

# FY 2021 End of Year Projection 3<sup>rd</sup> Quarter (through March 31<sup>st</sup>)

Blake Hart

Director of Management & Budget

May 3<sup>rd</sup>, 2021



**UNIONCOUNTY**  
north carolina

# Agenda

General Fund Revenue

Ad Valorem

Sales Tax

General Fund Expense

Revenue & Expense

COVID-19 Service Impact Update



**Union County**  
North Carolina

**Adopted FY 2021**  
Operating and Capital Budget

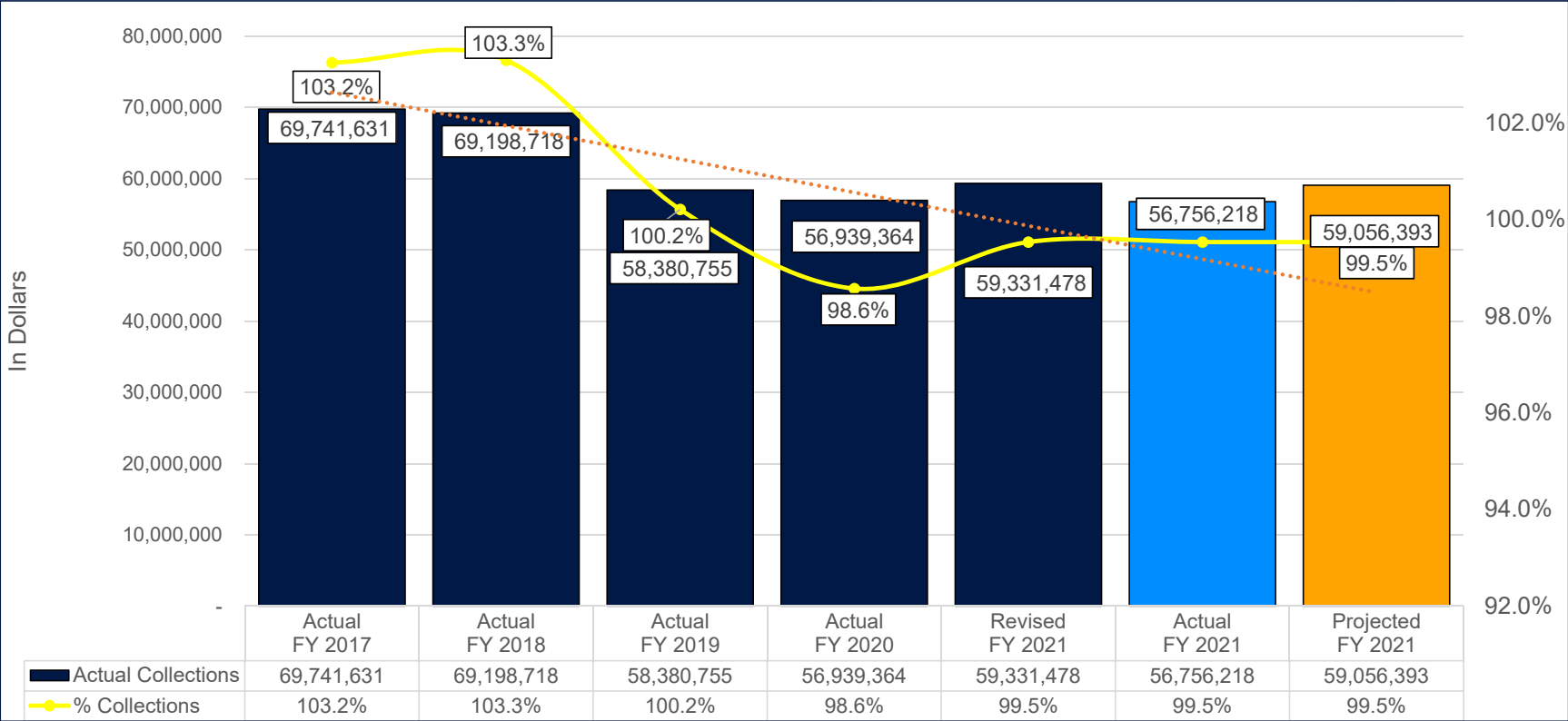
# General Fund Revenue

## Union County FY 2021 General Fund Year End Projection *(Through March 31 2021)*

Category	Actual FY 2018	Actual FY 2019	Actual FY 2020	Revised FY 2021	Actual FY 2021	YE Proj. FY 2021	%
<b>Revenues</b>							
Ad Valorem Taxes and Fees	69,198,718	58,380,755	56,939,364	59,331,478	56,756,218	59,056,393	99.5%
Local Option Sales Tax	43,070,620	45,818,820	48,720,847	46,356,839	31,590,126	52,436,283	113.1%
Other Taxes	2,916,298	3,182,688	3,207,810	3,441,120	3,046,139	3,670,047	106.7%
