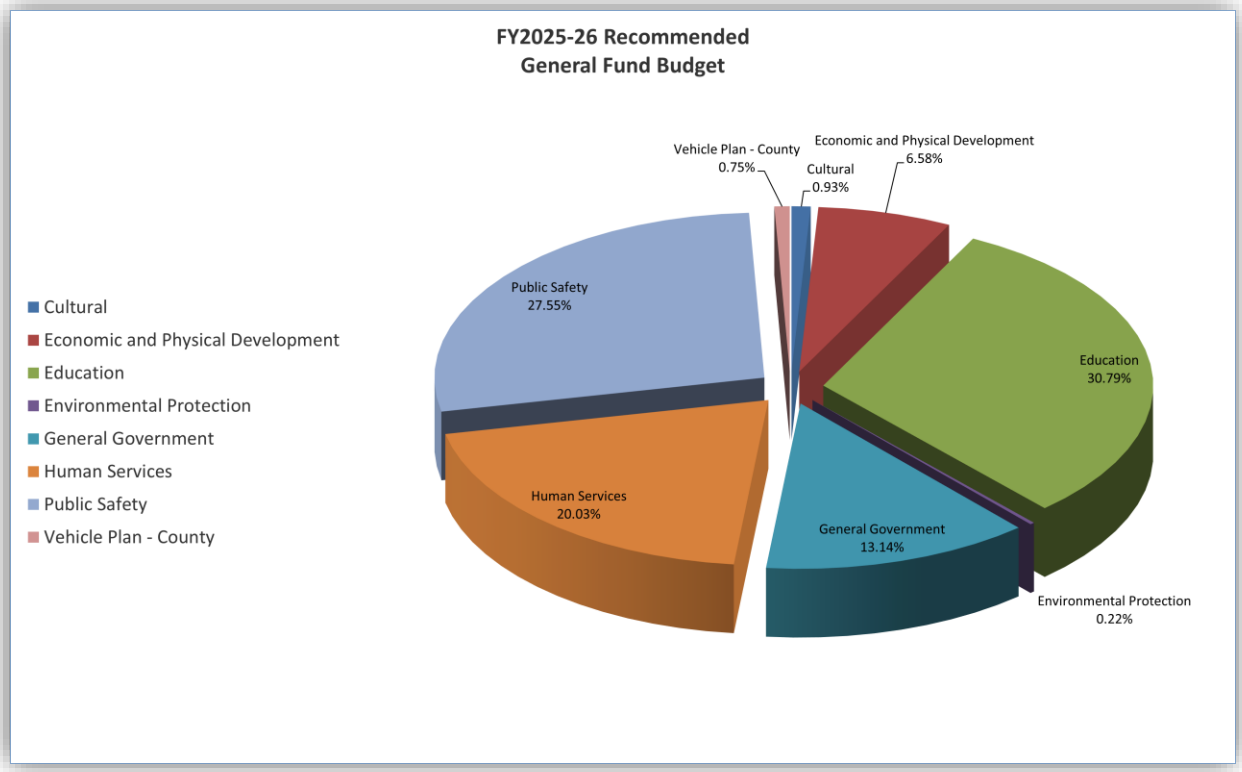
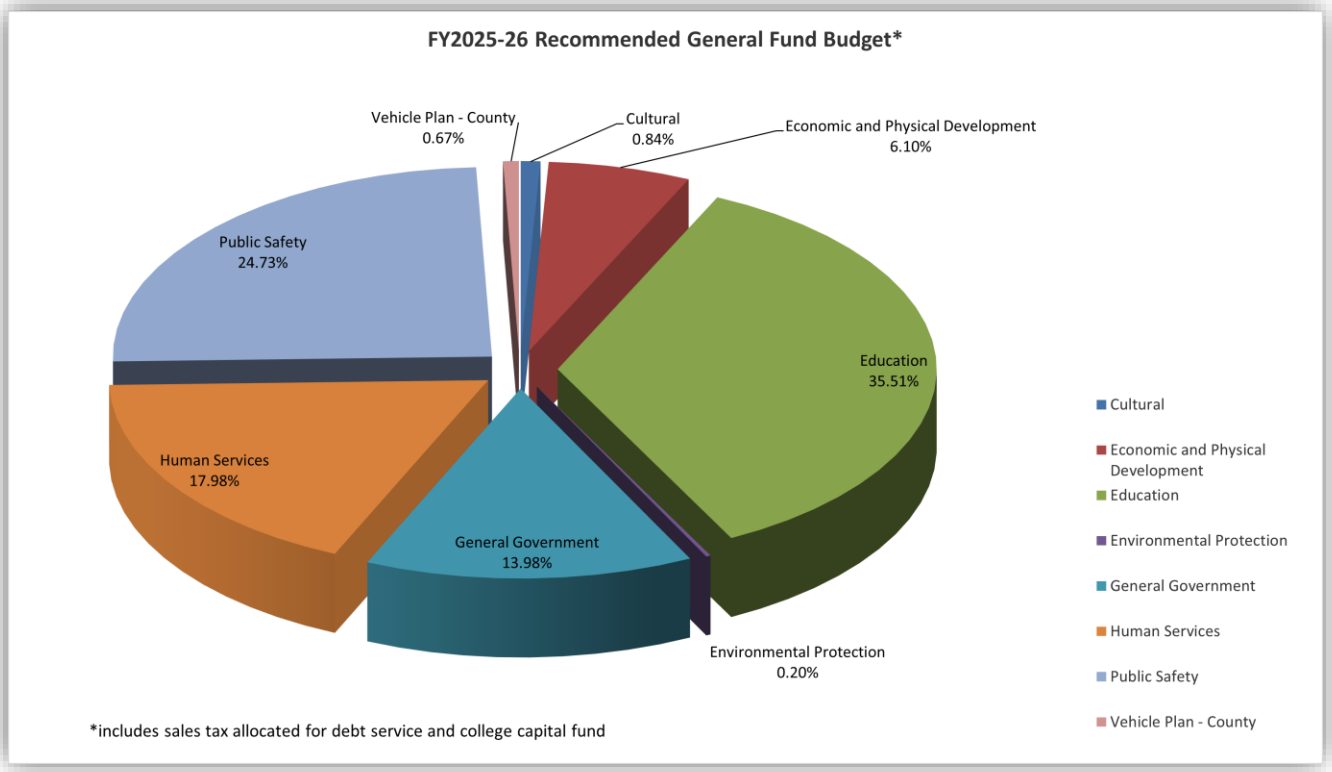


The top three are Public Safety at 27.55%, Education at 30.79%, and Human Services at 20.03%. The Human Services number is a bit misleading, however, as approximately 63.39% of the tax dollars used to support Human Services is reimbursed through State, Federal and grant sources leaving approximately 36.61% to be covered by county dollars.



The county continues to cover the gap in funds available for capital facility debt service for education. This is primarily due to the legislative reduction in lottery funds, the recession-based reduction in sales tax contributions, which directly impacts Articles 40 & 42, and the legislative elimination of the ADM Corporate Sales Tax. Lottery distributions have resumed as of March 2022 as a result of the change in legislation which previously penalized those with a NBPSCF grant. Lottery distributions are based upon ADM and is approximately $500k annually. The County also utilizes $1.7 million of the new quarter cent sales tax to help fund critical school capital and debt service and appropriates $821,310 from the Debt Service Fund for critical school facility projects from available critical education fund balance. If we add in the portion of county funds used to supplement the school construction debt service, approximately $1,631,725, education (RCS and ICC) makes up approximately 35.51% of the appropriated county funds. The funds in the debt service fund are critical for the County to be able to move forward with much of the critical County, court system and education critical facility needs.

