



BERTIE COUNTY

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BOARD OF COMMISSIONERS

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TO: Bertie County Board of Commissioners, Citizens, and Taxpayers of Bertie County

FROM: Juan Vaughan, II, County Manager

DATE: May 4, 2026

RE: Proposed FY 2026-2027 Budget Plan

In accordance with North Carolina General Statutes, I respectfully submit for your review and consideration the recommended FY 2026-2027 budget for Bertie County as required by the North Carolina Local Government and Budget Fiscal Control Act.

The budget development process began with the distribution of a budget calendar, preparation forms, and instructions to all county departments, groups, and agencies that receive funding from Bertie County. If all budget requests submitted for FY 2026-2027 were funded, a tax increase of approximately forty-one cents would be required with no use of fund balance reserves.

The proposed funding for the General Fund for FY 2026-2027 is \$24,457,918 which is a decrease of \$492,195 or 2% below the original budget ordinance for the current year (FY2025-2026), which is \$24,950,113. The proposed General Fund budget does not include a fund balance appropriation. There is no proposed increase in the County's general property tax rate of \$0.93 per \$100 valuation. A fire protection service tax district was established for all unincorporated areas of Bertie County and the towns of Askewville, Aulander, Colerain, Kelford, Lewiston-Woodville, Powellville, and Roxobel effective July 1, 2023. This single, unified fire protection service district finances, provides, and maintains fire and rescue services in the district. The Board of Commissioners levied additional taxes of \$0.0372 in this service district to replace the historical General Fund appropriation used to fund fire departments.

The proposed budget is largely comprised of recurring operational expenditures that ensure the continued delivery of core County functions and services. Several capital requests have been requested but, unfortunately, were not recommended in the proposed budget for FY 2026-2027 due to increases in health insurance coverage and retirement costs, and decreases in projected revenue.

For the fiscal year ending June 30, 2017, the appropriated fund balance for the original budget was \$1,271,247; the final budget included an appropriated fund balance of \$1,857,025. For the fiscal year ending June 30, 2018, the appropriated fund balance for the original budget was \$1,592,304; the final budget included an appropriated fund balance of \$2,022,737. For the fiscal

year ending June 30, 2019, the appropriated fund balance for the original budget was \$1,902,304; the final budget included an appropriated fund balance of \$2,373,361. For fiscal year ending June 30, 2020, the appropriated fund balance for the original budget was \$1,729,650; the final budget included an appropriated fund balance of \$1,903,050. For the fiscal year ending June 30, 2021, there was no appropriation of fund balance in the original budget; the final budget permitted a fund balance increase of \$1,086,573. For the fiscal year ending June 30, 2022, there was no appropriation of fund balance in the original budget; the final budget permitted a fund balance increase of \$315,621. For the fiscal year ending June 30, 2023, there was no appropriation of fund balance in the original budget; there was an overall decrease of \$522,134 in fund balance and an increase of \$393,964 in available fund balance. For fiscal year ending June 30, 2024, there was no appropriation of fund balance in the original budget; there was an overall increase of \$4,706,945. Due to being without a finance officer for over a year from 2023-2024, the FY 2024 Audit Report was not submitted timely; it was necessary to review financial statements and complete bank reconciliations. We plan to complete audit reports for FY 2025 and 2026 during FY 2027.

The North Carolina Local Government Commission recommends our unit of local government maintain fund balance available for appropriation as a percentage of total expenditures at 20 percent. The median fund balance available for appropriation as a percentage of total expenditures is 39% for units similar to Bertie County. Bertie County adopted a minimum fund balance policy for the General Fund, which instructs management to maintain the fund balance available for appropriation at 10% or higher of total expenditures. As a result of appropriating fund balance to balance the budget for a number of years in addition to not receiving timely reimbursement from a number of sources for capital projects, Bertie County's fund balance available for appropriation, as calculated by the North Carolina Local Government Commission (LGC), fell below 8 percent and 10 percent of the General Fund expenditures as recommended by the LGC and Bertie County Board of Commissioners respectively as of June 30, 2019 (7.44%) and June 30, 2020 (1.06%). After receiving all said reimbursements and alleviating the use of fund balance to balance the budget, Bertie County's fund balance available for appropriation increased to 6.32 percent as of June 30, 2021, 7.12 percent as of June 30, 2022, 8.68% as of June 30, 2023, and 24.87 percent as of June 30, 2024. Strengthening our fund balance and financial position remains top priority along with providing quality services to the citizens of Bertie County.

The total valuation projection for FY 2026-2027 is \$1,546,279,405 (\$1,325,092,416 for real and personal property and public utilities and \$221,186,989 for motor vehicles). At a collection rate of 100%, each penny produces \$154,627.94. At a collection rate equal to the audited FY 2023-2024 collection rate of 97.18%, each penny produces \$150,891.18.

The proposed special appropriations are similar to the appropriations that have been made to various vital programs, regional agencies, and non-profit organizations in prior years. The total allocation recommended to special appropriations is \$5,120,146. Most of the special appropriations are annual operating support for Bertie County Schools, community colleges, and the regional jail.

\$5,120,146 Proposed Special Appropriations for FY 2026-2027

\$ 2,761,411	Bertie County Schools
\$ 300,000	Bertie County Schools Capital Outlay
\$ 325,000	1 / 4 cent sales tax – Art 46 - Pass Through to Schools (Estimated)
\$ 59,275	Martin Community College Windsor Campus
\$ 31,500	Martin Community College Capital Outlay
\$ 55,000	Roanoke-Chowan Community College
<u>\$1,147,006</u>	Bertie-Martin Regional Jail
\$ 440,954	Other Special Appropriations

I look forward to highlighting the items mentioned herein and others in the upcoming Board of Commissioners budget work sessions. County staff and department heads are prepared to explain funding requests and to assist the Board with balancing priorities within our fiscal limits. The final adoption of the FY 2026-2027 budget is anticipated to occur between June 8 and June 22, 2026.

All county employees contributed to this fiscal plan in some way. I would like to extend my gratitude to all employees for their assistance, to department heads for the leadership, and to Finance Officer Willie Carawan for the fiscal acumen and technical support.

Respectfully submitted,



Juan Vaughan, II
County Manager