Intergovernmental Revenue, Unrestrict	11,408,872	12,791,821	13,715,528	15,055,723	12,784,954	14,528,357	96.5%
Intergovernmental Revenue, Restrict.	3,444,298	3,469,631	3,541,732	3,841,910	1,266,935	3,581,518	93.2%
Intergovernmental Revenue, Federal	16,203,387	15,729,414	15,919,507	18,024,900	9,065,761	17,010,260	94.4%
Intergovernmental Revenue, State	2,791,681	2,438,219	2,889,077	3,591,701	2,000,199	3,279,015	91.3%
Non-Enterprise Charges for Services	10,310,022	10,201,320	10,867,794	10,483,891	7,802,007	11,558,529	110.3%
Investment Revenue	877,699	2,504,675	2,004,419	741,841	-	750,000	101.1%
Interfund Transfers	14,445	6,993,613	4,615,157	2,075,289	1,846,245	2,075,289	100.0%
Other Revenue	7,022,921	6,807,199	7,493,161	7,968,414	7,350,574	7,927,911	99.5%
Fund Balance Appropriated	-	-	-	5,367,304	-	-	0.0%
Debt Proceeds - Restricted	-	-	18,555,798	-	-	-	-
<b>Total</b>	<b>\$ 167,258,961</b>	<b>\$ 168,318,155</b>	<b>\$ 188,470,194</b>	<b>\$ 176,280,410</b>	<b>\$ 133,509,158</b>	<b>175,873,601</b>	<b>99.6%</b>