Budget Trends

Attached please find Appendix A which shows the changes in revenue expenditures and fund balances over the last ten years.

General Fund Balance

The County began FY2024-25 with $47,720,255 in unassigned General Fund balance. During the current fiscal year, the County budgeted $6.96 million of fund balance. Below are major uses of fund balance:

- $3,404,444 of approved projects or restricted funds such as donations from the prior year that were carried forward;
- $380,000 for inmate housing costs;
- $160,000 for inmate medical costs;
- $319,665 for county share of DSS foster care programs;
- $56,400 for feasibility study; and
- $200,000 for modernization of the detention center elevator.

An additional budget amendment will be needed before yearend for inmate medical costs. Although, fund balance is budgeted, through conservative spending by our departments and higher than anticipated sales tax and ad valorem tax collections, it is anticipated that the County's fund balance will be reduced by slightly less than $4.74 million budgeted during FY2024-2025 when all carried forward projects are completed.

The proposed FY2025-2026 fund balance available for appropriation is estimated to be 61.19%, which is slightly higher than the range for North Carolina counties with general fund expenditures of less than $100 million (51.79% based upon FY2023 information) and above the informal management goal of 20%. Also, it exceeds the minimal 8% recommended by the Local Government Commission. The current year's budget included an appropriation of Fund Balance from the General Fund of approximately $2.4 million to balance the budget. Through prudent and conservative budgeting during recent years, the County has the flexibility to utilize the reserves when needed such as this current year. Appendix B shows the Fund Balances of the General Fund and other Governmental Funds over the last ten years.

It is imperative that the County retain optimal levels on the Fund Balance of the General Fund. The County assumes the capital outlay debt service financing for the County, RCS, ICC and the court system, a responsibility not required of our county municipalities. RCS and ICC do not have taxing authority and these public institutions cannot secure debt service financing for capital building and facility projects. The state requires the County to provide facilities and infrastructure for the North Carolina justice system staff (i.e., Clerk of Court, District Attorney, Public Defenders, Probation and Parole and Juvenile Justice offices). Reducing our Fund Balance creates high risk during the lean economic years when these funds are needed to maintain our joint operational expenses, capital expenses and debt service.

The primary reasons for maintaining a prudent level of financial reserves are to:

- **Plan for contingencies**. Because of the volatile revenue sources such as property and sales tax, governments will always face challenges when it comes to matching planned revenues with actual expenditures. Local events, such as the closure of a major employer, can also negatively affect revenue. Finally, extreme events such as winter storms or hurricanes can increase operating and/or capital costs. Reserves can be used to make up these temporary shortfalls. And as we have discovered, having a strong fund balance permitted us to cover millions of dollars of Hurricane Helene relief and recovery projects including debris removal without having to secure state or federal loans. Our strong fund balance also permitted the County to move forward with the debris removal contract earlier than many other impacted counties since it is a large reimbursement-based FEMA project. It is also critical that we maintain a strong fund balance until we are able to see what the impact of Hurricane Helene will have on our ad valorem taxes (we anticipate losing over $36 million in value), our sales taxes, and our occupancy taxes. As some of our municipalities and fire departments did not go to a revenue neutral tax rate during the last revaluation and the County lowered our tax rate in excess of 14 cents, we are losing in millions of sales tax dollars each budget year to these municipalities and fire departments that the County used to receive, which we used primarily to fund education. It is also critical that we maintain a strong fund balance recognizing that it will be necessary for the County to draw these funds down to supplement our annual budgets each year until the next revaluation year for designated, one-time capital expenditures. It is also critical that we maintain a strong fund balance until we determine what the actual construction/renovation costs are going to be for the fourth courtroom, the detention center capital project and the renovation of the 6th grade building/cafeteria for the Sheriff's Office. We currently intend to apply our State legislative appropriations and ARPA funds for these projects but as we continue to struggle with high inflation and supply chain issues, we anticipate these projects coming in well over current budgeted amounts. The County must also maintain a strong fund balance due to the financing/debt service the County carries for the County, RCS and ICC and debt payments must not be missed due to cash flow issues; if so, there are repercussions from both the Local Government Commission and the rating agencies.
- **Maintain good standing with rating agencies.** Bond rating agencies consider an adequate level of reserves a sign of creditworthiness because it enhances a government's ability to repay debt on time and in full. This is critical as the County continues to evaluate current and future capital facility projects not only for the County, but for the school system, community college and justice system as well. It is critical that the County maintain fund balance reserves at the optimal recommended percentage to protect the County's credit rating and to obtain lower interest rates on borrowings. Immediately following Hurricane Helene, many impacted counties were put on credit watch by a rating agency. The County had to provide additional information documenting daily operations and debt service requirements would not be impacted by the cash flow demands

placed on the County for cleanup. Debris contracts were secured, and the County has been able to pay invoices without compromising daily operations while awaiting FEMA reimbursements due to fund balance reserves.

- **Avoid interest expenses**. Cash reserves may be used rather than debt to fund appropriate capital projects and repairs to facilities when needed.
- **Serve as a cash flow management tool**. Reserves can be used to cover times of the year that normally experience low levels of cash. Ad valorem property and vehicle taxes make up the majority of County revenues and come in primarily during early fall and late December; it is important to maintain sufficient fund balance to cover county expenditures for up to 4-5 months along with the monthly distributions of operations funds to the school system and community college. Also, maintaining a healthy fund balance level ensures that the County avoids LGC warnings. While the LGC recommends a minimum of 8% available fund balance for cash flow purposes, the LGC looks at a multitude of factors to evaluate a local governments financial wellbeing including % of fund balance available for appropriation, credit rating, indebtedness, over-appropriation of fund balance for ongoing/recurring expenses, effective tax rate, ability to pay obligations in a timely manner, etc. Ongoing use of fund balance to operate or significant decreases to fund balance will prompt LGC action and monitoring.
- **Maintain a fund balance available for appropriations comparable to similarly situated counties.** Due to the fact that County governments have taxing authority and can incur debt service for capital projects, the LGC encourages counties to maintain a fund balance comparable to similarly situated counties (e.g., population, tax base, operational budget, etc.) that ensures the County has adequate funds to maintain operations for several months if necessary (8% fund balance would only cover our operations for one month), that we have sufficient funds to cover our current debt service, that helps protect our credit rating and obtain lower interest rates on borrowing (which is critical when we do incur new debt service financing for new capital outlay projects), that we have sufficient reserves to provide cash flow during periods of declining revenues, and to ensure we have sufficient reserves for emergencies and unforeseen expenditures for the County and/or the education systems we financially support. The Local Government Commission does consider fund balance available in the development of its annual Unit Assistance List and if a county or municipality has a fund balance available that is significantly below that of its peers (similarly situated counties, which is it was over 52% for FYE2023 and has been trending upward as counties face more uncertainties from “unprecedented” events that seem to be occurring more regularly), and/or is trending lower over time, the County would risk being added to the LGC’s Unit Assistance List and they would receive a Financial Performance Indicator of Concern (meaning that the County did not meet the minimum requirement for fund balance available). The County could also end up on this list if the LGC discovers that our fund balance available is trending down because it is being used to cover ongoing, recurring operational expenditures and/or if there is an over-appropriation of our available fund balance. At the end of the day, if our available fund balance was used to cover the ongoing, recurring operational expenses of our funded community partners, this could only be sustained for a brief period of time as our fund balance is basically the County’s “savings” account. But then once our fund balance is depleted and we are unable to adequately replenish it, then the Commissioners would have to consider a tax rate increase or greatly reduce services and programming. This would also place us on the LGC’s distressed Unit Assistance List, we would not be able to maintain our good credit rating and we would not be approved by the LGC for any financing for capital outlay projects.

