

County of Spotsylvania

Finance Department
8800 Courthouse Road
P O Box 215
Spotsylvania, VA 22553
(540) 507-7575
Fax (540) 582-6304



MEMORANDUM

TO: Doug Barnes, County Administrator

FROM: Mary Sorrell, Budget Manager
Bonnie Jewell, Senior Financial Analyst

DATE: October 23, 2014

SUBJECT: FY 2015 First Quarter Update

Finance staff has completed its review of FY 2015 revenue and expenditures through the period ending September 30, 2014. It is important to note that because of the accrual process for FY 2014, the first quarter of the fiscal year does not include a full ninety days of data for some of the revenue and expenditure accounts.

Revenue

Our revenue analysis was focused on major revenue accounts such as real estate, personal property, business license, consumer utility, sales, communications sales, meals, and recordation taxes. Based on our analysis of revenues through the end of September, there is **no change in projected annual revenues**. Please recall that because of accruals of the first 45 days of revenue back to FY 2014, we have only 45 days of revenue data in FY 2015 on which to base projections for this first quarter. We will have a better sense of the accuracy of budget projections at mid-year, particularly after having received payments due in December for real estate and personal property taxes.

Expenditures

Based on our review of expenditures through September 30, 2014, it appears that FY 2015 departmental expenditures are in line with budgeted allocations. After the first quarter review, the single largest area of concern from an expenditure standpoint is public safety overtime. We will work with staff from the Public Safety departments to assess the situation and will determine what portion of the anticipated overage can be absorbed within their FY 2015 Adopted Budgets. If after further review we determine that additional funding is necessary, we will seek the Board's approval of a FY 2015 budget adjustment.

Budget staff will continue to work with department directors to review all expenditures, including overtime, and will make necessary adjustments to ensure that budgeted allocations are not exceeded.

Conclusion

Despite the success of the first quarter from a financial perspective, we remain cautious given the persistent uncertainty of Federal and State funding. Staff will continue to monitor revenues and expenditures on a regular basis, and will notify County Administration as soon as we become aware of any potential budgetary concerns. Just as we are maintaining a cautious approach to revenue projections, we will also continue to look for expenditure savings. As necessary, we plan to officially adjust FY 2015 revenues and expenditures at mid-year, when additional data is available.