

Village of Flat Rock
Budget for Fiscal Year 2025-2026
Budget Message

Income

Ad valorem property taxes @ \$0.119 / \$100	\$1,689,158.16
General fund sales tax	\$680,000.00
Utilities sales tax	\$165,800.00
Interest	\$130,000.00
Foundation transfer- in	\$128,000.00
Alcohol tax	\$17,500.00
Vehicle Tax	\$63,000.00
Permits and fees	\$ 6,700.00
Total Revenue	\$2,880,158.16

Expenses

Fire Protection	\$1,715,383.32
Administration	\$534,800.00
Park Operating & Maintenance	\$441,650.00
Foundation support	\$85,000.00
Governing Body & General Gov't.	\$35,500.00
Audit Services	\$35,500.00
Contingencies	\$6,924.84
Community Development	\$2,100.00
Kudzu & Hemlock Control	\$7,000.00
Legal & Tax Services & Elections	\$9,500.00
Planning	\$6,800.00
Total Expenses	\$2,880,158.16

Overview

The fiscal year 2025-2026 budget is presented for consideration by the Village Council on May 8th 2025. There has been no revaluation of Henderson County property value this past fiscal year and this budget has been developed utilizing the same tax rate of \$0.119 per \$100 of assessed value as last year.

As mandated by North Carolina General Statute 159-8, General Fund Revenue and Expenses are in balance, at \$2,880,158.16. General Fund Revenue and Expense budgets are down \$55,406 (1.9%) versus last year.

General Fund Revenues

As noted, the 2025-2026 revenue budget of \$2,880,158.16 is down \$55,406 compared with the 2024/2025 budget. The decrease in revenue is primarily associated with a reduction in Utilities Sales Tax (-\$72,800) and expected Interest Income (-\$20,000), offset by increases in Ad valorem tax receipts (+22,000) and expected increase in Park Foundation transfers (+\$16,400) and Alcohol Tax (+2,500).

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 (April 2025) are used in this budget. Second, the North Carolina League of Municipalities (NCLM) provides their estimated changes for general sales tax, utility sales taxes and liquor tax, which are used in the budget process.

General Fund Expenses

The expense budget of \$2,880,158.16 also reflects a decrease of \$55,406 (1.9%).

By far, the largest expense item is payment of fire protection services from the three fire departments with whom we contract. Total fire protection cost is \$1,715,383.32 (Blue Ridge Fire and Rescue \$1,140,574, Valley Hill Fire \$392,830, and Green River Volunteer Fire \$181,980), an increase of \$36,012 (2.1%) versus last year's budget. Fire Department rates remain unchanged from last year; the increase reflects increased real and personal property valuations.

The second largest expense is Village administration. Administration and associated contracted services and general government cost is projected at \$542,300, a decrease of \$29,550 (5.2%) versus the previous year. The decrease is primarily driven by reduced office equipment, building improvement and repair, and signage costs (-\$44,500); offset by increases in salary and benefit adjustments as well as inflation-related increases in various service contracts.

The cost to operate and maintain the Park at Flat Rock is projected at \$441,650, an increase of \$7,650 (1.7%) versus the previous year. This increase is driven by new equipment (gate), playground, inflation-related service contract increases and salary and benefit adjustments; offset by reductions in facilities, vehicle and trail expenses.