NOTE: The County’s General Fund Fund Balance has been positively impacted by outside influences including Federal funds through the CARES Act and ARPA during the COVID-19 pandemic and State

Legislative Appropriation Grants. At this time the following projects were able to move forward without the use of County funds or without having to incur debt and several others are pending (see Appendix D):

- The new Government Services Center (former BI-LO) - State Legislative Appropriation Grant (approximately $9 million of the $20.1 million grant) and ARPA Enabled Funding
- The new Animal Control Center-State Legislative Appropriation Grant and ARPA Enabled Funding
- Two new river access parks on the Broad River (Hwy. 221 and Hwy. 221A) – NC DEQ Grants and TDA funding
- The acquisition and renovation of the old R-S Middle School 6th grade building and cafeteria for the Sheriff's Admin office and evidence storage- ARPA Enabled Funding
- The renovation and upgrading of the Sheriff's Office and detention center State Legislative Appropriation Grant of $10 million
- The addition of a new, fourth courtroom and District Attorney suite – State Legislative Appropriation Grant of $3.1 million.
- A new soccer complex – State Legislative Appropriation Grant of $2.5 million, TDA funding and RHI Legacy Foundation for the remainder of the $12+ million project
- New Sheriff's Office vehicles, ambulances, new public safety equipment including the viper radio project – restricted ARPA funding (portion of the $3.1 million available)
- By utilizing a portion of the $10 million ARPA Enabled Funding, significant progress has been made to address the replacements of old generators, H/VAC and boiler systems, parking lot pavements, and other capital facility projects that had been postponed for the last decade.
- a full EMS base renovation, power load stretchers and oxygen regeneration stations for EMS – State Legislative Appropriation Grants and Federal Grant
- New DSS Child Protective Services Lighthouse facility – Dogwood Health Grant.

Along with Federal and State Grants received for the above-mentioned projects, many of the County departments received additional funds during the COVID-19 epidemic that helped to supplement and often displace the use of local funds allowing County funds to be placed into fund balance for future needs. County staff worked diligently to use this once in a lifetime funding stream from the Federal government for capital projects and improvements and address items from the Capital Facilities Plan that had been there for a decade.

The County maintains a good credit rating due to the management of our budget and Fund Balance, which is needed to maximize our financing opportunities and to secure competitive bids on capital projects. Currently, the total county facilities debt outstanding is $31.49 million (County - $1,041,998, RCS - $27,353,170, ICC - $2,686,177, water/sewer infrastructure - $407,140) and the total debt service set aside for FY2025-2026 is recommended at $10,749,933. This reinforces the County's position that it is critical that we retain optimal levels on the Fund Balance of the General Fund to withstand economic downturns such as those currently faced.

Each year, the County "carries forward" certain grants and other projects incomplete as of fiscal year end. The multi-year projects/carry-forward items will be amended in the FY2025-26 budget after July 1 with their June 30th balances. Examples include NC Department of Commerce Industrial Development and Building Reuse Grants, public safety grants, capital projects, other multi-year projects such as County and School Capital Project Funds and remaining proceeds of the Vehicle Replacement Fund and ARPA Enabled Projects for items not yet delivered.

County Debt Service

Rutherford County debt obligations are shown below.

Source: Rutherford County Annual Report, June 30, 2024

Rutherford County, North Carolina
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Fiscal Year	Population in thousands (Estimated)	Governmental Activities					Business-type Activities	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
		General Obligation Bonds	Installment Purchase (1)	Leases	IT Subscription Liabilities	Revolving Fund - DENR	Installment Purchases			
2015	67	3,582,000	39,250,742			198,840	188,098	43,219,680	2.30%	645
2016	67	3,233,000	34,628,775			182,270	69,630	38,113,675	1.97%	569
2017	67	2,884,000	37,256,012			165,700	114,808	40,420,520	*2.03%*	603
2018	67	2,272,955	32,785,539			149,130	651,174	35,858,798	*1.91%*	535
2019	67	1,930,955	27,713,219			132,560	847,557	30,624,291	*1.58%*	457
2020	67	1,591,955	43,502,373			115,990	831,682	46,042,000	*2.31%*	687
2021	64	1,261,955	37,827,149			99,420	477,678	39,666,202	*1.61%*	620
2022	64	933,955	32,404,469	115,133		82,850	156,980	33,693,387	*1.23%*	526
2023	64	677,000	27,973,982	139,503	286,124	66,280	-	29,142,889	*1.05%*	455
2024	64	525,000	37,913,872	69,189	286,552	49,710	378,932	39,223,255	*1.36%*	613

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Includes certificates of participation, private placement debt and vehicle/equipment installment purchase.
(2) See the Schedule of Demographic and Economic Statistics, Table 13, for personal income and population data.

General Property Tax Rate

The Property Tax Rate is recommended at 56.9 cents per $100 valuation. Each penny of property tax revenue is equal to $1,105,872 (net of incentives $1,026,602).

Tax Collection

As of June 30, 2024, the County audit reflected a collection rate of 98.27%, slightly lower than 98.83% as of 2023, of real estate property tax levy. The State average is 99.19%, which is the short-term target for the Revenue Department. Each percentage of unpaid delinquency is equal to $640,319 in FY2025-26.

By State law [GS 149-113(b)(6)] the County may only budget property tax revenues based upon the prior fiscal tax collection. Even though the FY2025-2026 levy is $64.03 million, the FY2023-24 tax collection rate of 98.27% is the maximum allowed rate to be used for budget purposes. Therefore, the property tax revenues are only budgeted at $62,924,143.

We are currently projecting a June 30, 2025, collection rate of approximately 98.5%. As of May 2, 2025, the real estate property tax collection rate was 97.28%.

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Rutherford County, North Carolina
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2024	$ 56,426,161	$ 55,420,285	98.2	$ -	$ 55,420,285	98.2
2023	52,779,243	52,145,576	98.8	385,946	52,531,522	99.5
2022	51,801,268	51,124,036	98.7	432,721	51,556,757	99.5
2021	51,214,237	50,480,760	98.6	540,788	51,021,548	99.6
2020	50,503,804	49,426,788	97.9	895,760	49,426,788	97.9
2019	45,227,869	44,317,085	98.0	755,846	44,712,896	98.9
2018	42,603,043	41,592,341	97.6	880,275	42,207,137	99.1
2017	41,700,452	40,529,750	97.2	1,052,622	41,356,731	99.2
2016	41,030,225	39,779,746	97.0	1,139,736	40,731,372	99.3
2015	40,734,335	39,178,470	96.2	1,465,958	40,493,456	99.4

(1) Includes general fund and special districts.

