

FY 2023 Year End Overview

Board of Supervisors Work Session

September 26, 2023

Work Session Agenda

- Overview
- FY 2023 General Government Revenue Summary
- FY 2023 General Government Expenditure Summary
- FY 2023 General Government Year End Summary
- Fund Balance Policies
- Children's Services Act (CSA)
- Tax Relief Program

Overview

Overview -Year End Highlights

- Conservative budgeting due to continued economic uncertainties along with unexpected strong economic performance resulted in year-end revenues above budget
- Preliminary general government expenditures came in below budget net of contingencies by \$0.26M / 0.11%
- Preliminary FY 2023 Year End savings are comparable with other localities and the Commonwealth
- Most fund balances currently meet or exceed our comprehensive financial policy

FY 2023 General Government Revenue Summary

FY 2023 Revenue – Budget vs. Actual

Category	Actual FY 2022	Amended Budget FY 2023	Actual FY 2023	\$ Difference FY 2023 Amended vs. Actual	% Difference FY 2023 Amended vs. Actual
Real Estate Taxes	\$ 105,637,680	\$ 112,535,000	\$ 113,353,109	\$ 818,109	0.73%
Personal Property Taxes	36,813,410	40,812,500	41,099,393	286,893	0.70%
Intergovernmental Revenue (State/Federal)	18,116,989	18,919,058	18,738,974	(180,084)	-0.95%
Other Local Taxes and Fees ¹	15,281,898	15,175,000	15,456,620	281,620	1.86%
Local Sales Tax	14,152,239	14,967,641	15,157,823	190,182	1.27%
Other Revenues ²	7,876,096	7,828,917	9,070,475	1,241,558	15.86%
Business License Tax	7,763,436	7,575,000	8,660,791	1,085,791	14.33%
Meals Tax	5,310,072	5,400,000	5,961,799	561,799	10.40%
Communication Sales & Use Tax	2,810,863	2,650,000	2,739,072	89,072	3.36%
Hotel/Motel Tax	1,688,196	1,349,568	1,855,469	505,901	37.49%
Appropriated Beginning Balance	14,587,212	13,209,078	13,209,078	-	0.00%
Total	\$ 230,038,091	\$ 240,421,762	\$ 245,302,603	\$ 4,880,841	2.03%

¹ Other Local Taxes and Fees includes: Public Service Corporation Tax, Payment in Lieu of Taxes, Penalties & Interest, Consumer Utility, Motor Vehicle License, Recordation and Conveyance, Other Local Taxes and Fees

² Other Revenues includes: Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money and Property, Charges for Services, Recovered Costs, and Miscellaneous Revenue

Actual Revenue – Major Categories

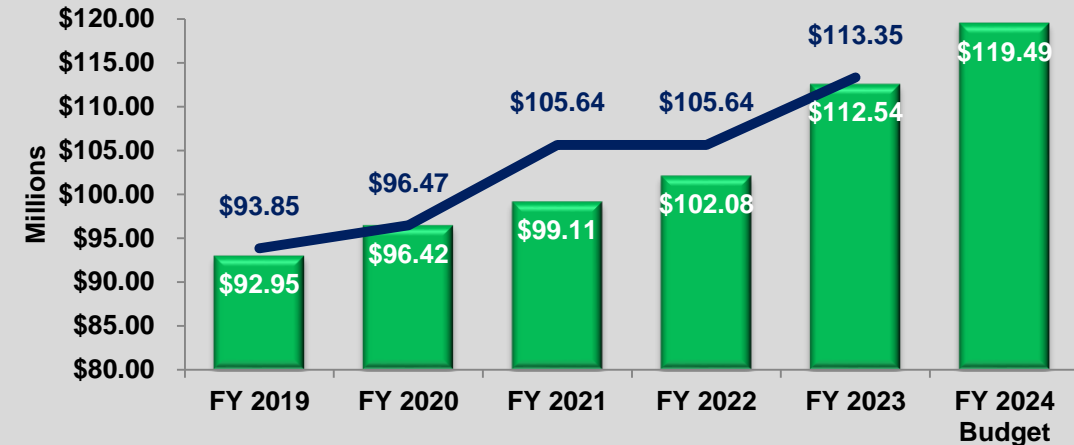
- Real Estate

- \$818,109 or 0.73% above amended budget
- Surplus revenue due to increased assessments and low inventory