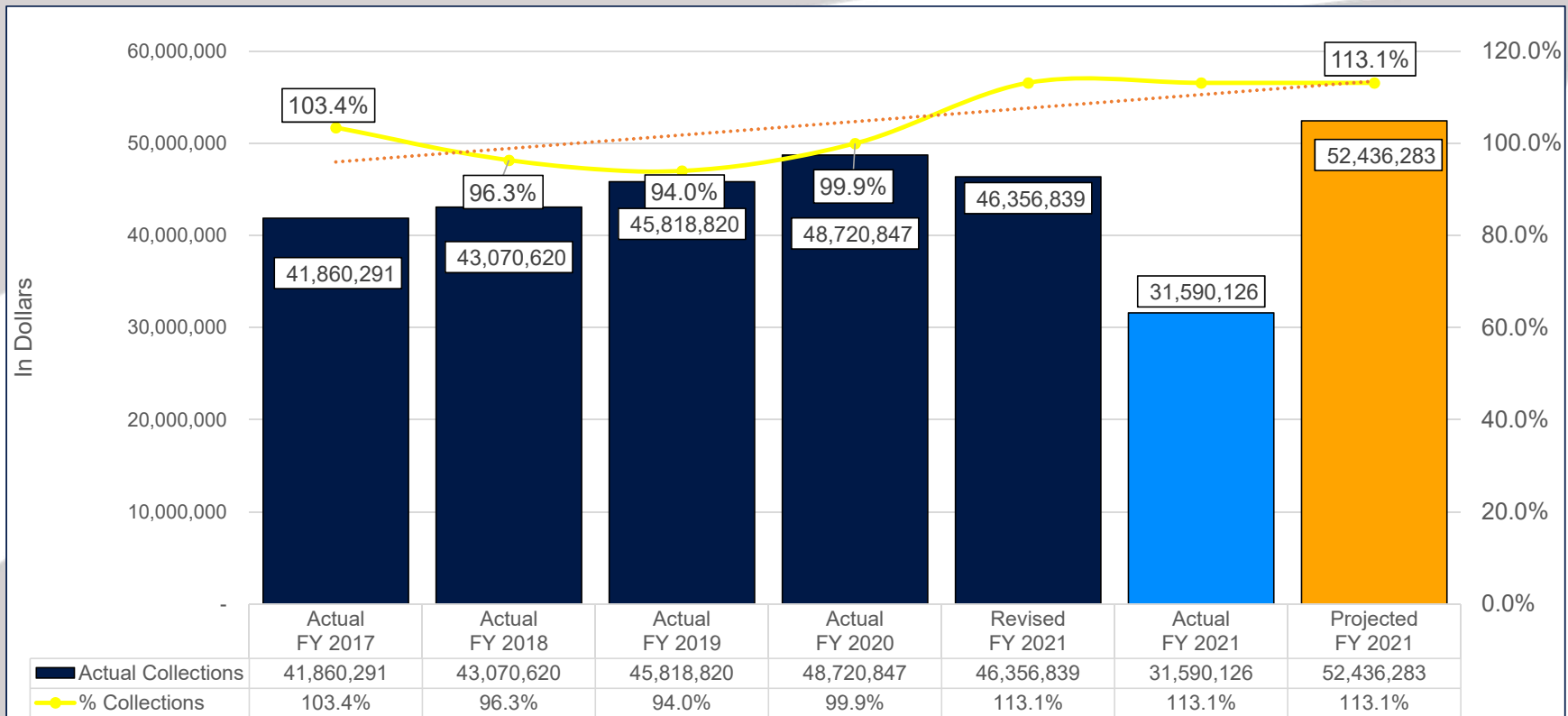
- *Ad Valorem collections* trending to 99.5% of budget, includes Lowe's payback of \$555,839
- *Sales Tax* trending **significantly higher than COVID influenced -4.5% decrease** to FY 2021 budget (16% through 8 months)
- *Other Taxes* - Register of Deeds Real Property Transfer projected to over collect revenue by \$500k (20%)
- *Intergovernmental revenue close to* budget (Trending at 94.4% collections as a group)
- *Non-Enterprise Charges for services* below budget for Parks, Library, Ag; offset by big increase to Building Code & Enviro. Health
- *Investment Revenue* uncertain due to economic conditions, expecting full collection (\$750k); (GDP 1<sup>st</sup> QTR 2021 6.4%)
- *Interfund Revenue* \$535k from UCPS capital project, \$900k various CARES ACT funding allocations
- *Other Revenue*, \$6.3M is hospital lease income (Atrium), Ag Center rental trending below budget due to COVID restrictions
- *Fund Balance Appropriated* \$1.5M budgeted to support Business Incentive Grants, \$2.8M FY 2020 Budget Roll

# Ad Valorem Revenue



- Current Ad Valorem Collections are slightly ahead of previous year through March 31<sup>st</sup>
- Collections through March 31<sup>st</sup> represent 95.3% of budget, as compared with 94.9% in FY 2020
- 3<sup>rd</sup> Quarter End of Year projection indicates 99.5% annual collection of Ad Valorem revenue budget
- End of Year projection includes Lowes payback of \$555,839

# Sales Tax



- FY 2021 Budget includes a 4.5% reduction from previous year base in anticipation of COVID losses
- Seven months of data available; 16% above budget, projection includes 5% above budget for remaining four months (*conservative*)
- Projection consistent with NC FRD-GA and NCLM annual Projections for FY 2021 (+13.5%) and leading in to FY 2022 (+2.5%)
- FY 2021 collections ahead of budget (58.6% compared to 49.5%), expected to exceed current budget at year end (\$6M - \$7M)
- Mid-year projection indicates 113.1% annual collection of Local Option Sales Tax revenue budget; NC 7.2%
- Sales Tax strong, helped by June 2018 Court Ruling to apply sales taxes to online purchases and recent federal stimulus payments