Source: Rutherford County Revenue Department

Source: Rutherford County Annual Report, June 30, 2024

Other Property Taxes

Based upon budget submissions by the County Service Districts, the rates for Fire Protection, Sanitary and Water are shown for each district. Following the national trend of the difficulties that all emergency services and public safety organizations (e.g., Sheriff's offices, police departments, EMS, Emergency Management and fire departments) are having recruiting and retaining volunteers and staff, many of our local fire departments are having to evaluate strategies to address this.

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County Service District - Fire Service	FY 25-26 Assessed Value	FY24-25 Budget Amount	FY24-25 Tax Rate	FY 25-26 Budget Request	Tax Rate Needed to Fund FY25-26 Budget
Bill's Creek	$ 573,733,577	$ 559,448	0.075	$ 607,734	0.085
Bostic	$ 266,607,344	$ 345,974	0.100	Not yet received	
Broad River	$ 7,433,419	$ 16,597	0.160	$ 15,705	0.160
Cherry Mountain	$ 337,049,177	$ 529,958	0.120	$ 552,904	0.130
Chimney Rock	$ 69,313,994	$ 69,908	0.050	Not yet received	
Cliffside	$ 776,919,278	$ 925,093	0.090	$ 1,017,467	0.100
Edneyville	$ 2,648,529	$ 3,553	0.120	$ 4,959	0.120
Ellenboro	$ 662,841,272	$ 835,861	0.100	Not yet received	
Fairfield	$ 13,415,870	$ 17,243	0.100	Not yet received	
Forest City *	$ 22,137,546	$ 29,338	0.110	$ 32,382	0.110
Green Hill	$ 415,824,940	$ 475,712	0.090	$ 476,310	0.090
Hudlow	$ 563,284,948	$ 736,223	0.100	Not yet received	
Lake Lure	$ 12,076,388	$ 17,812	0.110	$ 17,531	0.090
Outside Response Area	$ 269,348,411	$ 240,745	0.045	Not yet received	
Polkville	$ 77,408,204	$ 74,340	0.080	$ 79,624	0.080
Rutherfordton	$ 504,565,903	$ 691,665	0.110	$ 716,462	0.110
Sandy Mush	$ 643,347,537	$ 906,570	0.120	$ 996,341	0.120
Shiloh Danieltown Oakland	$ 849,846,565	$ 877,534	0.080	$ 876,556	0.080
Shingle Hollow	$ 222,125,336	$ 376,152	0.130	Not yet received	
Spindale	$ 23,025,400	$ 26,049	0.100	$ 29,253	0.100
Union Mills	$ 303,456,482	$ 238,400	0.060	$ 607,734	0.085

Cliffside Sanitary Service	$ 11,387,871	$11,487	0.080	Not yet received	

Sales Tax Revenues

The current economic conditions have made forecasting sales tax for next fiscal year as well as the current quarter extremely unpredictable. Fortunately, sales tax has remained strong despite challenges in the economy the past few years. For the upcoming year, a slight increase of 0.68% as compared to the FY2025-26 budget. Actual has been projected as sales tax growth has slowed and the distribution was impacted by the town and fire districts which increased levy due to rates being set higher than revenue neutral by most (since Rutherford County is an ad valorem distribution county).

Sales Tax Projection as of April 15, 2025

	BUDGET 2024-2025	Actual/Projected 2024-2025	2024-2025 VARIANCE (Budget/Actual)		RECOMMENDED 2025-2026
Article 39	7,368,718	7,473,419	104,701	1.4%	7,473,419
Article 40	4,479,713	4,609,422	129,709	2.9%	4,609,422
Article 42	3,555,472	3,593,340	37,868	1.1%	3,593,340
Mun H.H. 42	(143,569)	(174,177)	(30,608)	21.3%	(174,177)
Mun H.H. 39	(1,296,624)	(1,443,977)	(147,353)	11.4%	(1,443,977)
Total	$ 13,963,710	$ 14,058,027	$ 94,317	0.68%	$ 14,058,027

Effective October 1, 2018, Rutherford County began collecting the Article 46 sales tax following the successful referendum in May 2018. These proceeds will be used for education-related capital facility needs. For the upcoming year, it is expected these proceeds will be $2.4 million. The recommendation is to transfer $500,000 to the College Capital Fund (for a total of $700,000 when combined with their other allocations) to address their identified critical capital facility needs and the remaining $1.7 million to be set aside for school debt service. For fiscal year 2026, it is also recommended to appropriate $1.8 million of Debt Service Fund fund balance related to Article 46 sales tax with $1 million transferred to the College Capital Fund and $821,310 to the General Fund for School Capital Projects for critical capital facility projects.

Based upon prior Board policy, the School Capital Account portion of the Debt Service Fund is expected to have a balance of $11,488,575 at the end of FY2025-26 as presented in Appendix C.

The County must pay the current debt service for school capital facilities regardless of the availability of lottery funds or the appropriation of Article 40 and Article 42 Sales Tax funds. Revenues from these funds are not sufficient to cover this expenditure, which requires the County to supplement with additional non-education related Sales Tax revenues. Debt service is shown as contra accounts within multiple sales tax revenue accounts within the General Fund Budget. The Sales Tax allocated to the School System is recorded as revenues in the Debt Service Fund. Currently, the amount of county funds appropriated to school system debt service is $1,631,725 above the available funds from the school systems lottery allocation and their appropriation of Article 40 and Article 42 funds.

It is estimated lottery proceeds based upon the current ADM will be $500,000 annually. In 2013, the State Legislature deleted the statutory formula of Education Lottery revenues for school capital construction. The amount remained the same in FY2013-14 as the prior year, but state school construction funds are now subject to the appropriations process without statutory protection. All Education Lottery proceeds received by Rutherford County shown in the Debt Service Fund are pledged to pay school debt. If Education Lottery proceeds decrease, as has been proposed in prior Legislative sessions, then General Fund transfers to the Debt Service Fund will need to increase. The Board of County Commissioners has approved resolutions in 2016 and 2017 advocating that the North Carolina Legislators reinstate the county allocations of lottery funds for school capital facility needs as originally designed.

NOTE: *Any reduction by the General Assembly in Education Lottery Funds allocation will require an increase in County General Fund expense to pay school debt. The General Assembly now allocates $100 million to statewide school capital construction which has remained capped for over a decade. The County continues to advocate that funds should not be capped and should be allocated based upon growth of the lottery proceeds available.*

K-12 Education and Isothermal Community College

In FY2016-2017, increased allocations for the schools and the college were primarily funded by the new sales tax distribution as a result of the NC 2015-17 budget bill (Session Law 2015-241). This article 44 sales tax distribution (GS 105-524) is projected to be $1,724,751 for Rutherford County for FY2025-2026. These additional proceeds distributed to the County are restricted to be used for only education or economic development purposes. ICC capital set aside funds were increased to an annual allocation of $200,000 in FY2016-2017 utilizing a portion of these funds. The remaining article 44 sales tax is allocated to the school's current expense and capital needs.

Isothermal Community College met with the County Commissioners on April 22nd to present their formal FY2025-2026 budget request.