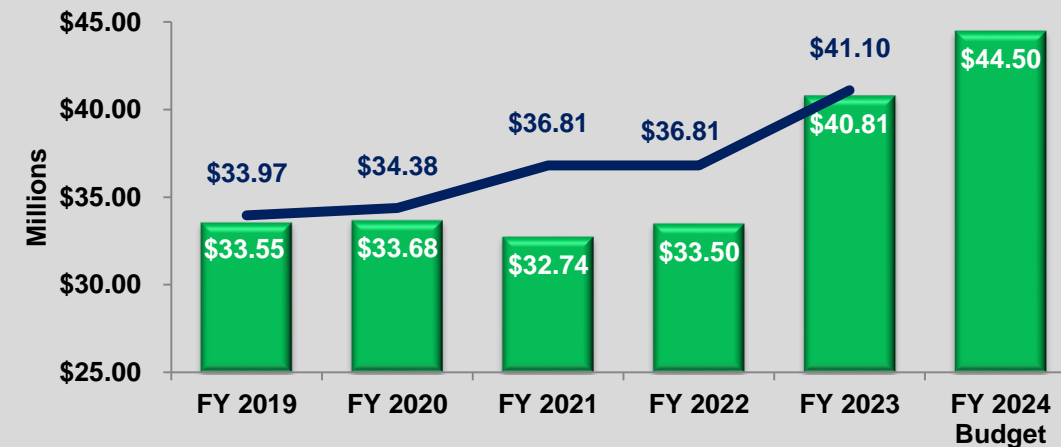
- Personal Property

- \$286,893 or 0.70% above amended budget
- Used and new vehicle values remain high
- Roanoke County adjusted tax relief to offset increased tax bills in past two years

