

FY 2023 Third Quarter Revenue and Expense Projection

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UNIONCOUNTY
north carolina

General Fund Revenue

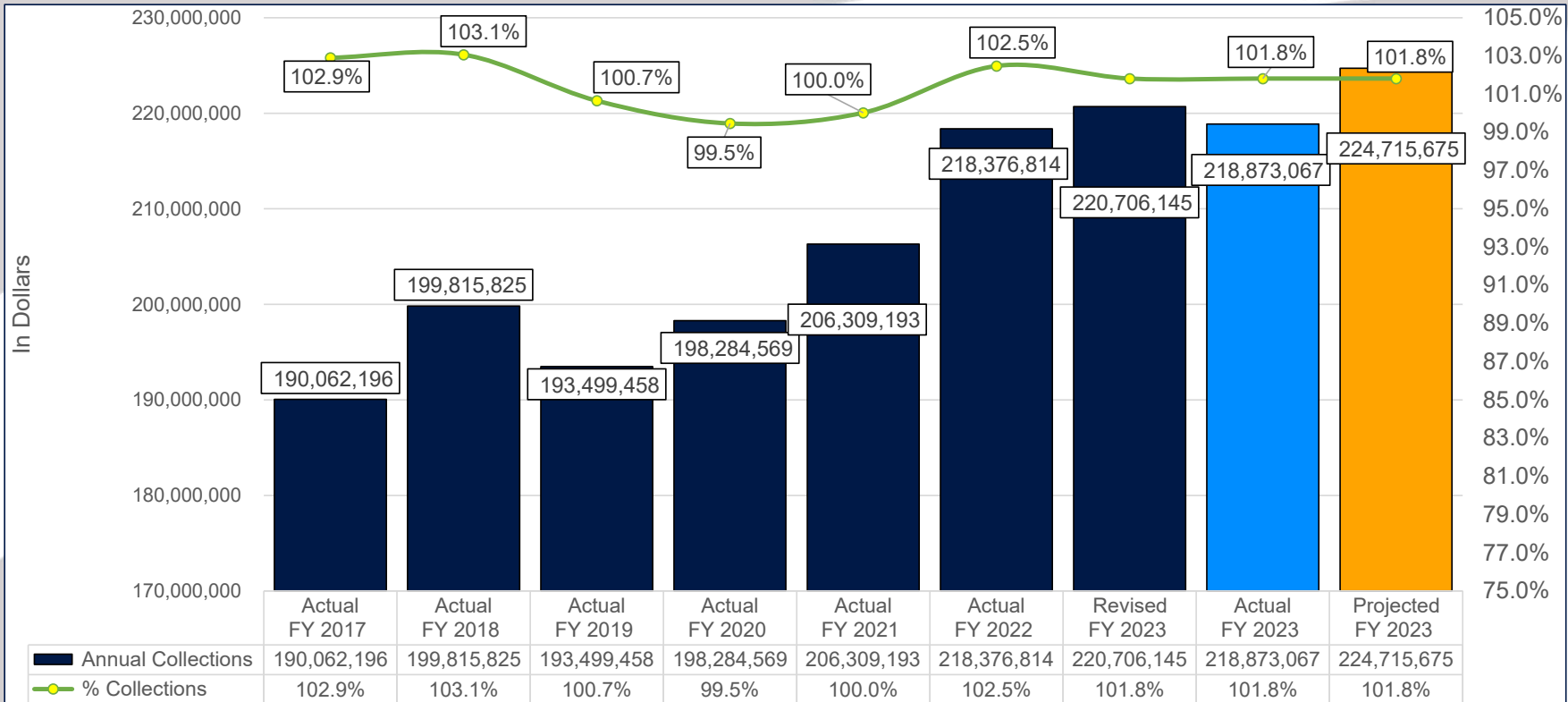
County FY 2023 General Fund Year End Projection

(March 31st 2023)

Category	Actual FY 2021	Actual FY 2022	Revised FY 2023	Actual FY 2023	YE Proj. FY 2023	Change Budget to Actual	%
Revenues							
Ad Valorem Taxes and Fees	206,309,193	218,376,814	220,706,145	218,873,067	224,715,675	4,009,530	101.8%
Local Option Sales Tax	56,259,871	66,386,686	67,669,664	36,326,346	74,686,336	7,016,672	110.4%
Other Taxes	4,049,677	5,137,873	4,019,850	3,496,283	3,973,049	(46,801)	98.8%
Intergovernmental Rev, Unrestrict	15,398,472	17,976,764	20,322,278	18,628,938	19,744,290	(577,988)	97.2%
Intergovernmental Rev, Restrict.	3,687,041	3,672,866	3,801,899	529,547	4,073,438	271,539	107.1%
Intergovernmental Rev, Federal	17,664,168	16,635,256	19,101,807	7,705,209	17,122,687	(1,979,120)	89.6%
Intergovernmental Rev, State	3,619,157	3,858,327	3,215,384	2,005,120	3,316,562	101,178	103.1%
Non-Enterprise Charges	11,545,099	16,456,741	12,937,519	8,873,643	12,121,089	(816,430)	93.7%
Investment Revenue	(7,909)	(1,136,557)	653,744	1,324,798	1,200,000	546,256	183.6%
Interfund Transfers	606,847	1,475,557	27,356,838	26,608,554	27,356,838	-	100.0%
Other Revenue	4,523,615	8,382,899	7,616,591	6,947,315	7,105,312	(511,279)	93.3%
Fund Balance Appropriated	-	-	12,872,307	-	-	(12,872,307)	0.0%
Debt Proceeds - Restricted	48,324	190,830	-	-	-	-	-
Total	\$323,703,555	\$357,414,056	\$400,274,026	\$331,318,820	395,415,275	(4,858,751)	98.8%