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EDUCATION FUNDING

	FY22-23 Approved	FY23-24 Approved	FY24-25 Approved	FY24-25 Requested	FY24-25 Recommended
County Depts. excluding Schools/College	$46,138,545	$48,946,605	$53,835,162	$63,025,781	$58,115,669
Public Schools *Current Expense*	16,655,820	16,655,820	17,368,689	23,541,125	20,307,265
Public Schools SROs School Resource Officers*					1,619,017
Public Schools Local Teach Supplements					2,020,000
Schools *Capital Outlay*	1,000,000	1,000,000	1,000,000	1,821,310	1,821,310
Isothermal College (ICC)	2,757,438	2,922,884	3,026,755	3,263,017	3,263,017
ICC *Capital Outlay*	600,000	700,000	700,000	8,799,250	1,700,000
Economic Incentives	5,674,697	4,064,995	3,619,041	5,443,853	5,153,533
Other	2,658,111	3,378,513	2,166,160	2,042,951	1,973,814
Total	**$75,484,611**	**$77,668,8**	**$81,526,507**	**$107,237,287**	**$95,973,625**

***includes additional $405,157 for (5) new SROs.*

Special Appropriations and Other Expenditures

The County received requests from several new non-profit agencies requesting consideration for funding for FY2025-26. Although we recognize these agencies as good community partners who provide critical services to our citizens, the proposed budget does not recommend funding all of the submitted requests. The recommended budget provides for capital outlay funding for the KidSenses "The Factory" project and the Symphony of Rutherford County for their new practice hall, which we anticipate that this will be the last budget year the County will contribute to these projects and holds existing non-profit funding recipients at current year levels.

Foothills Health District

The Foothills Health District operational expenditures for the Foothills Health District continue to outpace the revenues for this agency and they continue to see declines with their Medicaid cost settlement funding. To help with these shortfalls, the Health District has requested a total increase of $48,224 (5% increase – 4th year of the new five-year plan). The previous five-year plan was 15% increase annually. The proposed budget appropriation to the Health District is $1,012,692.

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Salary Adjustment

The recommended budget includes a 4% COLA effective with October 2025 payroll. We are continuing to sample the regional job market for comparable positions and sampling indicates that we continue to fall below the market for staff compensation across the region, which is drastically impacting our staff recruitment and retention efforts. Looking at the full spectrum of all County positions, we find some positions earning above the regional market rate for comparable positions and duties, some that are right at the regional market rate and some that are below. We believe that a 4% COLA will permit us to ensure that all of our positions are at or above market and will offer us time to further evaluate this during the upcoming fiscal year. It is critical that we adjust the wages of our employees commensurate with the cost-of-living increases and to remain competitive in the regional job market. Because so many of our County positions require various certifications, credentials and training to perform their tasks, it is important that the County receive the best return on our investments as good stewards of the County's tax dollars. As an example, the County is required to provide building and fire code inspections. Our inspectors go through a rigorous, multi-year certification process to receive building and fire code certifications as required by the State. The building code side and the fire code side require certifications in a multitude of levels, which means that until they are fully certified on all levels, the County investment per each Inspector will exceed $15,000. Whenever we have turnover, we generally hire Inspectors in a work against capacity, which means we start all over again on making investments toward these critical staff members acquiring their various state certifications. This is true for many of the DSS staff, EMS staff, Sheriff's Department staff and other departments.

Position Changes

Several position reclassifications or new positions were requested by the departments for FY2025-26. As the current revenues projected for FY2025-26 will not support most of the new positions or reclassifications that are not part of an employee's required staff certification, this budget is limited to the following. The recommended general fund budget includes eleven full-time positions including: delinquent tax specialist, custodian, sheriff investigator, five school resource officers SROs, and four EMS basics for peak time response. One temporary full-time position is recommended for the building inspections permit specialist to provide for retirement transition and training. Within the Airport Fund, one new position is recommended for an airport services technician.

Retirements

Several retirements are expected in FY2025-26 and the corresponding payouts for accrued vacations are budgeted ($20,000). This amount is included as a line item under the Human Resources Department.

Benefit Changes

No benefit changes are recommended for the FY2025-26 budget and the budget continues the split-level health coverage offered through the State Health Plan. The County pays for employee-only coverage at the 70% rate; employees may elect and pay for coverage at the 80% rate. The budget includes funding for the State Health Plan rate increase to $8,500 per employee (or a 10% increase effective January 2026) and no increase for dental insurance. The local government retirement allocation is expected to increase by 2.79% and the law enforcement officer retirement allocation is expected to increase by 3.9%.

The County property liability budget allocation is expected to increase by 9% due to increases in claim costs and reinsurance rates. Worker's compensation is expected to increase by 4.28% as a direct result of the recent salary increases.

County Facility Plan, Vehicles and Equipment

The County Planning and Public Works Department has identified in excess of $1,290,077 in critical/urgent repair and renovation needs for county facilities and properties. This budget proposes expending $299,500. The Information Technology Department has identified $662,800 in critical/urgent needs across all departments. This budget proposes expending $626,377.

9-1-1 Fund

Total revenues and expenditures are $489,700, all of which is funded through the 9-1-1 surcharge and within the guidelines established by the State. The County has successfully migrated to the NC 911 vesta phone system as part of the Next Generation 911 conversion and continues to enhance daily operations in conjunction with the NC911 Board.

***NOTE**: 9-1-1 work is severely hindered by existing law that restricts use of 9-1-1 funds only to handling phone calls and not allowing expenditures for receiving equipment such as radios and towers. In effect, 9-1-1 fees pay for a call into the 9-1-1 center but not for the call to send help. It is estimated that the County will have $432,378 in 9-1-1 fund reserves as of June 30, 2025, that it would like to use towards telecommunication improvements but cannot due to this restrictive law.*

Grant Fund/Stimulus Fund/ARP Fund

The recommended FY2025-2026 grant fund is comprised of the following continuing grants:
NC Department of Commerce Building Reuse Grant
One NC Fund Grant
Bulletproof Vests Grant
Single Family Rehabilitation Grant
NC Department of Commerce Industrial Development Fund Grant
Department of Justice Grants
Stimulus Funds
American Rescue Plan Act Funds
State Legislative Directed Grants

If the Board approves, carry over balances from FY2024-2025 grants will be re-budgeted with June 30, 2025, unexpended balances.

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Transit Fund

The Transit Advisory Board has submitted the following budget:

REVENUE	
Elderly & Handicap Funds	$ 90,525
State Grant RGP	$ 108,489
State Administration Grant	$ 271,269
NCDOT ROAP Work First Grant	$ 17,984
NCDOT 5310 Transportation Grant	$ 30,000
State Grant Vehicle Purchase	$ 589,680
State Grant Equipment	$ 8,528
RHI Legacy Grant	$ 25,000
Sale of County Property	$ 66,000
NCACC Van Lift Program Reimbursement	$ 4,500
Contribution from Outside Agencies	$ 980,000
Total Revenues	**$2,191,975**

EXPENSES	
Salaries/Fringe	$1,062,494
Operations (other than below)	$ 161,628
Capital Outlay	$ 684,025
Fuel	$ 125,000
Insurance	$ 138,828
General Fund Indirect Costs	$ 20,000
Total Expenses	**$2,191,975**

There are no County funds budgeted for Transit. The fund generates revenues from its users and from grants made by the state and federal governments. Transit will closely monitor proposed legislation and state funding, including ROAP funding.

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Solid Waste

The budget continues to fund the School Recycling Coordinator part-time position ($13,000) to promote recycling efforts in the schools. Recycling is not only the right thing environmentally for our future, it also potentially saves the County money in disposal costs.