Real Estate Revenue



Personal Property Revenue



 Budgeted Revenue

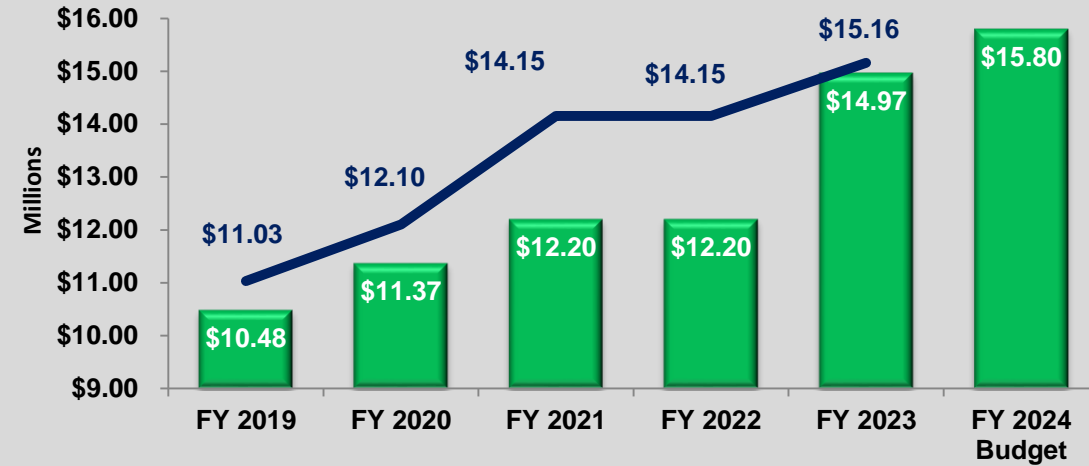
 Actual Revenue

Actual Revenue – Major Categories

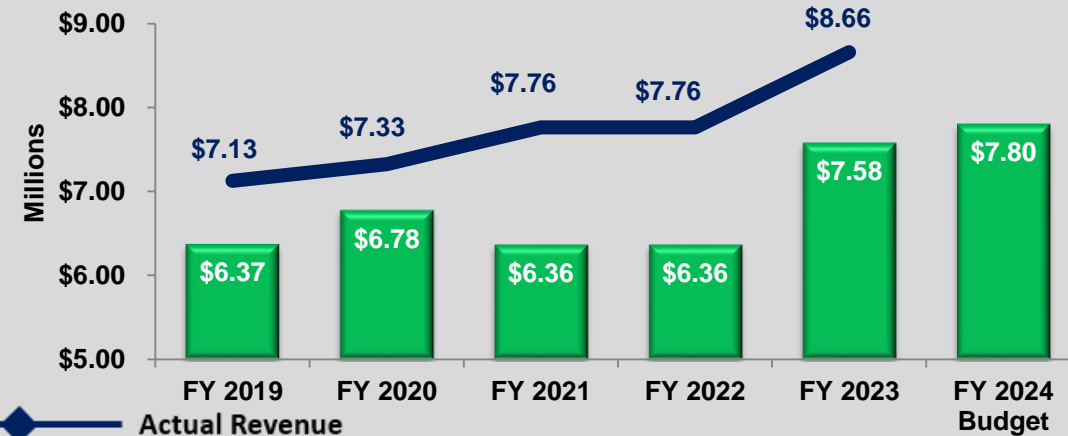
- Sales Tax
 - \$190,182 or 1.27% above amended budget
 - Revenue increased over FY 2022 due to consumer spending and inflationary impacts on prices

- Business License Tax
 - \$1,085,791 or 14.33% above amended budget
 - Gross receipts increased with increased sales and prices which were impacted by inflation

