



TOWN OF  
**HILLSBOROUGH**  
NORTH CAROLINA

To: Eric Peterson, Manager

From: David McCole, Finance Director *DM*

Ref: January 31, 2024, General Fund Financial Report

**Revenues-January:**

REVENUES	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
Ad valorem	\$ 9,947,250	\$ 9,209,460	\$ 8,921,491	\$ 287,969	3.1%
Other taxes and licenses	7,300	2,887	3,310	(423)	-14.7%
Unrestricted Intergovernmental revenues	4,229,500	1,706,432	1,640,766	65,666	3.8%
Restricted intergovernmental revenues	272,500	306,425	272,524	33,901	11.1%
Use and rental fees	81,500	65,281	35,320	29,961	45.9%
Investment earnings	100,000	437,083	244,278	192,805	44.1%
Miscellaneous revenues	274,893	221,085	145,118	75,967	34.4%
<b>Total revenues</b>	<b>14,912,943</b>	<b>11,948,653</b>	<b>11,262,807</b>	<b>685,846</b>	<b>5.7%</b>

Revenues are up year over year through January by \$685,846. Ad Valorem taxes are up year over year by \$287,969. It should be noted that the budgeted 2023 tax levy collected is 95.7% through January. The same time last year the 2022 tax levy collected was 103% of the budgeted amount. Investments earnings are up year over year in the amount of \$192,805. 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 \$43,964. 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 January:**

EXPENDITURES	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
Current:					
General government	\$ 4,508,661	\$ 1,574,022	\$ 1,770,352	\$ (196,330)	-12.5%
Public safety	6,876,177	3,586,823	3,266,674	320,149	8.9%
Transportation	2,045,757	551,920	517,544	34,376	6.2%
Environmental protection	1,188,513	405,545	384,023	21,522	5.3%
Community activities and projects	693,259	124,247	92,578	31,669	25.5%
Parks and recreation	788,966	371,369	327,841	43,528	11.7%
Contingency	36,584	-	-	-	
<b>Total expenditures</b>	<b>\$ 16,137,917</b>	<b>\$ 6,613,926</b>	<b>\$ 6,359,012</b>	<b>\$ 254,914</b>	<b>3.9%</b>

Expenditures are up year over year through January by \$254,914. Public Safety has increased in the amount of \$320,149. The Police Department expenditures increased year over year by \$129,702 due to the increase in salaries & wages expenditures in FY 23/24. The Safety & Risk Management Department

increased year over by \$200,594. Most of the increase is attributable to including Property and Liability insurance within the Safety & Risk Management Department for FY 23/24. The decrease in General Government expenditures for FY 23/24 is attributable to the Administration Department. Most of the decrease can be attributed to moving Property and Liability insurance from the Administration Department to the Safety & Risk Department for FY 23/24.

**Other Financing Sources (Uses) January:**

	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23	% Increase/ (Decrease) over FY 22/23 Actual
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	\$ 150,000	\$ -	\$ -	-	
Transfers to other funds	(1,421,579)	(1,421,579)		(1,421,579)	100.0%
IT subscription agreement	-	-	-	-	
Other financing sources (uses), net	\$ (1,271,579)	\$ (1,421,579)	\$ -	(1,421,579)	

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

**Fund Balance January:**

	Budget	FY 23/24 Actual	FY 22/23 Actual	Increase/ (Decrease) over FY 22/23
<b>APPROPRIATED FUND BALANCE</b>	2,496,553			
Net change in fund balances	-	3,913,148	4,903,795	(990,647)
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	\$ 18,136,567	\$ 16,756,832	\$ 1,379,735

Fund balance grew \$3.9 million month ended January 2024. This is \$990,647 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 \$5.3 million at January month end compared to \$4.9 million at this same point and time last year.