The Solid Waste and Revenue Departments continue to work closely with private haulers to ensure citizens are charged appropriately for Convenience Site Fees. In December 2019, bids were received for waste and recycling disposal. The contract with Republic for hauling residential/business waste to an out-of-county waste collection facility (lined landfill) will be for a 7-year period with two 2-year renewal options and increases annually by 3% or indexed to CPI. The Solid Waste Department entered into a recycling contract with Curbside Management for a 7-year period with two 2-year renewal options. Increased hauling costs have added a burden to the operating budget. Convenience center hours were also reduced effective January 1, 2023, to help cover increased operating costs (closing on Wednesdays and shortening other workday hours).

The international, national, state and local recycling markets continue to show signs of deterioration, which has impacted the recycling contract costs. Since fiscal year 2021 the recycling availability (RA) fee is assessed annually on all improved properties within the County. This fee is used to operate the recycling program and to absorb the increased costs. Out of County recyclables received at the transfer station are charged $130/ton.

The Solid Waste Department has faced multiple challenges during recent years continuing into FY2025-2026, which will have an impact on our future revenue projections and will impact expenditures. Due to State and national economic impacts and legislative impacts on the electronics, textiles, metal, white goods, tires, oil and textile recycling programs, revenues have been negatively impacted as well as increased contractor/subcontractor costs, operating costs with fuel, and employee benefits.

The Solid Waste Department continues to explore strategies to ensure the fiscal sustainability of the department as an enterprise fund with a focus on the following areas:

- Establish a fee structure that is fair, equitable, and less complicated to implement and for public comprehension. The current fee structure places a large amount of the fiscal management burden of supporting the operations/management of the landfill, transfer station, and convenience centers on the property owners who live in the unincorporated areas of the County.
- Ensure that revenues are generated that support the burgeoning capital facilities, equipment, and vehicle repairs and replacement costs. This would permit the creation of an equipment replacement plan, a financial assurance plan (State mandate to cover the costs of maintenance of the old, closed landfills and set funds aside for any future landfill closures), a capital facilities plan, and a future landfill cell construction plan.

Solid Waste fees are recommended to be adjusted to the following as of July 1st, 2025: MSW Tipping Fees $80/ton (previously $76/ton), C&D Tipping Fees $70/ton (previously $66/ton), RA Fee $43/annual (previously $13), and Brush Tipping Fees would remain the same at $45/ton. It is also recommended to adjust the Solid Waste Household Fee to $190 (previously $160) and the Solid Waste Homestead Fee $95 (previously $70). An escrow account is in place for the enterprise budget to build this account up over time to cover costs for landfill cell closures.

A recap of Revenues and Expenses for the Solid Waste Fund are as follows:

REVENUES

Household/Recycling Availability Fee	$4,410,145
Tipping Fees	$2,927,992
Recycling Revenues	$ 90,000
NC DENR ($2 ton) Fees	$ 70,000
Tire Disposal	$ 100,000
White Goods	$ 30,000
Electronics Management	$ 400
Solid Waste License Fees	$ 400
Contracted Services	$ 35,000
Solid Waste Disposal Tax	$ 36,000
Total Revenues	**$7,699,937**

EXPENSES

Collections	
Salaries/Fringe	$ 796,180
Fuel	$ 100,000
Operations	$ 398,096
General Fund Indirect Costs	$ 35,089
Transfer to Vehicle/Equipment	$ 65,000
Capital Outlay	$ 80,000
Total Collections	**$1,474,365**
Disposal	
Salaries/Fringe	$ 715,864
School Recycling Position	$ 13,000
Waste/Recycling Disposal Contract	$ 2,615,120
NC DENR Fees ($2 ton)	$ 103,000
General Fund Indirect Costs	$ 105,266
Operations	$ 904,763
Capital Outlay	$ 239,809
Transfer to Vehicle/Equipment Fund	$ 798,750
Transfer to Solid Waste Reserve-Financial Assurance	$ 200,000
Transfer to Solid Waste Capital Reserve-Capital Facilities	$ 150,000
Transfer to Solid Waste Capital Reserve-Future Expansion	$ 380,000
Total Disposal	**$ 6,225,572**
Total Expenses	**$7,699,937**

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Summary of Recommended Budgets for all Funds

	Revenues	Expenditures
General Fund	$77,859,608	$77,859,608
DSS Fund	$16,414,017	$16,414,017
Airport Fund	$ 1,358,619	$ 1,358,619
Vehicle/Equipment Replacement*	$ 934,008	$ 934,008
Telephone Internal Service Fund	$ 90,688	$ 90,688
E911 PSAP Fund	$ 489,700	$ 489,700
ROD Automation Enhancement	$ 180,000	$ 180,000
Grant Fund/Stimulus Fund/ARP Fund*		
ICC Capital Reserve Fund	$ 1,700,000	$ 1,700,000
Debt Service Fund	$ 7,207,944	$ 7,207,944
Service District Funds**	$ 8,295,221	$ 8,295,221
Queens Gap Fund*		
Schools Capital Project Fund*		
Capital Project Fund – Other*		
Capital Project Fund – ARPA Enabled*		
Transit Fund	$ 2,191,975	$ 2,191,975
Solid Waste Fund	$ 7,699,937	$ 7,699,937
GRAND TOTAL ALL FUNDS	$124,421,717	$124,421,717

**Carryforward any unspent funds as of June 30, 2025.*

***Estimated total as of May 5, 2025 – updated totals will be provided once all special district requests have been received.*

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Appendix A: "Change in Fund Balances of Governmental Funds Last Ten Fiscal Years"