Sales Tax Revenue



Business License Tax Revenue



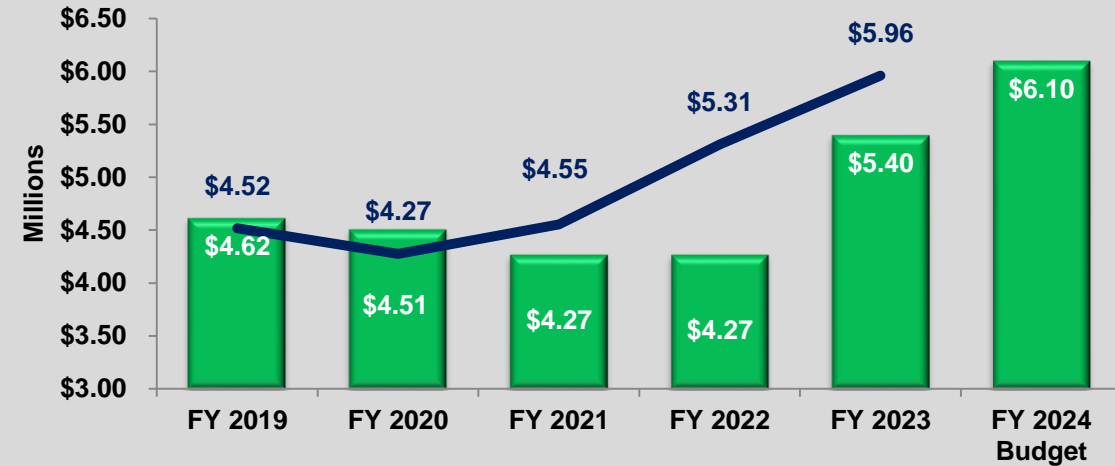
 Budgeted Revenue

 Actual Revenue

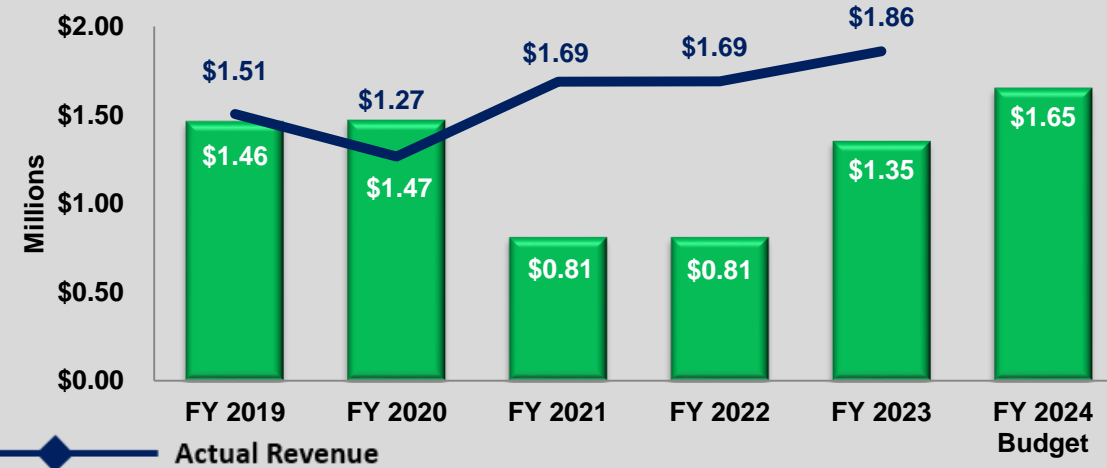
Actual Revenue – Major Categories

- Meals Tax
 - \$561,799 or 10.40% above amended budget
 - Revenue surplus due to several new restaurants opening in Roanoke County as well as inflation in prices
- Hotel & Motel Room Taxes
 - \$505,901 or 37.49% above amended budget
 - Revenue surplus due to return of business travel and regional events

Meals Tax Revenue



Hotel & Motel Room Tax Revenue



 Budgeted Revenue

 Actual Revenue

FY 2023 General Government Expenditure Summary

FY 2023 Expenditures – General Government

Expenditures by Category

Category	FY 2023 Amended Budget	FY 2023 Actual	Encumbrances	Balance	% of Budget Expended
Personnel	\$ 76,587,928	\$ 76,146,212	\$ -	\$ 441,716	99.42%
Operating	39,289,363	38,737,162	382,042	170,159	99.57%
Transfers & Other	36,450,144	33,257,147	-	3,192,997	91.24%
Schools Operating	78,546,970	78,546,970	-	-	100.00%
Schools Debt	7,668,357	7,668,357	-	-	100.00%
Schools CSA	1,879,000	1,879,000	-	-	100.00%
Total	\$ 240,421,762	\$ 236,234,848	\$ 382,042	\$ 3,804,872	98.42%

FY 2023 General Government Year End Summary

Overview - FY 2023 General Government Year End Summary

FY 2023 Year-End Balance	Amount
Revenues above Adopted Budget	\$ 4,880,841
Expenditure Savings, Net of Encumbrances	3,804,872
Total 2023 Year End	8,685,713
Less FY 2023 Budgeted Contribution to Fund Balance (12%)	(2,974,113)
Less General Government Expenditure Contingency per Policy (.25%)	(608,162)
Less funding to Schools as per MOU	(3,000,000)
Less funding for Sheriff School Resource Officers (7/1/23-6/30/24)	(318,608)
Less funding for Blue Ridge Behavioral Healthcare, Demographic and Housing Studies and Internal Audit (carryover for audit)	(432,713)
Less Commitment to Airport Commission for Grant	(250,000)
Total Available Funds at FY 2023 Year End	\$ 1,102,122

Summary of Revenue and Expenditures Savings and Proposed Year End FY23 Allocation