# General Fund Expense

## Union County FY 2021 General Fund Year End Projection *(Through March 31 2021)*

Category	Actual FY 2018	Actual FY 2019	Actual FY 2020	Revised FY 2021	Actual FY 2021	YE Proj. FY 2021	%
<b>Expenditures</b>							
Employee Compensation	46,503,205	51,406,454	57,012,089	64,622,639	42,739,614	63,790,469	98.0%
Employee Benefits	29,043,672	32,498,995	34,725,669	30,561,239	21,661,166	30,084,953	98.4%
Operating Cost	28,956,229	28,583,381	27,512,714	30,643,364	17,738,683	25,708,236	83.9%
Capital Outlay	2,121,393	2,198,806	2,257,343	4,338,558	2,412,039	3,768,811	86.9%
Contracts, Grants, and Subsidies	6,323,678	6,707,809	6,928,964	10,155,455	5,375,573	9,317,717	91.8%
Debt Service	44,754,827	52,790,977	49,836,042	30,628,182	29,713,859	30,628,182	100.0%
Interdepartmental Charges	(1,700,668)	(2,298,165)	(2,760,121)	(3,828,401)	(2,711,973)	(3,734,809)	97.6%
Interfund Transfers, Out	9,250,064	2,607,470	8,377,220	3,733,849	3,733,849	3,733,849	100.0%
Contingency	-	-	-	200,013	-	-	0.0%
Fund Balance Contribution	-	-	-	5,225,512	-	5,225,512	100.0%
<b>Total</b>	<b>\$ 165,252,400</b>	<b>\$ 174,495,727</b>	<b>\$ 183,889,920</b>	<b>\$ 176,280,410</b>	<b>\$ 120,662,810</b>	<b>168,522,920</b>	<b>95.6%</b>

- Employee Compensation typically ends the year below budget due to vacancies (2.5% - 3.0%); (in line with previous years)
- Employee Benefits typically end the year below budget in line with Employee Compensation; (in line with previous years)
- In response to the expected COVID-19 expected loss of sales tax, thirty-five vacant positions were frozen through Dec. 31 2020
- **Operating Cost** is underspending in areas such as training, travel, education, fuel & utilities (51% expended due to COVID-19)
- Total **Operating Cost** Budget **reduced \$1.4M or 5.0%** since FY 2020 (*Target Based Budget*)
- Portions of the **Capital Outlay** budget are often carried forward to next fiscal year due to extended project time lines
- **Contracts, Grants and Subsidies** regularly expend below budget, in business incentive grants not requesting repayment (\$1M)
- General Fund Debt Service obligations **decrease over time (prior debt)**; new/recent debt in Debt Service Fund; Consolidate in FY22
- **Interfund Transfers** are annual payments to other funds. (PayGo, Fire Capital, Additional Debt Payments, etc.)

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Over/(Under)	2,006,561	(6,177,572)	4,580,274	-	12,846,348	7,350,681	-