Rutherford County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
Revenues	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Ad valorem taxes	$ 56,044,006	$ 52,747,138	$ 52,241,332	$ 51,739,044	$ 50,333,204	$ 45,628,481	$ 43,965,348	$ 41,522,825	$ 41,009,138	$ 40,125,882
Local option sales taxes	20,924,960	21,555,057	20,292,994	19,047,383	15,734,847	15,348,484	13,051,607	13,331,022	11,122,892	10,134,926
Restricted intergovernmental	48,027,935	13,928,200	36,239,893	23,970,839	13,941,763	10,732,626	13,857,817	13,023,541	13,336,984	14,416,168
Permits and fees	1,589,125	1,439,385	1,689,360	1,526,428	1,369,557	1,122,728	1,176,793	1,022,166	1,020,999	786,701
Sales and services	6,951,996	6,478,747	5,148,557	4,730,648	4,895,532	4,368,474	4,838,662	4,738,390	4,446,218	4,018,899
Investment earnings	5,257,946	2,282,522	74,815	29,666	574,246	581,065	208,550	66,120	39,246	16,803
Miscellaneous	430,096	407,416	539,068	628,199	527,502	418,151	610,108	506,835	411,316	265,355
Total revenues	139,226,064	98,838,465	116,226,019	101,672,207	78,200,009	77,708,885	74,210,899	71,386,793	69,764,734	67,011,852
Expenditures										
Current:										
General government	9,771,175	9,087,925	8,720,882	7,798,414	7,537,347	7,390,726	7,196,011	6,571,578	6,761,457	6,321,036
Public safety	33,509,230	25,375,905	22,117,319	23,135,206	20,246,037	20,369,888	17,518,670	17,093,898	16,176,256	16,597,186
Environmental protection	180,321	167,833	178,148	152,788	159,650	159,893	147,048	155,627	142,280	133,367
Economic and physical development	5,905,910	7,090,000	8,352,280	9,613,329	11,744,645	8,285,218	12,896,595	10,452,144	10,275,103	11,064,920
Human services	18,704,979	16,670,465	16,836,158	16,136,591	15,039,955	13,994,803	12,840,852	14,889,517	14,884,684	15,134,073
Cultural and recreational	3,546,523	744,192	771,824	710,626	1,196,890	3,315,683	572,278	560,934	606,405	572,728
Intergovernmental:										
Education	29,638,783	19,995,615	19,209,389	19,068,176	21,541,026	19,243,943	17,685,604	17,099,713	17,311,313	15,792,286
Capital outlay		7,391,693	13,380,687	19,393,233	5,376,583	1,345,768	1,187,909	1,306,967	1,755,425	1,392,788
Debt service										
Principal	5,700,032	4,773,060	5,856,676	6,296,216	5,736,678	5,751,177	6,005,524	5,257,782	5,312,057	5,194,918
Interest	1,264,930	1,086,002	1,240,538	1,585,853	816,929	997,683	1,164,348	1,195,604	1,382,066	1,513,422
Total expenditures	108,221,883	92,382,690	96,663,901	103,890,432	80,854,782	77,214,839	74,583,764	74,607,046	73,716,724	71,764,808
Revenues over (under) expenditures	31,004,181	6,455,775	19,562,118	(2,218,225)	(2,654,773)	494,046	(372,865)	(3,220,253)	(3,951,990)	(4,752,956)
Other financing sources (uses)										
Transfers from other funds	2,413,648	3,861,273	21,881,506	1,241,411	4,703,136	3,898,876	2,291,827	3,292,158	228,493	437,415
Transfers to other funds	(2,413,648)	(4,211,273)	(21,881,506)	(1,241,411)	(4,703,136)	(3,898,876)	(2,391,827)	(3,417,158)	(353,493)	(562,415)
Proceeds from bond issuance	-	-	-	-	20,298,105	-	-	-	-	-
Installment obligations issued	15,300,000	-	-	376,000	983,500	471,000	1,135,931	7,791,719	640,825	2,672,803
Lease liabilities issued	237,148	502,583	299,778	-	-	-	-	-	-	-
Economic loan, net	-	-	-	-	-	-	-	-	-	100,000
Sale of capital assets	84,149	174,597	770,995	239,741	232,644	46,054	31,162	36,686	71,919	179,754
Total other financing sources (uses)	15,621,297	327,180	1,070,773	615,741	517,054	1,067,093	7,703,405	587,744	2,827,557	179,002
Net change in fund balances	$ 46,625,478	$ 6,782,955	$ 20,632,891	$ (1,602,484)	$ (2,137,719)	$ 1,561,139	$ 7,330,540	$ (2,632,509)	$ (1,124,433)	$ (4,573,954)
Debt services as a percentage of noncapital expenditures	6.44%	6.89%	8.52%	9.33%	8.49%	9.43%	8.81%	9.19%	9.28%	9.98%

Source: Rutherford County Annual Report, June 30, 2024 Statistical Section Table 4

Appendix B: "Fund Balances of Governmental Funds, Last Ten Fiscal Years"

Rutherford County, North Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	$ 853,716	$ 792,974	$ 845,684	$ 914,616	$ 1,110,811	$ 1,052,943	$ 984,996	$ 846,578	$ 714,826	$ 499,280
Restricted	8,458,609	8,164,074	8,430,124	8,470,044	7,769,204	6,623,337	8,437,266	7,481,346	5,331,125	5,017,086
Assigned	6,895,523	3,945,723	5,269,510	4,243,932	2,305,994	2,463,850	2,745,044	3,720,193	1,632,802	2,341,293
Unassigned	46,720,255	41,770,350	33,340,010	28,038,610	22,721,302	20,897,032	17,134,051	12,663,518	13,784,520	12,058,936
Total General Fund	$ 62,928,103	$ 54,673,121	$ 47,885,328	$ 41,667,202	$ 33,907,311	$ 31,037,162	$ 29,301,357	$ 24,711,635	$ 21,463,273	$ 19,916,595
All other governmental funds										
Nonspendable	$ 29,159	$ 32,221	$ 123,576	$ 135,740	$ 158,136	$ 614,585	$ 511,913	$ 621,334	$ -	$ -
Restricted	67,146,648	26,527,510	25,417,597	20,292,041	29,772,993	13,152,187	17,106,476	20,025,638	16,564,794	20,743,981
Committed	5,390,335	7,873,790	10,000,000	-	-	-	-	-	-	-
Assigned	284,593	46,718	-	846,759	572,478	-	-	-	-	-
Unassigned	-	-	4,041	(144,091)	(133,731)	(21,907)	-	-	-	-
Total all other governmental funds	$ 72,850,735	$ 34,480,239	$ 35,545,214	$ 21,130,449	$ 30,369,876	$ 13,744,865	$ 17,618,389	$ 20,646,972	$ 16,564,794	$ 20,743,981

Source: Rutherford County Annual Report, June 30, 2024 Statistical Section Table 3

SCHOOLS CAPITAL ACCOUNT - Debt Service Fund

Updated May 2, 2025

	INTEREST	SALES Tax (3% growth)	Art 46 Sales Tax	LOTTERY	PSBRRF Lottery Fds	SCHOOL REQUEST	Additional Capital	Trustee Fees	Spindale/ Ellenboro/ Chase Mid $20.1 M COP ISSUED 9/02 Refunded 2011 Refunded 2012	Rfdton Beam Property $163,750 5/17	Rutherfordton Elem $14.68M 12/07 Refunded 2013	RS Middle $17M LOB 12/2019	Transporation Facility $15M Private Placement 8/2023	TOTAL CHANGE	CAPITAL RESERVE BALANCE
FY 2023-24	359,292	4,873,745	1,700,000	500,000	768,631	(305,194)	(768,631)	(13,685)	(1,010,925)	(13,473)	(972,629)	(1,530,050)	(1,802,338)	1,784,743	6,279,557
FY 2024-25		5,019,957	1,700,000	500,000	300,000	(320,454)	(300,000)	(15,000)		(13,198)	(930,390)	(1,487,300)	(1,987,350)	2,466,266	8,745,823
FY 2025-26		5,170,556	2,521,310	500,000		(336,476)	(821,310)	(15,000)		(12,923)	(888,654)	(1,444,550)	(1,933,200)	2,739,752	11,485,575
FY 2026-27		5,325,672	1,700,000	500,000		(353,300)		(15,000)		(12,648)	(847,422)	(1,401,800)	(1,879,050)	3,016,452	14,502,027
FY 2027-28		5,485,443	1,700,000	500,000		(370,965)		(15,000)		(12,373)	(804,716)	(1,359,050)	(1,824,900)	3,298,438	17,800,464
FY 2028-29		5,650,006	1,700,000	500,000		(389,514)		(15,000)		(12,099)		(1,316,300)	(1,770,750)	4,346,344	22,146,808
FY 2029-30		5,819,506	1,700,000	500,000		(408,989)		(15,000)		(11,824)		(1,273,550)	(1,716,600)	4,593,543	26,740,351
FY 2030-31		5,994,091	1,700,000	500,000		(429,439)		(15,000)		(11,525)		(1,230,800)	(1,662,450)	4,844,878	31,585,229
FY 2031-32		6,173,914	1,700,000	500,000		(450,911)		(15,000)		(9,742)		(1,188,050)	(1,608,300)	5,101,911	36,687,140
FY 2032-33		6,359,131	1,700,000	500,000		(473,456)		(15,000)				(1,145,300)	(1,554,150)	5,371,225	42,058,365
FY 2033-34		6,549,905	1,700,000	500,000		(497,129)		(15,000)				(1,102,550)	-	7,135,226	49,193,592
FY 2034-35		6,746,402	1,700,000	500,000		(521,985)		(15,000)				(1,059,800)	-	7,349,617	56,543,209

ASSUMPTIONS:

Sales Tax:

3% increase annually in the General Fund will budget sales tax revenues equal to the revenues as projected above with Article 40 & 42 sales tax. If lottery proceeds are higher than projected in this forecast, sales tax contribution will be reduced accordingly.