County	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Unaudited FY 2023
Surplus Revenues	\$ 1,328,574	\$ 4,117,271	\$ 2,276,393	\$ 11,459,599	\$ 14,329,913	\$ 4,880,841
Expenditures Savings	213,720	320,986	1,576,401	3,131,217	687,003	3,804,872
TOTAL	\$ 1,542,294	\$ 4,438,257	\$ 3,852,794	\$ 14,590,816	\$ 15,016,916	\$ 8,685,713
Use of Surplus:						
General Fund Unappropriated Balance	-	752,899	-	491,803	2,093,025	2,974,113
General Government Exp. Contingency	-	250,000	250,000	252,597	546,202	608,162
Funding to Schools as per MOU						3,000,000
Sheriff School Resource Officers						318,603
Commitment to Airport Commission for Grant						250,000
Transfer to Capital Reserves	142,294	1,435,358	1,736,826	7,910,896	7,547,689	-
Revenue/Expenditure Contingency	-	-	-	-	3,000,000	1,102,122
Individual Capital Projects	600,000	1,400,000	-	1,050,000	580,000	-
Restore funds to Capital Projects	-	-	1,045,000	1,105,000	-	-
Equipment Replacement	-	-	-	601,500	-	-
Contributions to Other Fund Balances	800,000	-	-	1,320,000	750,000	-
Gratitude Bonus for Roanoke County Employee	-	-	511,068	1,859,020	-	-
Other Items	-	600,000	309,900	-	500,000	432,713
TOTAL	\$ 1,542,294	\$ 4,438,257	\$ 3,852,794	\$ 14,590,816	\$ 15,016,916	\$ 8,685,713

Fund Balance Policies

Other Funds

Fund	FY 2023 Beginning Balance	FY 2023 Activity	Undesignated Fund Balance (June 30, 2023)	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy
Criminal Justice Academy	\$ 204,800	\$ 23,522	\$ 228,322	\$ 45,415	\$ 182,907
Fleet Service Center	273,307	(45,457)	227,850	306,467	(78,617)
Fee Class Fund	721,528	(109,653)	611,875	259,932	351,943
Information Technology	591,003	662,392	1,253,395	397,223	856,172
Communications Shop	374,605	141,548	516,153	167,906	348,247
Emergency Communications Center (ECC)	346,714	83,514	430,228	216,469	213,759

Internal Service Funds

Fund	FYE 2023 Beginning Balance +IBNR	FY 2023 Activity	Undesignated Fund Balance +IBNR	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy
Health	\$ 2,557,774	\$ 304,634	\$ 2,862,408	\$ 2,191,599	\$ 670,809
Dental	83,280	29,741	113,021	-	113,021
Risk Management	3,544,511	(82,864)	3,461,647	3,622,047	(160,400)

Fund Balance Policy: Health Insurance – 10% of current year expenditure budget plus IBNR

Risk Management – 10% of current year expenditure budget plus IBNR and \$500K for property claims

(IBNR: Incurred But Not Reported claims)

Other Funds

Children's Services Act (CSA)

Fund	FY 2023 Beginning Balance	FY 2023 Deficit	Undesignated Fund Balance (June 30, 2023)	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy
Children's Services Act (CSA)	\$ 2,000,714	\$ (1,257,756)	\$ 742,218	\$ 1,192,225	\$ (450,007)

Fiscal Year	Total CSA Revenues	Total CSA Expenditures	Deficit	Addition to Fund Balance	Year End Fund Balance
FY 2017	5,680,066	7,244,451	(1,564,385)	-	1,150,440
FY 2018	6,457,922	6,993,575	(535,653)	525,000	1,139,787
FY 2019	6,946,760	7,170,706	(223,946)	-	915,841
FY 2020	7,485,868	7,515,842	(29,974)	-	885,867
FY 2021	8,725,018	9,233,706	(508,688)	-	377,179
FY 2022	8,936,390	9,512,855	(576,465)	2,200,000	2,000,714
FY 2023	10,308,508	11,566,264	(1,257,756)	-	742,218

- Alternative Day School costs increased \$1,194,460 in FY 2023
- Community Based Services costs increased \$564,018 in FY 2023
- Therapeutic Foster Care costs decreased \$99,334 in FY 2023
- County and Schools added \$2.2 million to fund balance in FY 2022 from FY 2021 Year End Savings

