

County of Spotsylvania

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MEMORANDUM

TO: Mark Taylor, County Administrator
FROM: Bonnie Jewell, Budget Manager
DATE: November 28, 2016
SUBJECT: FY 2017 First Quarter Update

Finance staff has completed its cursory review of FY 2017 General Fund revenue and expenditures through the period ending September 30, 2016. It is important to note that because of the accrual process for FY 2016, the first quarter of the fiscal year does not include a full 90 days of data for some of the revenue and expenditure accounts. In many cases, we have given consideration to the revenues and expenditures occurring during October, as well, and have factored that data into the analysis done for this report.

Revenue

Staff's revenue analysis was focused on major, non-property revenue accounts such as business license, consumer utility, sales, communications sales, meals, and recordation taxes. Based on our analysis of revenues through the end of September (and in some cases through October), there is **no change in projected annual revenues** at this time. Staff will be paying particular attention to receipts for meals, sales and communication sales taxes in the coming months as each of these appear to be lagging projections for the first three months of the year. Certainly we will have a better sense of the accuracy of these and other budget projections at mid-year and thereafter once holiday sales and meals are reflected in tax receipts.

Since property taxes are not due until December 5, we have not reviewed those tax revenues, but will complete a thorough review of those receipts for the mid-year FY 2017 report and will be certain to give consideration to the fact that receipts for these two revenues sources exceeded projections in FY 2016.

Expenditures

Based on staff's review of General Fund expenditures through September 30, 2016, it appears that, **overall, FY 2017 departmental expenditures are in line with budgeted allocations**. There are accounts for which adjustments need to occur to balance current and expected expenditures for the remainder of the year, but Finance staff believes those adjustments can be accomplished reasonably within existing department budget levels. Public safety overtime expenditures are greater than would be expected from a budget standpoint at this time in the

fiscal year, but staff is working with the public safety departments to ensure they are aware of the situation and to determine necessary action to ensure budgets are maintained.

Projections for potential expenditure budget savings, if applicable, will be included in the FY 2017 mid-year report.

Budget Adjustments Greater than \$50,000 Between Departments

The budget amendment policy requires that we report to the Board each quarter the budget transfers completed during the quarter that were greater than \$50,000 occurring between departments. There were no transfers of \$50,000 or more between departments during the first quarter of FY 2017. All transfers between capital projects, regardless of the amount, are reported to the Board as part of the quarterly report on capital projects. The capital projects report for the first quarter of FY 2017 was previously sent to Board members and is posted to the County's website.