NEW Sales Tax:

Beginning FYE2019 $1.2M to School Capital Account; updated FYE2022 to $1.4M; updated FY2023 to $1.6M; updated FY2024 to $1.7M

FY2026 - $821,310 Critical Education Art 46 Sales Tax Fund Balance Appropriated for Critical Projects identified in Budget Request

School Request 5% increase

The final payment on the 9/2002 COPS will be in FY 2023-24

The final payment on the 9/2005 Private Placement will be in FY 2025-2026

The final payment on the 8/2006 Private Placement will be in FY 2021-2022

The final payment on the Rutherfordton Elementary would be in FY 2027-2028

The final payment on the Rutherfordton Beam Property would be in FY 2031-2032

The final payment on the Rutherfordton Spindale Middle School would be in FY 2039-2040

The final payment on the Transportation and Maintenance Facility would be in FY 2032-2033

PSBRRF Lottery Funds:

FYE2022	$ 230,207	
FYE2023	$ 499,025	
FYE2024	$ 493,425	
FYE2025	$ 370,931	as of 4/21/2025
Interest Earned to Date	$ 67,324	
Available	$ 1,660,912	
Less:		
Security Camera Project FY24	$ (300,000)	
Chiller - East High FY24	$ (468,631)	
Chiller - Harris Elem FY25	$ (300,000)	
	$ (1,068,631)	
Available as of June 2025	$ 592,281	

School Projects Summary:

$20.1M COPs issued Sept '02 - Spindale Elem, Ellenboro Elem, and Expansion of Chase Middle.

$14.68M Dec '07 - Rutherfordton Elementary; Refinanced 2013

$163,750 May '17 - Rutherfordton Beam Property

$17,080,000 LOBs issued Dec '19 - RS Middle School

$15,000,000 Private Placement Aug '23 - Transportation and Maintenance Facility

Appendix D: State Legislative Appropriation Grants and ARPA/ARPA Enabled Projects

NC Legislative Appropriations

**no county matching funds required*

Direct Appropriations to Rutherford County

FY2022	EMS Main Station Renovations	$ 500,000.00
FY2022	Courthouse Renovation - 4th Courtroom	$ 3,100,000.00
FY2022	Soccer Complex	$ 2,500,000.00
	FY2022 State Legislative Grants to Rutherford County	**$ 6,100,000.00**
FY2024	County Capital Facilities/Equipment:	
	New Animal Control Building	$ 5,000,000.00
	New Consumer Services Bldg (old BiLo)	$ 11,000,000.00
	facility to house main library, revenue/tax office, veterans, board of elections	
	Courthouse Renovation Project	$ 1,500,000.00
	additional funds expected to be needed (with $3.1M SCIF grant received)	
	Register of Deeds - Upfits needed for relocation	$ 250,000.00
	EMS Ambulances	$ 750,000.00
	EMS Stairchair Replacements	$ 75,000.00
	Oxygen Generator with Fililing Station	$ 110,000.00
	Veterans Building - renovations for new occupants	$ 250,000.00
	Library Renovations - upfit for new occupants	$ 250,000.00
	Senior Center - window replacements	$ 250,000.00
	Senior Center - HVAC upgrades	$ 664,308.00
	County Capital Facilities/Equipment - FY2024 Grant	**$ 20,099,308.00**
FY2024	Detention Center Renovations	$ 10,000,000.00
FY2024	Sheriffs Office Equipment	$ 421,200.00
	FY2024 Legislative Grants to Rutherford County	**$ 30,520,508.00**
Totals - Direct Appropriations to County for FY2022 and FY2024		**$ 36,620,508.00**

Grants to Partner Agencies:

FY2024	Community College - Allied Health Bldg Construction	$ 30,000,000.00
FY2024	Rutherford County Schools - Athletic Facility Improvements	$ 1,200,000.00
	FY2024 Legislative Grants to Other Agencies	**$ 31,200,000.00**
Totals to County and Partner Agencies for FY2022 and FY2024		**$ 67,820,508.00**

Appendix D: ARPA Restricted and ARPA Enabled Projects

Rutherford County - Summary of Projects

ARPA Enabled Projects*

Vehicles/Equipment	Revenue Dept	$	78,000.00
Bldg Improvements	Revenue Dept	$	300,000.00
Bldg Improvements	Courthouse	$	316,258.00
Equipment/Hardware	Information Techn	$	179,000.00
Vehicles/Equipment	Garage	$	56,990.00
Vehicles/Equipment	Maintenance	$	125,051.00
Bldg Improvements	Garage	$	90,000.00
Bldg Improvements	Sheriff/Detention	$	355,000.00
Bldg Improvements	Co Office	$	85,000.00
Bldg Improvements	Health Dept	$	45,000.00
Bldg Improvements	Senior Center	$	173,000.00
Equipment	New Animal Control	$	45,400.00
Bldg Purchase/Renovation	Sheriff Admin Bldg	$	3,500,000.00
Vehicles/Equipment	Sheriff	$	269,960.00
Equipment	911 Communications	$	77,698.00
Vehicles/Equipment	Bldg Inspections	$	27,000.00
Ambulances/Equipment	EMS	$	627,303.00
Vehicles/Equipment	Animal Control	$	40,000.00
Bldg Improvements	Airport	$	50,000.00
Vehicles/Equipment	Solid Waste	$	350,000.00
Vehicles/Equipment	Cooperative Extension	$	39,000.00
Vehicles/Equipment	Social Services	$	104,000.00
Equipment	Social Services	$	41,340.00
Bldg Improvements	Social Services	$	147,000.00
Vehicles/Equipment	Senior Center	$	78,000.00
Bldg Purchase/Renovation	Library	$	2,800,000.00
		$	10,000,000.00

*utilized $10M lost revenue funds from ARPA to fund equipment and building needs to remove pressure from future budgets and use one-time revenues for a one-time purpose

Remaining ARPA Funds - $3,019,597

Broadband GREAT Grant Match Fds	Spectrum	$	1,000,000.00
Viper Radios	Sheriff	$	225,000.00
Vehicles/Equipment	Sheriff	$	270,000.00
Ambulances/Equipment	EMS	$	1,097,697.00
Water Infrastructure Project	Concord Water System	$	426,900.00
		$	3,019,597.00

Total ARPA Funds Received by Rutherford $ 13,019,597.00