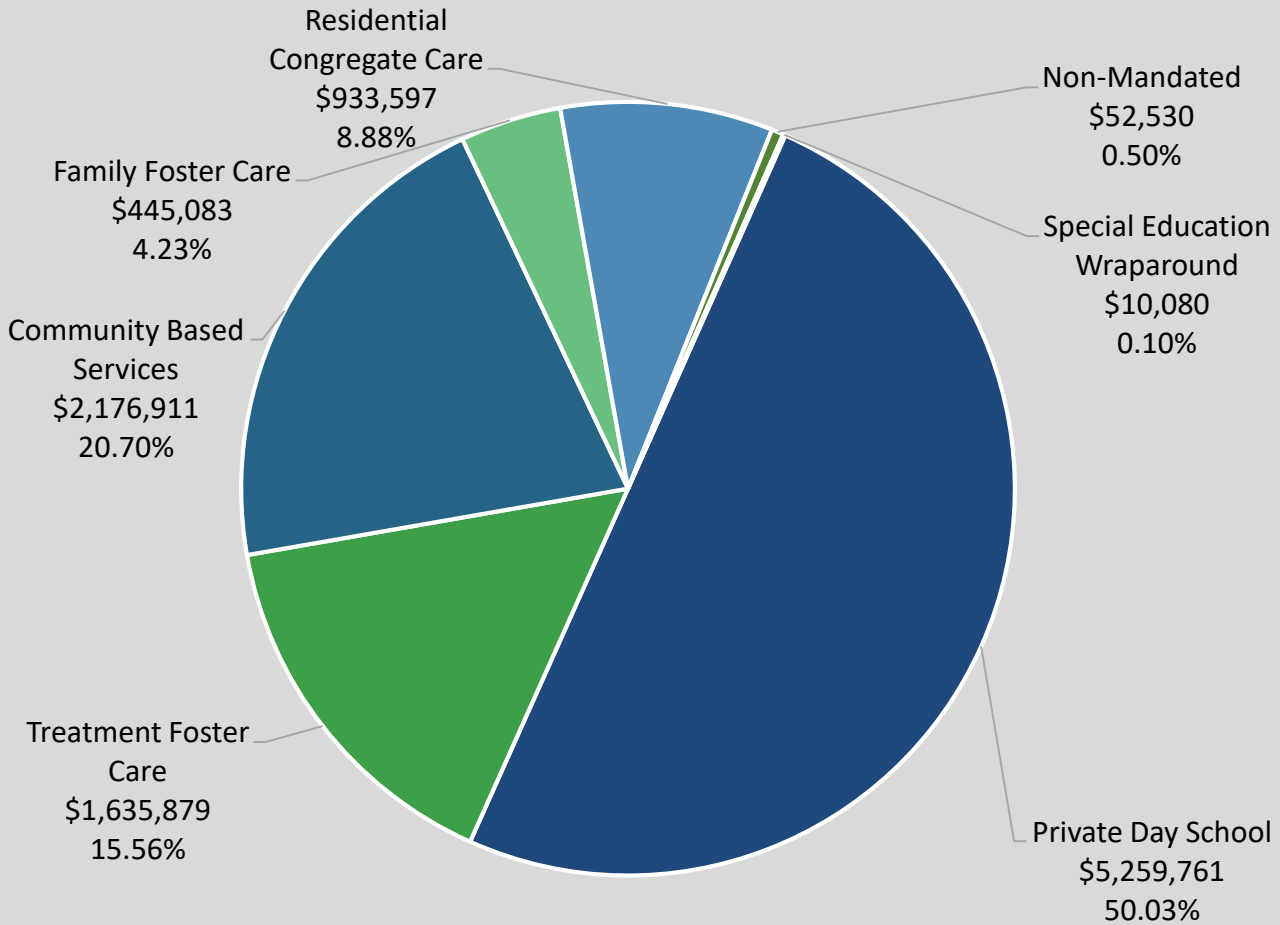
Children's Services Act (CSA)

Children's Services Act (CSA)