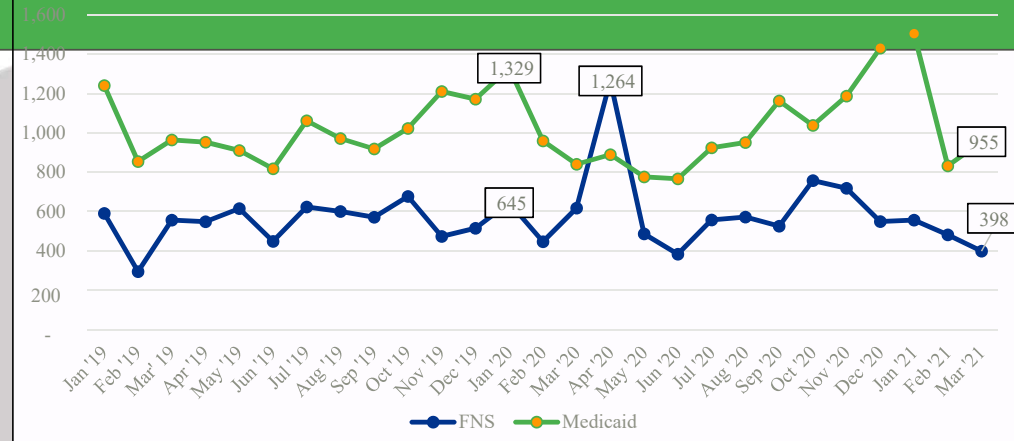
Revenue  
&  
Expense

# COVID Update

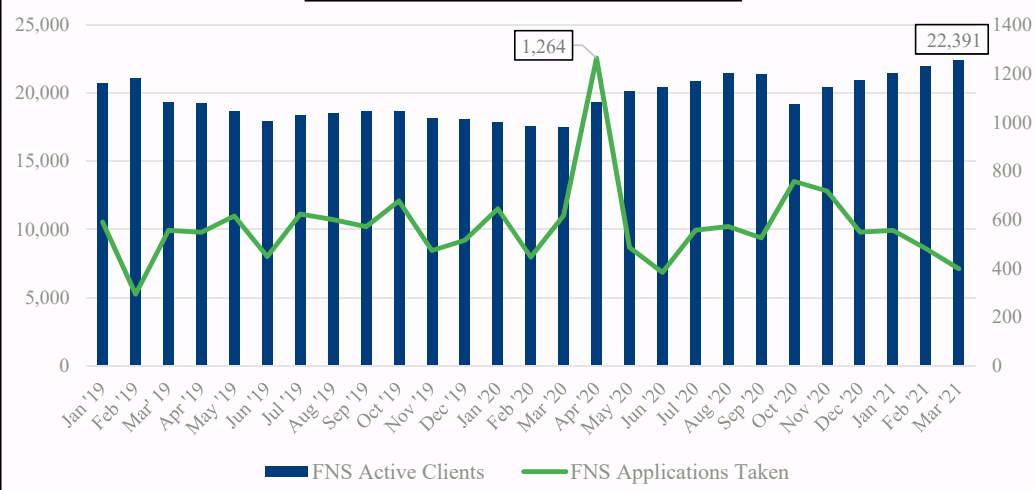
## Impact to Basic Needs

- Anticipate Drop in Applications Received as Residents not Required to Reapply and cannot be Terminated, at this time
- Growth in Medicaid Program Primarily Larger Families Needing Assistance due to Loss of Income/Health Benefits
- Number of Active Clients for Medicaid Adults Stable, as the Majority not Impacted by Loss of Employment
- Once Expanded Government Services Phased out Expect Transition Period for all Public Programs

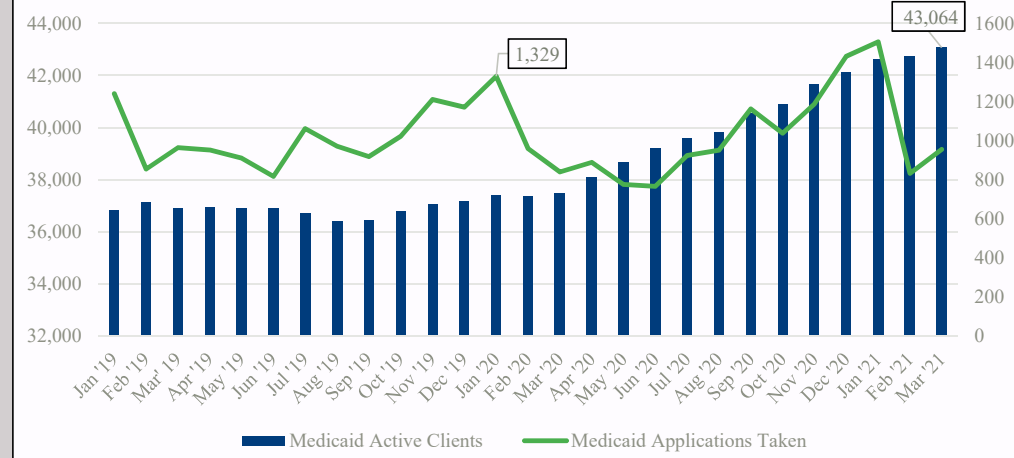
Food and Nutrition Service & Medicaid Applications Received



