



Albemarle County

Legislation Text

File #: 16-692, **Version:** 1

AGENDA DATE: 12/7/2016

TITLE:

Q1 FY 17 Quarterly Financial Report; Q1 FY 17 General Fund Revised Financial Projections Report; and Q1 FY 17 Quarterly Economic Indicators Report.

SUBJECT/PROPOSAL/REQUEST: Most recent financial indicators, general fund revenue and expenditure projections, and County economic indicators.

ITEM TYPE: Consent Information Item

STAFF CONTACT(S): Foley, Letteri, Burrell, Breeden, and Allshouse, S.

PRESENTER (S): N/A

LEGAL REVIEW: Not Required

REVIEWED BY: Thomas C. Foley

BACKGROUND: The attached Quarterly Financial Report (QFR) (Attachment A) provides information regarding the County's FY 17 General Fund and School Fund performance as of September 30, 2016. The General Fund Revised Financial Projections Report (Attachments B and C) includes projected General Fund revenues and expenditures for FY 17. The Quarterly Economic Indicator Report (Attachments D and E) provides an overview of recent general economic conditions in the County.

STRATEGIC PLAN: Operational Capacity: Ensure County government's ability to provide high quality service that achieves community priorities. Economic Prosperity: Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals.

DISCUSSION:

Quarterly Financial Report

The Quarterly Financial Report (QFR) reflects year-to-date (YTD) data through September 30, 2016, the end of the first quarter of FY 17. The data in the attached QFR is organized in a way that is consistent with Exhibit 12 of the County's Comprehensive Annual Financial Report (CAFR). Most line item titles in the QFR match the line item titles in the CAFR. Although the information contained in this report is substantively complete, the first quarter had not been officially closed at the time this report was prepared. Any change that could be made at closing is expected to be minimal, if any. Highlights from the QFR include:

Revenues - YTD Actual

YTD total revenues in Q1 FY 17 were \$16,988,511 compared to \$16,853,385 in Q1 FY 16. In percentage terms, FY 17 YTD actual revenues as a percentage of FY 17 Revised Budget revenues were 6.57%, compared to 6.76% in FY16.

Expenditures - YTD Actual

YTD total expenditures in Q1 FY17 were \$65,379,148 compared to \$70,423,828 in Q1 FY 16. In percentage terms, FY17 TYD actual expenditures as a percentage of FY 17 Revised Budget expenditures were 25.30%, compared to 28.25% in FY16.

County Executive Authorized Transfers and Appropriations

A table listing the County Executive authorized transfers and appropriations made during the first quarter of FY17 is included on page 8.

ACPS Quarterly Financial Report

As requested by the Board, the Albemarle County Public Schools Quarterly Financial Report as of September 30, 2016 is included as a table in the QFR. As mentioned above, the information contained in this report is substantively complete, but the first quarter had not been officially closed at the time the report was prepared. Any change that could be made at closing is expected to be minimal, if any.

General Fund Revised Financial Projections Report

The General Fund Revised Financial Projections Report (GFRFPR) (Attachment B) provides a streamlined summary of forecasted revenues and expenditures. The GFRFPR indicates that by June 30, 2017, actual revenues, including transfers, are forecasted to be above appropriated revenues by \$4.201 million. This potential surplus reflects better-than-expected growth in most major revenue streams based on FY 16 actual results. Expenditures, including transfers, are projected to be \$0.939 million below appropriated expenditures. The difference between appropriated expenditures and forecasted expenditures is due primarily to savings associated with salary lapse. The result of the potential excess in revenues plus the anticipated expenditures savings is a projected net increase of \$5.140 million additional fund balance by the end of FY 17. Please note that this projected \$5.140 million in additional fund balance equals only 1.99% of the forecasted \$257.444 million FY 17 expenditures and transfers; this small percentage "buffer" reflects a fairly tight budgetary environment.

Quarterly Economic Indicators Report

The Quarterly Economic Indicators Report (QEIR) (Attachment D) shows the state of the County's economy. The QEIR contains data taken from the most recently available quarter and compares this data with data from the same quarter of previous fiscal years. General economic activity, as measured by six select revenue streams, collectively grew between Q4 FY 15 and Q4 FY 16 (the most recent quarter for which complete data is readily available), although revenue in one stream fell slightly while revenue in other streams increased moderately or jumped substantially. The unemployment rate in Albemarle declined between Q1 FY 16 and Q1 FY 17, dropping from 3.80% to 3.57%. This year-over-year decline was consistent with drops in national and state rates. Nominally, the County appears to have reached "full employment." The County's jobs base, meanwhile, appears to have experienced robust growth between Q3 FY 15 and Q3 FY 16, again the most recent quarter for which information is available. The total number of jobs increased from 50,419 to 51,954. This growth of 1,535 positions is consistent with a healthy local labor market. The revenue stream, unemployment rate, and jobs data suggest that the County's economy grew at a reasonably healthy pace in the most recent year, a situation that is consistent with the U.S. and state economies.

BUDGET IMPACT: Revenues and expenditures data contained in the QFR reflects the state of the County's FY 17 budget-to-actual financial performance as of September 30, 2016. Year-end projections contained in the

GFRFPR are subject to change, based on the result of actual collections and expenditures through June 30, 2017. Data shown in the QEIR reflects economic variables that impact the County's current and future revenues and expenditures.

RECOMMENDATION:

These reports are for information only. Staff welcomes the Board's feedback regarding the content and presentation of these reports.

ATTACHMENTS:

- A - Q1 FY 17 Quarterly Financial Report
- B - Q1 FY 17 General Fund Revised Financial Projections Report
- C - Q1 FY 17 General Fund Revised Financial Projections Report - Table
- D - Q1 FY 17 Quarterly Economic Indicators Report
- E - Q1 FY 17 Quarterly Economic Indicators Report - Table