



TOWN OF
HILLSBOROUGH
NORTH CAROLINA

To: Eric Peterson, Manager

From: David McCole, Finance Director *DM*

Ref: March 31, 2024, General Fund Financial Report

Revenues-March:

		FY 23/24		Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23
REVENUES	Budget	Actual	FY 22/23 Actual		Actual
Ad valorem	\$ 9,947,250	\$ 9,548,306	\$ 9,315,859	\$ 232,447	2.4%
Other taxes and licenses	7,300	5,230	6,022	(792)	-15.1%
Unrestricted Intergovernmental revenues	4,229,500	2,597,478	2,386,250	211,228	8.1%
Restricted intergovernmental revenues	306,425	306,425	272,524	33,901	11.1%
Use and rental fees	81,500	88,790	58,855	29,935	33.7%
Investment earnings	100,000	567,294	314,073	253,221	44.6%
Miscellaneous revenues	274,895	225,796	146,826	78,970	35.0%
Total revenues	14,946,870	13,339,319	12,500,409	838,910	6.3%

Revenues are up year over year through March by \$838,910. Ad Valorem taxes are up year over year by \$232,447. It should be noted that the budgeted 2023 tax levy collected is 97.5% through March. The same time last year the 2022 tax levy collected was 105% of the budgeted amount. Investments earnings are up year over year in the amount of \$253,221. The increase in interest revenue is the result of an increase in interest rates by the Federal Reserve to bring down inflation. Sales Tax, which is part of Unrestricted Intergovernmental Revenues, is up year over year by \$170,279. The increase in Miscellaneous Revenue is due to a refund from Hillsborough Automotive Group in the amount of \$67,390. The expenditure happened last fiscal year, but the refund occurred in the current fiscal year.

Expenditures March:

		FY 23/24		Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23
EXPENDITURES	Budget	Actual	FY 22/23 Actual		Actual
Current:					
General government	\$ 4,539,452	\$ 2,255,408	\$ 2,407,098	\$ (151,690)	-6.7%
Public safety	6,897,277	4,856,018	4,400,307	455,711	9.4%
Transportation	2,045,758	691,831	808,203	(116,372)	-16.8%
Environmental protection	1,228,333	1,006,906	478,530	528,376	52.5%
Community activities and projects	599,254	158,970	175,112	(16,142)	-10.2%
Parks and recreation	837,266	478,645	442,000	36,645	7.7%
Contingency	10,579			-	
Total expenditures	\$ 16,157,919	\$ 9,447,778	\$ 8,711,250	\$ 736,528	7.8%

Expenditures are up year over year through February by \$736,528. Public Safety has increased in the amount of \$455,711. The Police Department expenditures increased year over year through March by \$308,017 due to the increase in salaries & wages and vehicle expenditures in FY 23/24. The Safety & Risk Management Department increased year over by \$180,147. Most of the increase is attributable to including Property and Liability insurance within the Safety & Risk Management Department for FY 23/24. Environmental Protection has increased to the amount of \$528,376. The Solid Waste Department increased year over year through March by \$517,208. The increase is due to the purchase of vehicles in the amount of \$491,592. The decrease in General Government expenditures for FY 23/24 is due to the Administration Department. The decrease can be attributed to moving Property and Liability insurance from the Administration Department to the Safety & Risk Department for FY 23/24. One department that had a large increase within General Government was the Planning Department in the amount of \$129,073. Much of the increase can be attributed to an increase in expenditures to the Tourism Board & Tourism Development Board. The increase is due to the timing of postings through March compared to posting at this same time last year for the Occupancy and Food & Beverage tax revenue that is due to the Tourism Board and Tourism Development Board. Transportation expenditures are down year over year due to the timing of projects being completed as well as the purchase of vehicles last year.

Other Financing Sources (Uses) March:

	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	\$ 170,000			-	
Transfers to other funds	(1,421,579)	(1,421,579)		(1,421,579)	100.0%
IT subscription agreement	-			-	
Other financing sources (uses), net	\$ (1,251,579)	\$ (1,421,579)	\$ -	(1,421,579)	

The increase in transfers over the last year is due to the timing of the journal entry being done earlier this year.

