

Attachment A

Albemarle County Quarterly Financial Report - General Fund Quarter Ended December 31, 2021 vs. Quarter Ended December 31, 2020

| | FY22 Adopted Budget | FY22 Revised Budget | FY22 Actual Through Q2 | Actual as a % of Revised Budget | FY21 Adopted Budget | FY21 Revised Budget | FY21 Actual Through Q2 | Actual as a % of Revised Budget |
|---|---------------------|---------------------|------------------------|---------------------------------|---------------------|---------------------|------------------------|---------------------------------|
| GENERAL FUND REVENUE | | | | | | | | |
| Real Estate Tax | 172,951,851 | 183,722,422 | 87,476,712 | 47.6% | 165,220,017 | 165,220,017 | 84,985,245 | 51.4% |
| Personal Property Tax | 31,691,832 | 34,236,186 | 16,797,103 | 49.1% | 28,415,266 | 28,415,266 | 14,920,629 | 52.5% |
| Business-Driven Taxes | 14,236,506 | 16,720,564 | 1,111,855 | 6.6% | 15,003,995 | 15,003,995 | 1,107,744 | 7.4% |
| Consumer-Driven Taxes | 37,932,756 | 42,575,508 | 15,764,322 | 37.0% | 36,537,219 | 36,537,219 | 13,225,263 | 36.2% |
| Other Local Taxes | 11,591,893 | 13,577,521 | 6,338,648 | 46.7% | 8,671,734 | 8,671,734 | 5,751,828 | 66.3% |
| Other Local Revenue | 8,816,114 | 9,773,428 | 5,124,683 | 52.4% | 9,190,425 | 9,190,425 | 4,129,003 | 44.9% |
| Subtotal, Local | 277,220,952 | 300,605,629 | 132,613,322 | 44.1% | 263,038,656 | 263,038,656 | 124,119,712 | 47.2% |
| State | 24,802,726 | 25,298,764 | 12,529,732 | 49.5% | 24,753,797 | 24,804,407 | 12,202,790 | 49.3% |
| Federal | 7,135,311 | 7,246,605 | 2,491,978 | 34.4% | 7,041,656 | 7,062,266 | 3,038,178 | 43.1% |
| Transfers | 2,780,227 | 4,244,140 | 2,658,143 | 62.6% | 3,120,169 | 3,120,169 | 1,560,085 | 50.0% |
| TOTAL, GENERAL FUND REVENUE | 311,939,216 | 337,395,138 | 150,293,176 | 44.5% | 297,954,278 | 298,025,498 | 140,920,763 | 47.3% |
| GENERAL FUND EXPENDITURE | | | | | | | | |
| Administration | 18,188,382 | 22,017,998 | 8,994,677 | 40.9% | 16,589,729 | 17,205,599 | 8,211,947 | 47.7% |
| Judicial | 5,958,384 | 6,823,522 | 3,068,341 | 45.0% | 5,917,819 | 5,944,565 | 2,714,183 | 45.7% |
| Public Safety | 48,073,990 | 50,788,533 | 23,061,127 | 45.4% | 48,427,583 | 41,953,441 | 16,308,704 | 38.9% |
| Public Works | 6,901,972 | 7,681,678 | 3,519,580 | 45.8% | 6,495,065 | 7,385,578 | 2,897,256 | 39.2% |
| Health & Welfare | 22,620,823 | 22,794,787 | 10,339,063 | 45.4% | 22,247,057 | 22,233,389 | 10,694,261 | 48.1% |
| Parks, Recreation & Culture | 8,521,456 | 8,948,546 | 4,209,011 | 47.0% | 8,578,283 | 8,538,166 | 4,122,395 | 48.3% |
| Community Development | 11,073,404 | 12,770,830 | 5,054,838 | 39.6% | 10,445,084 | 10,651,764 | 4,894,216 | 45.9% |
| City/County Revenue Sharing | 15,411,834 | 15,411,834 | - | 0.0% | 14,589,313 | 14,589,313 | - | 0.0% |
| Transfer to School Operations | 141,108,965 | 152,894,248 | 76,447,124 | 50.0% | 134,184,078 | 134,184,078 | 67,092,039 | 50.0% |
| Transfers to Capital & Debt | 30,547,608 | 37,537,389 | 10,100,797 | 26.9% | 30,142,066 | 30,142,066 | 13,421,735 | 44.5% |
| Other Transfers | 1,761,448 | 1,851,768 | 870,405 | 47.0% | 1,668,008 | 1,748,008 | 817,074 | 46.7% |
| Other Non-Departmental | 4,706,808 | 11,237,854 | 374,399 | 3.3% | 1,110,166 | 8,253,765 | 322,457 | 3.9% |
| Subtotal, Non-Departmental | 193,536,663 | 218,933,093 | 87,792,725 | 40.1% | 181,693,631 | 188,917,230 | 81,653,305 | 43.2% |
| TOTAL, GENERAL FUND EXPENDITURES | 314,875,074 | 350,758,987 | 146,039,363 | 41.6% | 300,394,251 | 302,829,731 | 131,496,267 | 43.4% |
| Budgeted Use of Fund Balance | 2,935,858 | 13,363,849 | - | 0.0% | 2,439,973 | 4,800,453 | - | 0.0% |

Discussion

General Fund Revenues

Year-to-date total revenues in Q2 of FY 22 were \$150,293,176 compared to \$140,920,763 in Q2 of FY 21. In percentage terms, FY 22 YTD actual revenues as a percentage of FY 22 Revised Budget revenues were 44.5%, compared to 47.3% in FY 21.

