

Village of Flat Rock
Budget for FY 2021/2022
Budget Message

Income

Ad valorem taxes - Property and vehicles	\$1,328,600.00
General fund sales tax	\$530,000.00
Utilities sales tax	\$209,400.00
Foundation transfers in	\$60,000.00
Alcohol tax	\$15,300.00
Permits and fees	\$7,500.00
Interest	\$2,000.00
Total Revenue	\$2,152,800.00

Expenses

Fire Protection	\$1,191,000.00
Administration	\$431,650.00
Park Operating & Maintenance	\$297,855.00
Contingencies	\$85,045.00
Foundation support	\$60,000.00
Governing Body	\$27,100.00
Community Development	\$26,500.00
Audit Services	\$15,800.00
Kudzu Control	\$7,000.00
Legal Services	\$5,750.00
Elections	\$3,600.00
Planning	\$1,500.00
Total Expenses	\$2,152,800.00

Overview

The fiscal year 2021/2022 budget is presented for consideration by the Village Council on June 10, 2022. The current tax rate of \$0.13 per \$100 of property value is retained for the new fiscal year.

Revenues

The revenue budget of \$2,152,800 compares with the 2020/2021 budget of \$2,034,615 or an increase of 5.8%.

62% of our revenues are from real and personal as well as vehicle property taxes. About 25% of revenues are from general sales tax receipts and 10% are from utility sales taxes.

The major increases were greater revenue than anticipated from general sale tax revenues. The Village anticipates receiving approximately \$510,00 in general sales tax revenues versus a budget of \$391,000.

Shortfalls included the lack of transfers in from the Flat Rock Park Foundation of \$60,000 and virtually no interest on invested funds.

In forecasting revenue for the next fiscal year, the Village relies on two sources of information. First, the Henderson County Assessor provides periodic estimates of values for real and personal property as well as vehicles. The latest estimates are used in this budget. Second, the North Carolina League of Municipalities (NCLM) provides their estimated changes for utility sales taxes and liquor tax which are used in the budget process.

Expenses

The largest expense item in the budget is for payment of fire protection services from the three fire departments with whom we contract. All three departments (Blue Ridge Fire and Rescue, Valley Hill Fire and Green River Volunteer Fire Department) kept their tax rates at the same level as the prior year. Cost increases reflect primarily new home construction that was completed, and greater vehicle purchases by Flat Rock residents. Total fire protection cost is \$1,191,000.

The second largest cost is for Village administration. Costs are relatively flat but has some physical plant improvements such as parking at the Village Hall being repaired, sealed and restriped. Administration plus contracted services and general government cost is \$431,650.

The cost to operate and maintain the Park at Flat Rock has increased as we need to replace the Park Ranger and have expenses related to the North Carolina Department of Transportation North Highland Lake Road project. Most of the costs related to the road project and for improvements to the Dye Creek which runs through the center of the park are in a separate capital project budget. There are no major park capital projects planned for next year. Total park cost is \$297,855.

There are no significant increases in other expenses although it is anticipated that as we emerge from the Covid-19 pandemic, some staff training and travel expenses will be incurred.

Nick Weedman
Budget Officer
June 9, 2021