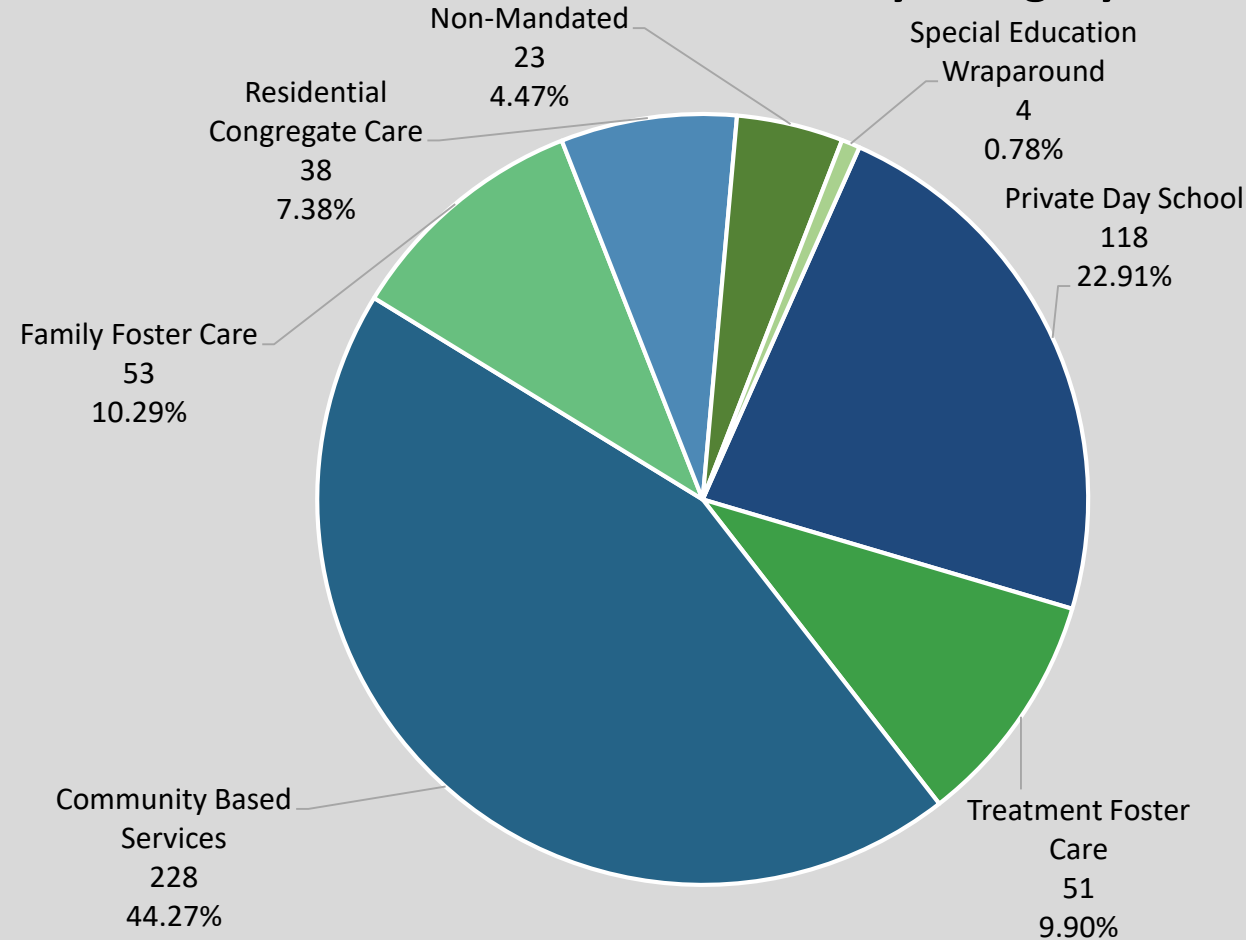
Roanoke County CSA Pool Expenditures and Youth Served			
Fiscal Year	Number of Youth Served	Total Pool Fund Expenditures	Average Cost per Child
FY 2017	237	\$ 6,879,704	\$ 29,028
FY 2018	232	6,722,260	28,975
FY 2019	239	6,654,309	27,842
FY 2020	288	7,349,050	25,518
FY 2021	288	8,755,687	30,402
FY 2022	356	9,166,156	25,748
FY 2023	364	10,513,841	28,884

Children's Services Act (CSA)

FY 2023 Expenditures by Category



FY 2023 Units of Service by Category



Children's Services Act (CSA)

