

Topic: FY 2022 Monthly Financial Statement Update

Speaker: Bobby Fitts, Finance Director (if pulled from Consent)
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Approved by: Joseph M. Moore II, PE, Town Manager

Executive Summary:

A monthly report summarizing the status of the Town's revenues and expenditures.

Background:

The attached financials are a summary of revenues and expenditures to date. These monthly reports are provided to inform the Board of revenue and expenditure trends throughout the year. The enclosed statements are through July 25, 2022 and reflect Fiscal Year 2022 (sharing Fiscal Year '23 reports will begin with September's Regular Meeting).

Information:

FY '22 Expenditures

The Town has spent approximately 73% (~ \$12,869,000) of its General Fund budget of \$17,554,949. Departments with lower percentage expenditures reflect expensive capital projects in process (unspent funds supporting these projects are rolled forward to FY '23).

FY '22 Revenues

- Property Tax (the Town's largest revenue stream)
 - + FY 2022 collections: \$8,263,898 collected to date (~ 107% of budget).
 - + Observations:
 - # 8.8% more than collected last fiscal year (\$7,481,124).
 - # All twelve months of vehicle tax have been collected for FY 2022.
 - # We saw an 8.7% valuation increase from FY '21 to FY '22 with real property increasing 10.2% or \$86.2 million.
- Sales Tax (second largest revenue stream)
 - + March & April's sales (reports lag 3-months):
 - # \$131,416 (55.5%) more collected than last March & April for all sales tax.
 - # \$58,581 (57.4%) more collected than last March & April for "local" sales tax.
 - # "Local" sales tax (Article 39) is generated within, and returns to, Wake County.
 - + Year-to-Date comparisons (sales through the first ten months of the fiscal year)
 - # \$564,436 (+52.0%) more collected than at this time last year for all sales tax
 - # Collections represent 114% of budgeted revenues at 83% of the fiscal year.
 - # Robust sales and an increased share (resulting from recent census data showing population increase) were factors in the collections exceeding budget.
- Utilities Sales Tax (5% of revenue stream):
 - + FY 2022 (3rd quarter totals, reports received quarterly)
 - + \$6,770 (4.25%) collected over FY 2021 actual for same quarter
 - + Reflects natural gas and electricity sales and heavily weather dependent

- Permits & Zoning
 - + \$207,053 collected total (94% of budgeted revenues (\$220,000))
 - + 33.7% less than what was collected this time last fiscal year (\$312,151).
 - + Permit activity slowed down in the 4th quarter as the number of plotted lots to build upon diminished. 294 lots were built upon in FY '22 as opposed to 432 in FY '21.

- Transportation Impact Fees
 - + \$625,711 collected to date (313% of budgeted revenues (\$200,000)).
 - + 18.2% more than what was collected last fiscal year.
 - + Revenue placed in reserve for transportation projects to be spent within 10 years
 - + A TIF study is budgeted in FY 2023 to calculate a fee more reflective of new construction costs, and more equitable based on market conditions.
 - + The current TIF balance is projected to complete the Green Pace @ N. Arendell signal project.

Policy Analysis: N/A

Financial Analysis: Budgeted revenue in FY 2022 was \$17,554,949 while year to date revenue collected was \$16,234,216 (92% of budgeted). Budgeted revenue includes \$4.6M Fund Balance. Excluding Fund Balance, revenue collections will exceed budgeted revenues.

Staff Recommendation:

No staff recommendation or Board action is necessary. These are informational only.

Attachments:

1. General Fund Fiscal Year 2022 Expenditure Statement and Revenue Statement (as of July 26, 2022)
2. Sales Tax – FY 2022

