



Albemarle County

Legislation Text

File #: 17-593, **Version:** 1

AGENDA DATE: 11/1/2017

TITLE:

FY 17 Unaudited Annual Financial Report (UAFR) and FY 17 Annual Economic Indicators Report (AEIR)

SUBJECT/PROPOSAL/REQUEST: Most recent financial indicators and County economic indicators

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Walker, Letteri, Burrell, Breeden, L., Allshouse, S.

PRESENTER (S): Betty Burrell

LEGAL REVIEW: Not Required

REVIEWED BY: Douglas C. Walker

BACKGROUND: The attached Unaudited Annual Financial Report (UAFR) (Attachment A) provides information regarding the County's FY 17 General Fund and School Fund performance as of June 30, 2017. The Annual Economic Indicator Report (AEIR) (Attachments B and C) provides an overview of FY 17 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:

Unaudited Annual Financial Report

The preliminary Unaudited Annual Financial Report (UAFR) reflects year-end data through June 30, 2017, the end of FY 17. The revenue information in the attached UAFR is organized in a way that is consistent with the revenue section of the County's budget document. Expenditure data is presented following the format of Exhibit 12 of the County's Comprehensive Annual Financial Report (CAFR). Line item titles in the UAFR match the line item titles in these two documents. The columns in the UAFR show FY 17 Adopted Budget revenues and expenditures, Revised Budget revenues and expenditures, as well as Year End actual revenues and expenditures. Each of these Year End figures subsequently is expressed as a dollar difference from, as well as a percentage of, the amount of the relevant dollar amount in the FY 17 Revised Budget.

Highlights of the attached report include:

FY 2017 Revenues		FY 2017 Expenditures	
Revised Budget	\$ 265,866,149	Revised Budget	\$ 265,866,149
Actual Revenues	269,345,110	Actual Expenditures	261,591,082
(including Transfers In)		(including Transfers In)	
Amount Over (Under Budget)	\$ 3,478,960	Amount Over (Under Budget)	\$ (4,275,067)
% Difference	1.31%	% Difference	-1.61%

Details of the significant revenue and expenditure variances are found on pages 3-4 of the UAFR.

FY17 Fund Balance & Use of FY17 Fund Balance

The General Fund estimated FY17 ending fund balance will be approximately \$55,687,097. After reserving the portion of fund balance necessary to maintain the County's 10% fund balance policy and future approved/planned uses of fund balance, the *anticipated* balance of \$14,186,950 (equal to 5.34% of the FY 17 General Fund budget) will be available for FY 18 budget, capital projects, or other uses. The Schools Division estimated FY17 ending fund balance will be transferred to the General Fund-School Reserve in accordance with the County's fund balance reserve policy. The \$1,975,506 estimated fund balance is below the 2% maximum reserve and will be available for School Division purposes subject to appropriation by the Board of Supervisors.

Annual Economic Indicators Report

The Annual Economic Indicators Report (AEIR) (Attachments B and C) shows the state of the County's economy. The AEIR contains data taken from FY 17 and compares this data with corresponding figures from previous fiscal years. General economic activity, as measured by six select revenue streams, grew between FY 16 and FY 17, although there was substantial variation in the performance of the revenue streams. The unemployment rate in Albemarle declined slightly between FY 16 and FY 17, dropping from 3.54% to 3.48%. This essentially flat year-over-year performance was consistent with the behavior of the national and state unemployment rates. Nominally, the County appears to have remained at "full employment." The County's jobs base, meanwhile, appears to have experienced extremely strong growth between FY 16 and FY 17. The total number of jobs jumped from 52,715 to 55,349. This growth of 2,635 positions is consistent with a very strong local labor market but, as a caveat, much of the leap in the jobs base took place in the retail sector and accommodation and food services sector, i.e., in industries that contain a large number of part-time positions. The revenue stream, unemployment rate, and jobs data suggest that the County's economy grew at a reasonably strong pace between FY 16 and FY 17, a situation that is consistent with the U.S. and state economies. The revenue, unemployment rate, and jobs projections for FY 18 suggest that the County's economy will continue to grow during the course of the current fiscal year but perhaps at a more moderate pace than in FY 17.

BUDGET IMPACT: Revenues and expenditures data contained in the AUFR reflects the state of the County's FY 17 budget-to-actual financial performance as of June 30, 2017. Data shown in the AEIR reflects economic variables that affect 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 - Unaudited Annual Financial Report
- B - Annual Economic Indicators Report
- C - Annual Economic Indicators Report - Table