Social Services - FNS program



Social Services - Medicaid Program (Adults and Family & Children)

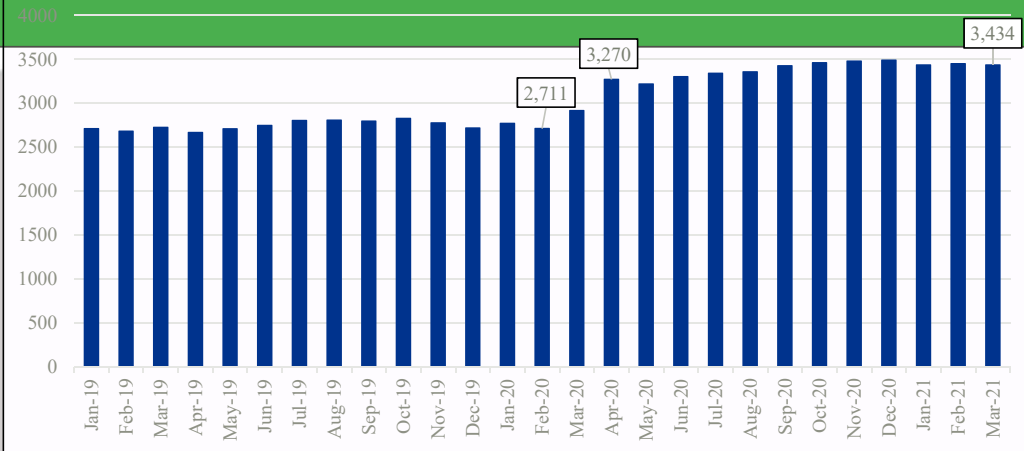




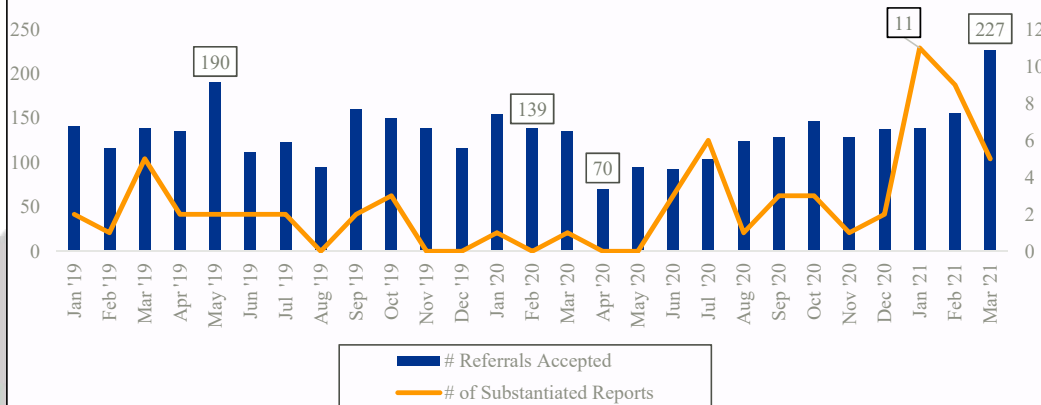
# COVID Update Impact to Children

- # of WIC Clients increased 26.7% from February 2020
- CPS Substantiated Reports of Neglect and Abuse Increasing
- Majority of CPS Reports Provided by School System, Anticipate Growth as Students Return to In-person Learning
- # of Children in Foster Care Increased 20.9% (1 Year) and 56% (2 Years), Expect to Stabilize in FY 2022
- Severity of Cases since the Pandemic Increasing due to Parental Substance Abuse, Inappropriate Discipline, Domestic Violence and Sexual Abuse