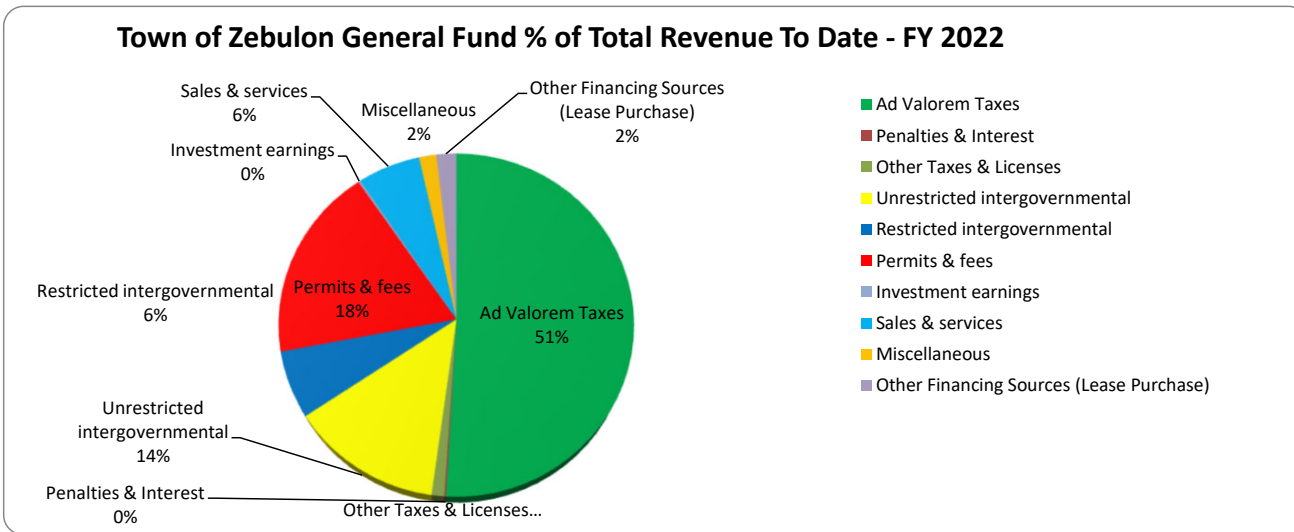
ZEBULON

NORTH CAROLINA

TOWN OF ZEBULON
 Revenue Statement: 2021 - 2022 As of 7/25/2022
 for Accounting Period 6/30/2022
 GENERAL FUND

| <u>Revenue Categories</u> | <u>Estimated Revenue</u> | <u>Revenue YTD</u> | <u>% Collected</u> | <u>% of Total Revenue YTD</u> |
|--|--------------------------|---------------------|--------------------|-------------------------------|
| Ad Valorem Taxes | \$7,672,000 | \$8,263,898 | 107.7% | 50.9% |
| Penalties & Interest | \$13,500 | \$26,215 | 194.2% | 0.2% |
| Other Taxes & Licenses | \$145,400 | \$178,855 | 123.0% | 1.1% |
| Unrestricted intergovernmental | \$2,082,500 | \$2,189,185 | 105.1% | 13.5% |
| Restricted intergovernmental | \$1,013,845 | \$1,029,457 | 101.5% | 6.3% |
| Permits & fees | \$610,000 | \$2,989,308 | 490.1% | 18.4% |
| Investment earnings | \$3,500 | \$32,084 | 916.7% | 0.2% |
| Sales & services | \$971,400 | \$959,001 | 98.7% | 5.9% |
| Miscellaneous | \$93,382 | \$261,212 | 279.7% | 1.6% |
| Other Financing Sources (Lease Purchase) | \$315,000 | \$305,000 | 0.0% | 1.9% |
| Fund Balance Appropriated | \$4,634,422 | \$0 | 0.0% | 0.0% |
| Total Revenues | \$17,554,949 | \$16,234,216 | 92.5% | 100% |

Town of Zebulon General Fund % of Total Revenue To Date - FY 2022





TOWN OF ZEBULON
Expenditure Statement:2021 - 2022
for Accounting Period 6/30/2022
GENERAL FUND

As of 7/25/2022

| <u>Dept #</u> | <u>Department</u> | <u>Approp Amount</u> | <u>Expenditure YTD</u> | <u>% Exp.</u> |
|---------------|--------------------------------------|----------------------|------------------------|---------------|
| 410 | GOVERNING BODY | \$560,015 | \$506,920 | 90.5% |
| 420 | FINANCE | \$407,016 | \$392,883 | 96.5% |
| 430 | ADMINISTRATION | \$1,021,700 | \$882,738 | 86.4% |
| 490 | PLANNING AND ZONING | \$672,366 | \$572,557 | 85.2% |
| 500 | PUBLIC WORKS-PROPERTY & PROJECT MGMT | \$2,846,915 | \$1,681,387 | 59.1% |
| 510 | POLICE | \$2,854,211 | \$2,658,268 | 93.1% |
| 520 | PUBLIC WORKS-OPERATIONS | \$3,425,766 | \$2,182,861 | 63.7% |
| 530 | FIRE | \$3,040,204 | \$2,766,265 | 91.0% |
| 570 | POWELL BILL | \$460,500 | \$17,885 | 3.9% |
| 620 | PARKS & RECREATION | \$1,901,111 | \$1,127,959 | 59.3% |
| 690 | COMMUNITY & ECONOMIC DEVELOPMENT | \$365,145 | \$79,626 | 21.8% |
| | Total Expenditures | \$17,554,949 | \$12,869,349 | 73.3% |