Significant year-to-year variances are highlighted below:

- Real Estate Tax - In FY 22, actual Q2 revenues as a percentage of budget equaled 47.6% vs. 51.4% in FY 21. Actual Q2 revenues equaled \$87,476,715 vs. \$84,985,245 in FY 21. The primary reason for the percentage variance: the FY 21 budget was built at the start of the pandemic and revised later in the fiscal year, whereas a major revenue update for the FY 22 budget was done in the second quarter (December). The primary reason for the actual dollar variance is due to higher property values and new construction values in FY 22 as opposed to those in FY 21.
- Personal Property Tax - In FY 22, actual Q2 revenues as a percentage of budget equaled 49.1% vs. 52.5% in FY 21. Actual Q2 revenues equaled \$16,797,103 vs. \$14,920,629 in FY 21. The primary reason for the percentage variance: the FY 21 budget was built at the start of the pandemic and revised later in the fiscal year, whereas a major revenue update for the FY 22 budget was done in the second quarter (December). The primary reason for the actual dollar variance is due to increased personal property values (mainly vehicle valuations) in FY 22 as opposed to those experienced in FY 21.

- Consumer-Driven Taxes - In FY 22, actual Q2 revenues as a percentage of budget equaled 37.0% vs. 36.2% in FY 21. Actual Q2 revenues equaled \$15,764,322 vs. \$13,225,263 in FY 21. The primary reason for the variance: increased sales, food and beverage, and transient occupancy taxes relative to FY 21 as the economy stabilizes through the pandemic.
- Other Local Taxes - In FY 22, actual Q2 revenues as a percentage of budget equaled 46.7% vs. 66.3% in FY 21. Actual Q2 revenues equaled \$6,338,648 vs. \$5,751,828 in FY 21. The primary reason for the percentage variance: the FY 21 budget was built at the start of the pandemic and revised later in the fiscal year, whereas a major revenue update for the FY 22 budget was done in the second quarter (December). Additionally, increased Public Service Corporation tax collections and increased collection of delinquent taxes contributed.
- Other Local Revenue - In FY 22, actual Q2 revenues as a percentage of budget equaled 52.4% vs. 44.9% in FY 21. Actual Q2 revenues equaled \$5,124,683 vs. \$4,129,003 in FY 21. The primary reasons for this variance: increased Parks and Recreation revenue and Police and Sheriff Reimbursable Overtime revenue due to returning more closely to pre-Pandemic levels of programming, increased in Emergency Medical Services revenue, and one-time revenue reimbursement from Dominion Energy for Electric Vehicle Charging Stations.
- Federal Revenue - In FY 22, actual Q2 revenues as a percentage of budget equaled 34.4% vs. 43.1% in FY 21. Actual Q2 revenues equaled \$2,491,978 vs. \$3,038,178 in FY 21. The primary reason for this variance is a timing variance related to the receipt of Federal Revenue for Medicaid reimbursements for the Department of Social Services.
- Transfers - In FY 22, actual Q2 revenues as a percentage of budget equaled 62.6% vs. 50.0% in FY 21. Actual Q2 revenues equaled \$2,658,143 vs. \$1,560,085 in FY 21. The reasons for this variance: a one-time transfer from the capital budget to support the Clerk of the Circuit Court to digitize land and older civil and criminal records prior to courthouse renovations, the reappropriation of unspent FY 21 funding for computer replacement purchases, the receipt of private donation funds for Fire Rescue equipment, and the transfer of Capital Fund's fund balance to the Business Process Optimization (BPO) Reserve for expenses that are more appropriate for the operating budget.

General Fund Expenditures

YTD total expenditures in Q2 of FY 22 were \$146,039,363 compared to \$131,496,267 in Q2 of FY 21. In percentage terms, FY 22 YTD actual expenditures as a percentage of FY 22 Revised Budget expenditures were 41.6%, compared to 43.4% in FY 21.

Significant year-to-year variances are highlighted below:

- Administration - In FY 22, actual Q2 expenditures as a percentage of budget equaled 40.9% vs. 47.7% in FY 21 or \$8,994,677 vs. \$8,211,947, respectively. The primary reasons for the budget variance: funding appropriated to County Attorney, Finance and Budget, and Information Technology, as part of the December 1, 2021, budget amendment, also increased expenditures in Human Resources and Performance and Strategic Planning.
- Public Safety - In FY 22, actual Q2 expenditures as a percentage of budget equaled 45.4% vs. 38.9% in FY 21 or \$23,061,127 vs. \$16,308,704, respectively. The primary reason for this variance: a one-time transfer in FY 21 of approximately \$6.8 million from General Fund expenditures in the Police Department and Fire Rescue Department to be reimbursed by federal Coronavirus, Aid, Relief and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) funds to establish a Pandemic Response, Recovery, and Reconstitution Reserve.
- Public Works - In FY 22, actual Q2 expenditures as a percentage of budget equaled 45.8% vs. 38.9% in FY 21 or \$3,519,580 vs. \$2,897,256, respectively. The primary reason for this variance

was a timing issue related to the County's payments to the Rivanna Solid Waste Authority (RSWA).

- Health and Welfare - In FY 22, actual Q2 expenditures as a percentage of budget equaled 45.4% vs. 48.1% in FY 21 or \$10,339,063 vs. \$10,694,261, respectively. The primary reason for this variance was due to a timing issue related to the County's payments to the various Health and Welfare non-profit agencies.
- Transfers to Capital and Debt – In FY 22, actual Q2 expenditures as a percentage of budget equaled 26.9% vs. 44.5% in FY 21 or \$10,100,797 vs. \$13,421,735, respectively. The primary reason for this variance was a timing difference related to capital transfers between the two years.