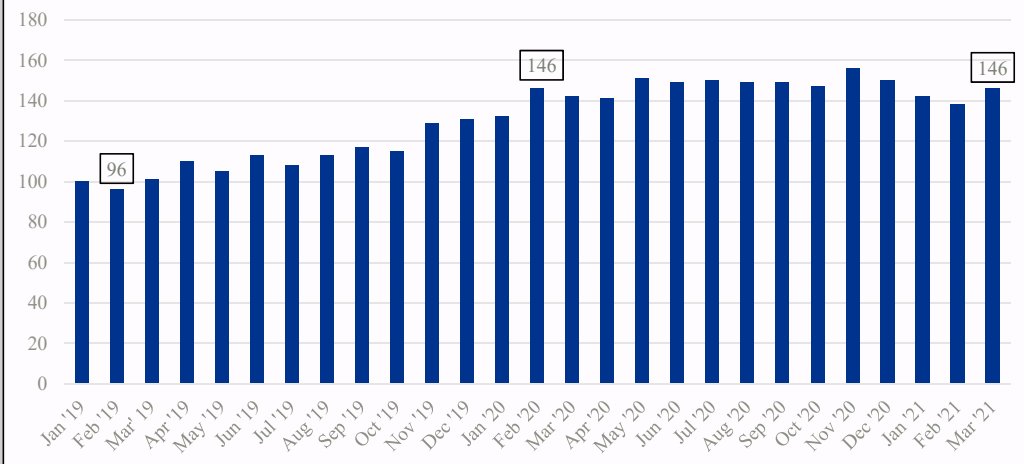
Active WIC Client  
(Nutrition for Women, Infants, and Children)