Sales Tax

FY 2022

| Month | Article 39 (1) * | Article 40 (1/2) | Article 42 (1/2) | Article 44 (1/2) | City Hold Harmless | FY 22 Totals | Prior Year (FY 2021) | % Inc (Dec) from Prior Yr |
|--------------|-------------------|-------------------|-------------------|------------------|--------------------|---------------------|----------------------|---------------------------|
| July | \$ 54,740 | \$ 23,633 | \$ 27,374 | \$ (8) | \$ 19,820 | \$ 125,560 | \$ 106,293 | 18.1% |
| August | 70,908 | 30,305 | 35,575 | 0 | 25,312 | 162,100 | 98,134 | 65.2% |
| September | 75,195 | 30,242 | 37,636 | (8) | 23,969 | 167,034 | 107,017 | 56.1% |
| October | 76,033 | 30,096 | 38,111 | 1 | 23,345 | 167,586 | 105,056 | 59.5% |
| November | 73,190 | 32,351 | 36,680 | 0 | 27,435 | 169,657 | 111,773 | 51.8% |
| December | 90,634 | 36,407 | 45,390 | 6 | 28,988 | 201,425 | 128,204 | 57.1% |
| January | 59,259 | 27,588 | 29,798 | (0) | 23,629 | 140,273 | 107,034 | 31.1% |
| February | 67,203 | 26,858 | 33,643 | (3) | 21,007 | 148,707 | 85,810 | 73.3% |
| March | 78,105 | 34,810 | 39,178 | (0) | 29,749 | 181,841 | 121,143 | 50.1% |
| April | 82,591 | 34,357 | 41,347 | 4 | 27,856 | 186,154 | 115,436 | 61.3% |
| May | - | - | - | - | - | - | 120,866 | -100.0% |
| June | - | - | - | - | - | - | 129,315 | -100.0% |
| Total | \$ 727,857 | \$ 306,645 | \$ 364,733 | \$ (8) | \$ 251,109 | \$ 1,650,337 | \$ 1,085,900 | 52.0% |

FY 2021

| Month | Article 39 (1) * | Article 40 (1/2) | Article 42 (1/2) | Article 44 (1/2) | City Hold Harmless | FY 21 Totals | Prior Year (FY 2020) | % Inc (Dec) from Prior Yr |
|--------------|-------------------|-------------------|-------------------|------------------|--------------------|---------------------|----------------------|---------------------------|
| July | \$ 46,727 | \$ 19,891 | \$ 23,331 | \$ (7) | \$ 16,351 | \$ 106,293 | \$ 94,711 | 12.2% |
| August | 42,713 | 18,626 | 21,327 | 11 | 15,457 | 98,134 | 96,820 | 1.4% |
| September | 47,770 | 19,733 | 23,858 | (2) | 15,658 | 107,017 | 98,482 | 8.7% |
| October | 46,956 | 19,326 | 23,433 | (13) | 15,354 | 105,056 | 101,205 | 3.8% |
| November | 50,717 | 20,199 | 25,285 | (2) | 15,574 | 111,773 | 100,498 | 11.2% |
| December | 58,329 | 23,016 | 29,146 | 10 | 17,704 | 128,204 | 108,478 | 18.2% |
| January | 48,410 | 19,425 | 24,185 | 1 | 15,012 | 107,034 | 84,115 | 27.2% |
| February | 37,570 | 16,223 | 18,734 | 1 | 13,282 | 85,810 | 85,027 | 0.9% |
| March | 51,917 | 23,270 | 25,950 | (2) | 20,007 | 121,143 | 96,647 | 25.3% |
| April | 50,198 | 21,765 | 25,058 | (3) | 18,418 | 115,436 | 81,112 | 42.3% |
| May | 54,888 | 21,736 | 27,402 | 0 | 16,841 | 120,866 | 93,940 | 28.7% |
| June | 56,533 | 24,213 | 28,255 | 2 | 20,313 | 129,315 | 112,742 | 14.7% |
| Total | \$ 592,728 | \$ 247,422 | \$ 295,964 | \$ (4) | \$ 199,972 | \$ 1,336,082 | \$ 1,153,778 | 15.8% |

* Net proceeds of the Article 39 tax are returned to the county of origin.