



Legislation Text

File #: 20-285, **Version:** 1

TITLE:

FY20 Financial Update

PURPOSE: The purpose of this item is to provide an update on FY20 revenues and expenditures to date.

DEPARTMENT: Finance

CONTACT INFORMATION: Cary McNallan 919-918-7301

INFORMATION: Included in this agenda item are two attachments.

Attachment 1 shows the FY19 and FY20 actual revenues and expenditures, along with FY20 budget information. Attachment 2 shows a four year history of the Town's cash balances for the General Fund and All Funds combined.

Notes for Attachment 1: The FY20 amounts are not final totals as we are still in the process of closing out the fiscal year. For revenues, there are two major receipts missing (see highlighted areas). These include the June sales tax revenues and the 4th quarter State collected taxes/fees. Without these figures, the total revenues for FY20 are \$336K below budget, and \$1.5M shy of FY19 totals, or \$1.1M if you don't consider Other Financing Sources which primarily includes operating transfers. Sales tax receipts for March-May are down 11% from the same time last year. Expenditures for FY20 are nearly \$2.4M less than budgeted, and approximately \$556K greater than FY19.

Notes for Attachment 2: The four year trend for cash balances is fairly consistent from year to year, with October usually being the low point of our cash reserves before property tax payments start coming in to replenish the balances. With the downturn in the economy, revenues such as sales tax and state taxes and fees will likely continue to be much less than previous years which will have an adverse effect on our cash balances. Another thing to note is that the unexpected expenditures related to COVID-19 require an upfront cash outlay. Even though many of these expenses will be funded with FEMA dollars, that reimbursement request and the receipt of that funding will likely not occur until the spring of 2021.

During the FY21 budget process, we lowered the revenue projections in anticipation of the effects of the pandemic. At this point in time, we do not have enough data or information to predict what the actual FY21 revenues will look like, and do not recommend any budget amendments at this time.

FISCAL & STAFF IMPACT:

RECOMMENDATION: Council receives the attached reports.