Child Welfare  
Protective Services

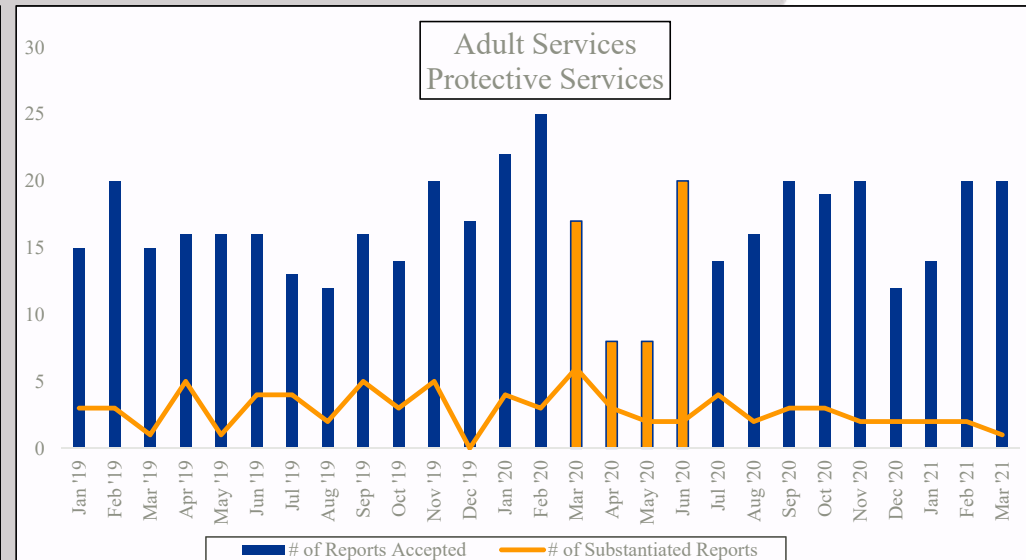
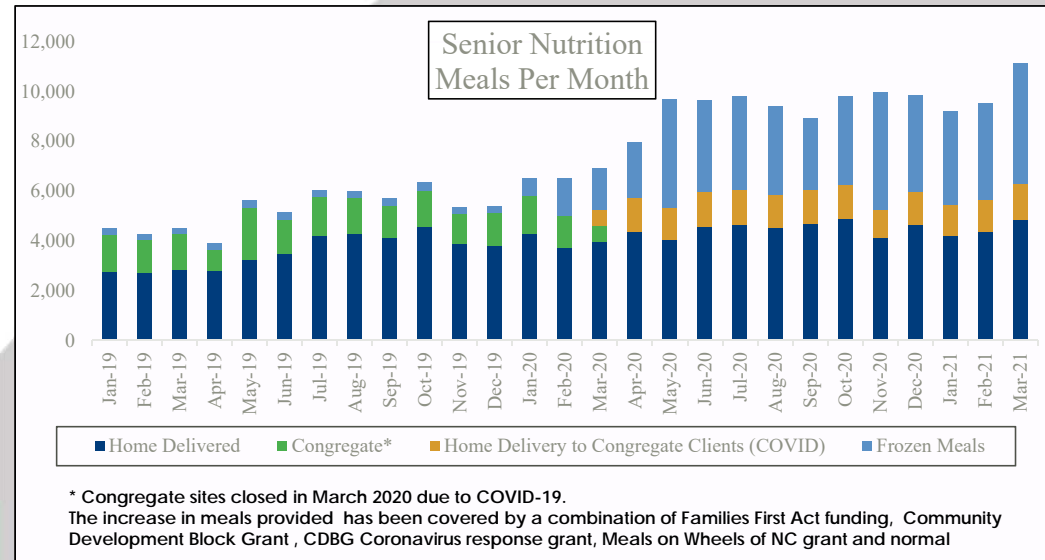
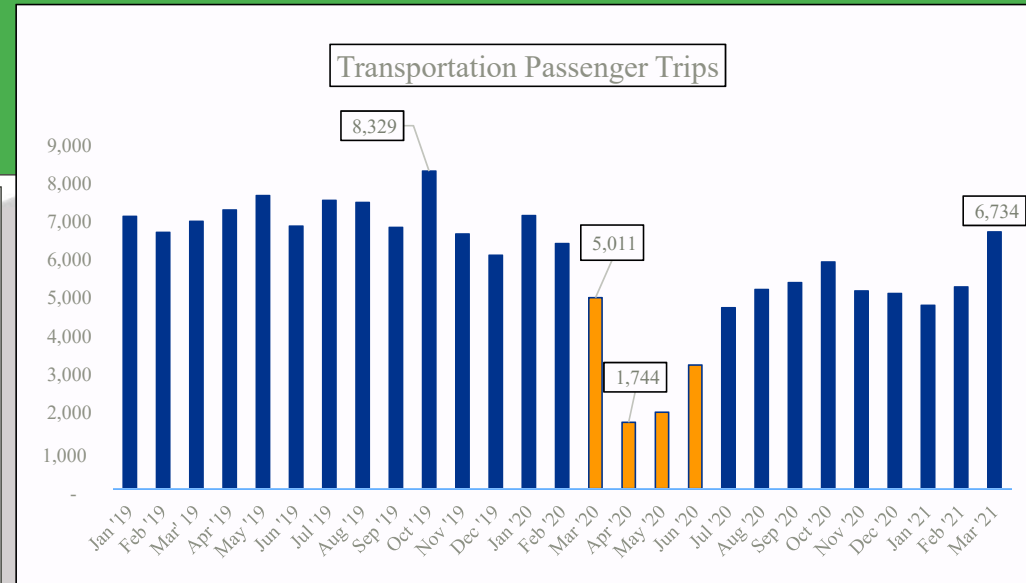


Total Children in Agency Custody  
(Foster Care)



# COVID Update Impact to Seniors

- Increase in Passenger Trips Due to Assisting Senior Nutrition Program with Delivery of Meals/Ensure
- Extended Hours/Days to Provide Residents Transportation to Vaccine Sites
- Pandemic Related Funding for Senior Nutrition Meals has Enabled the County to Remove Seniors from Waitlist and will continue into FY 2022
- Lock Down Phase Resulted in Drop of Adult Protective Services Reports, these Increased Once Phase Lifted





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