Roanoke County CSA Private Day School Expenditures and Youth Served						
Fiscal Year	Total CSA Expenditures	Private Day School Expenditures	Private Day School % of Total Exp.	Total CSA Youth Served	Private Day School Youth Served	Private Day School % of Total Served
FY 2017	\$ 6,879,704	\$ 3,617,764	52.59%	237	112	47.26%
FY 2018	6,722,260	4,003,859	59.56%	232	122	52.59%
FY 2019	6,654,309	4,006,356	60.21%	239	116	48.54%
FY 2020	7,349,050	3,894,645	53.00%	288	114	39.58%
FY 2021	8,755,687	4,114,457	46.99%	288	102	35.42%
FY 2022	9,166,156	4,077,704	44.49%	356	115	32.30%
FY 2023	10,513,841	5,259,761	50.03%	364	118	32.42%

Children's Services Act (CSA)

FY 2023 Roanoke County CSA Average Cost Per Youth Served			
Category	Expenditures	Youth Served	Average Cost per Youth by Category
Private Day School	\$ 5,259,761	118	\$ 44,574
Community Based Services	2,176,911	228	9,548
Treatment Foster Care	1,635,879	51	32,076
Residential Congregate Care	933,597	38	24,568
Family Foster Care	445,083	53	8,398
Non-Mandated	52,530	23	2,284
Special Education Wraparound	10,080	4	2,520

Children's Services Act (CSA)

State and Roanoke County Private Day School Expenditures			
Fiscal Year	Total Pool Funds for Private Day School	State Expense (56.03%)	Roanoke County Expense (43.97%)
FY 2017	\$ 3,617,764	\$ 2,027,033	\$ 1,590,731
FY 2018	4,003,859	2,243,362	1,760,497
FY 2019	4,006,356	2,244,761	1,761,595
FY 2020	3,894,645	2,182,170	1,712,475
FY 2021	4,114,457	2,305,330	1,809,127
FY 2022	4,077,704	2,284,738	1,792,966
FY 2023	5,259,761	2,947,044	2,312,717

Children's Services Act (CSA)

Private Day School Costs Per Child				
Fiscal Year	Number of Private Day Youth Served	Total Pool Fund Expenditures Private Day	Average Cost Per Child Private Day	RCPS Per Pupil Spending*
FY 2017	112	\$ 3,617,764	\$ 32,301	\$ 10,394
FY 2018	122	4,003,859	32,819	10,878
FY 2019	116	4,006,356	34,538	11,095
FY 2020	114	3,894,645	34,164	11,496
FY 2021	102	4,114,457	40,338	12,475
FY 2022	115	4,077,704	35,458	12,320
FY 2023	118	5,259,761	44,574	

*Source: Roanoke County Public Schools Annual Comprehensive Financial Report (ACFR), Table 15
 FY 2023 Per Pupil Spending Unavailable

Children's Services Act (CSA)

Current Year Private Day Placements by School Level	
Fiscal Year	Number of Private Day Youth Placements
High School	41
Middle School	25
Elementary School	28

- Historically, the high cost of private day school in Roanoke County is related more to the high utilization of the service rather than the rate for the service.
- In recent years, rate increases have been more impactful to the total yearly expenditures.
- If the number of youth in private day school remains consistent, the cost in FY 2024 will increase over FY 2023.
- Lobbying at state level has focused on Private Day placement rates rather than addressing flexibility on the use of funding to prevent Private Day placements.

Tax Relief Program

Tax Relief Program

- Section 21-73(1) of the Roanoke County Code sets the parameters for the Real Estate Tax Relief program for elderly and disabled citizens and disabled veterans.
- Managed by the Commissioner of the Revenue's office
- Assessed value of a property is frozen until the property is sold, transferred, or the tax relief is not renewed.
- Applications are mailed in December of each year and are due by March 15
- Roanoke County's combined gross income limit is \$56,566 and combined net worth limit is \$200,000

Tax Relief Program

Tax Relief Frozen Assessments and Expenditures		
Fiscal Year	Frozen Assessments	Tax Relief Expenditures
FY 2019	1,619	\$ 1,038,843
FY 2020	1,615	1,229,937
FY 2021	1,606	1,299,488
FY 2022	1,587	1,493,766
FY 2023	1,650	1,759,440

Questions & Comments