- *Ad Valorem collections* trending to 100.1%, vehicle inflation driving auto values
- *Sales Tax* trending **higher than Record FY 2022 actuals**, (\$6.5M - \$7.0M above budget)
- *Other Taxes* - Register of Deeds Real Property Transfer revenue projected to under collect budget by 1.2% (\$48,801)
- *Intergovernmental revenue close to* budget (Trending at 95.3% collections as a group)
- *Non-Enterprise Charges for services* trending at 93.7% of budget for Public Health, Building Code, Register of Deeds and Parks
- *Investment Revenue* after negative collection in FY 2021/22, market conditions indicate expected collection of roughly \$1.2M
- *Other Revenue*, \$6.2M is hospital lease income (Atrium), Ag Center rental fees and donations trending positively since COVID
- *Fund Balance Appropriated*, it is anticipated that the budgeted amount will not be required due to higher than expected revenue

Ad Valorem



- FY 2023 budget is currently trending above the adopted budget
- Collections through March 31st represent 99.2% of the adopted budget, as compared with 96.2% in FY 2021
- 3rd Quarter End of Year projection indicates 101.8% annual collection of Ad Valorem revenue budget
- Motor Vehicle Ad Valorem revenue driving collections
- County population growth and inflation are pushing motor vehicle tax payments higher (New vehicle cost 28% higher, than 2020)

Sales Tax

<u>Sales Tax</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023*</u>
Adopted Budget	48,745,636	48,745,636	46,556,839	53,540,363	67,669,664
Revised Budget	48,745,636	48,745,636	51,994,023	55,598,613	67,669,664
Actual	45,818,820	48,720,847	56,259,871	66,386,686	74,686,336
Actual to Actual	-	2,902,027	7,539,024	10,126,815	8,299,650
% Diff Bud/Act	-	-0.1%	8.2%	19.4%	10.4%
% Diff YoY Act/Act	-	6.3%	15.5%	18.0%	12.5%

**FY 2023 Actual is projected as of 3/31/23*

- Authority to tax online sales and pandemic era online purchases, increased sales tax revenues beginning in FY 2021
- FY 2022 actuals exceeded FY 2021 actuals by \$10.1M (18.0%)
- FY 2023 budget is currently trending 12.5% above FY 2022 actual collections
- 3rd Quarter projection indicates 10.4% annual collection of Local Option Sales Tax revenue above budget (\$6.5M - \$7.0M)
- Historic inflation is influencing collections, as price of goods sold increases, sales tax collected increases at the same rate (9%+ peak)

General Fund Expense

Category	Actual FY 2021	Actual FY 2022	Revised FY 2023	Actual FY 2023	YE Proj. FY 2023	Change Budget to Actual	%
Expenditures							
Employee Compensation	60,998,203	65,699,297	73,998,654	51,411,295	70,413,192	(3,585,462)	95.2%
Employee Benefits	32,614,278	38,958,525	42,859,942	31,030,355	42,207,912	(652,030)	98.5%
Operating Cost	27,373,219	28,689,495	38,030,129	20,625,272	33,981,188	(4,048,941)	89.4%
Capital Outlay	3,925,521	2,582,362	6,738,662	3,360,636	5,480,848	(1,257,814)	81.3%
Contracts, Grants, and Subsidies	128,656,202	129,252,057	136,645,825	103,223,680	135,109,529	(1,536,296)	98.9%
Debt Service	50,024,595	49,528,263	48,749,524	48,004,640	48,749,524	-	100.0%
Interdepartmental Charges	(4,168,802)	(3,872,329)	(3,834,336)	(2,749,066)	(3,834,336)	-	100.0%
Interfund Transfers, Out	23,847,093	39,984,787	57,085,626	32,102,995	57,085,626	-	100.0%
Total	\$ 323,270,309	\$ 350,822,457	\$ 400,274,026	\$ 287,009,807	389,193,483	(11,080,543)	97.2%
Over/(Under)	433,246	6,591,599	-	44,309,013	6,221,792	6,221,792	1.6%

- Employee Compensation typically yields 3.0% – 4.0% annual savings, Job Market very competitive, recruitment is challenging
- Employee Benefits typically end the year slightly below budget; (in line with previous years)
- **Operating Budget** spending is in line with regular trends,
 - **Areas trending under budget:** Fuel & Utilities (-\$500k)/65%), Public Assistance (-\$1.26M/70%), Capital Outlay (Vehicle, Equipment) supply chain delayed, getting better, unspent budget will carry forward into FY 2024
- Total Operating Budget **reduced** by \$500,000 or 2.0% of operating budget to begin the FY 2023 (*Target Based Budget Process*)
- **Contracts, Grants and Subsidies** mostly made up of UCPS, EMS, SPCC and Business Grant and Business Partner payments.
- General Fund Debt Service to be fully expended per statute
- **Interfund Transfers** are annual payments to other funds. (County PayGo Capital, UCPS PayGo Capital and Volunteer Fire Depts.)

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Over/(Under)	433,246	6,591,599	-	44,309,013	6,221,792	6,221,792	1.6%
					Projected Total Use/Addition of FB	6,221,792	
					% of GF Budget Projected Unspent	1.6%	

Revenue
&
Expense

Thanks for watching!



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