Fund Balance March:

	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23
APPROPRIATED FUND BALANCE	2,462,628			
Net change in fund balances	-	2,469,962	3,789,159	(1,319,197)
Fund balances, beginning of year	14,223,419	14,223,419	11,853,037	2,370,382
Fund balances, end of the year	\$ 14,223,419	\$ 16,693,381	\$ 15,642,196	\$ 1,051,185

Fund balance grew \$2.5 million month ended March 2024. This is \$1.3 million less than last year at this point. The decrease in growth in the fund balance is due to the timing of transfers to other funds being done earlier this year. It should be noted that revenue over expenditures is \$3.9 million at March month end compared to \$3.8 million at this same point and time last year.



TOWN OF
HILLSBOROUGH
NORTH CAROLINA

To: Eric Peterson, Manager

From: David McCole, Finance Director *DM*

Ref: March 31, 2024, Water/Sewer Fund Financial Report

Overall Performance:

Revenues were \$1.398 million more than expenditures through March. Last year at this time revenues were \$1.717 million more than expenditures. The decrease in net operating income of \$319,160 over last year at this time can be attributed to an increase in operating expenditures this fiscal year in the amount of \$955,765.

Revenues-March:

				Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
REVENUES	Budget	FY 23/24 Actual	FY 22/23 Actual		
OPERATING REVENUES					
Water charges	\$ 5,745,200	\$ 4,017,125	\$ 3,850,760	\$ 166,365	4.3%
Sewer charges	5,702,800	3,999,057	3,828,536	170,521	4.5%
System Development fees	117,454	129,076	157,435	(28,359)	-18.0%
Other receipts	265,500	442,173	293,037	149,136	50.9%
Total operating revenues	11,830,954	8,587,431	8,129,768	457,663	5.6%
Non-operating revenues:					
Investment earnings	30,000	466,797	287,855	178,942	62.2%
Total revenues	11,860,954	9,054,228	8,417,623	636,605	7.6%

Revenues are up year over year through March by \$636,605. Water and sewer charges are a combined \$336,886 higher than last year due to the increase in rates in FY 23/24. Investment earnings are up year over year in the amount of \$178,942. The increase in interest revenue is the result of an increase in interest rates by the Federal Reserve to bring down inflation. Other receipts are higher year over year through February due to miscellaneous revenues in the amount of \$91,590.

Expenditures-March:

				Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
EXPENDITURES	Budget	FY 23/24 Actual	FY 22/23 Actual		
Adminstration of Enterprise	\$ 3,028,960	\$ 2,246,530	\$ 1,844,967	\$ 401,563	21.8%
Utilities Adminstration	1,137,010	600,594	468,330	132,264	28.2%
Billing and Collections	874,595	614,247	526,181	88,066	16.7%
Water Treatment Plant	1,945,286	1,021,728	770,108	251,620	32.7%
West Fork Eno Reservoir	929,115	381,560	898,788	(517,228)	-57.5%
Water Distribution	1,539,690	763,321	737,426	25,895	3.5%
Wastewater Collection	1,978,352	998,966	579,558	419,408	72.4%
Wastewater Treatment Plant	2,602,280	1,029,040	874,863	154,177	17.6%
Total expenditures	14,035,288	7,655,986	6,700,221	955,765	14.3%

Expenditures are up year over year in the amount of \$955,765. Wastewater Collections is up year over year through February in the amount of \$419,408 due to an increase capital outlay in the amount of \$278,233. Much of the increase of the Administration of Enterprise are the service charges in the amount of \$383,922. Most of the increase in Water Treatment Plant expenditures year over year are due to sludge removal in the amount of \$86,208 and capital equipment in the amount of \$89,200. Wastewater Treatment Plant expenditures are up year over year due to the increase in personnel cost in the amount of \$96,598.

Other Financing Sources (Uses) March:

				Increase/ (Decrease) over FY 22/23
OTHER FINANCING (USES)	Budget	FY 23/24 Actual	FY 22/23 Actual	
Transfer to Water/Sewer CR	\$ (117,454)	\$ (117,454)		\$ (117,454)
Transfer to Water Treatment Plant	(90,000)	(90,000)		(90,000)
Transfer to Water Distribution Project	(1,264,984)	(1,264,984)		(1,264,984)
Transfer to Wastewater Collection Project	(2,307,798)	(2,307,798)		(2,307,798)
Transfer from WFER-Carrstore/Mill Creek Road Project	284,167	284,167		284,167
Transfer from ARPA Funds		2,022,647		2,022,647
Total other financing uses	(3,496,069)	(1,473,422)	-	(1,473,422)

The increase in transfers to and from other funds is due to nothing being budgeted last year.