



Department of Finance

Town of Warrenton
21 Main Street
Warrenton, Virginia 20186
(540) 347-1101

TO: Mayor and Town Council

FROM: Stephanie Miller
Finance Director

DATE: July 25, 2023

SUBJECT: Financial review for the period ended June 30, 2023 – **preliminary, unaudited**

This memorandum is provided to assist the Council in their review of the Financial Statements for June 30, 2023. During the next few months, we will be closing out the fiscal year and accruing revenues and expenditures related to the period. As such, the amounts reported in these statements are subject to change. The Town's external auditors conducted preliminary fieldwork at the end of June and will return at the end of September to finalize their review.

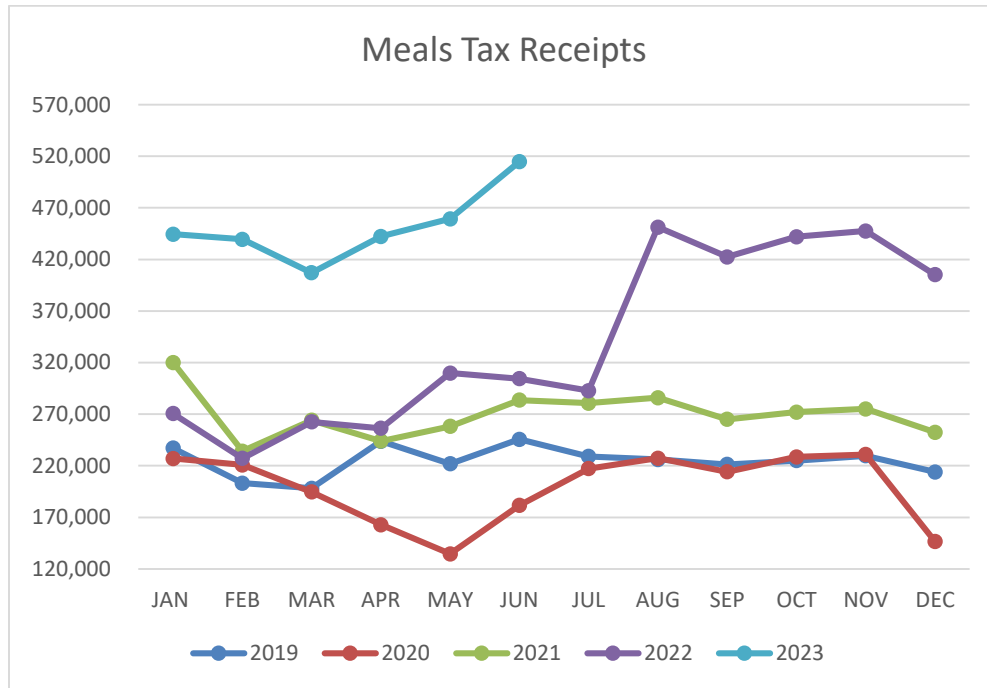
This quarter's financial review provides revenue trends and delinquent account balances. Real Estate Tax, Stormwater Management Fee, Personal Property Tax and Vehicle License Fees have been added to the Delinquent Account Balances section of the analysis, beginning on page 4.

REVENUE TRENDS

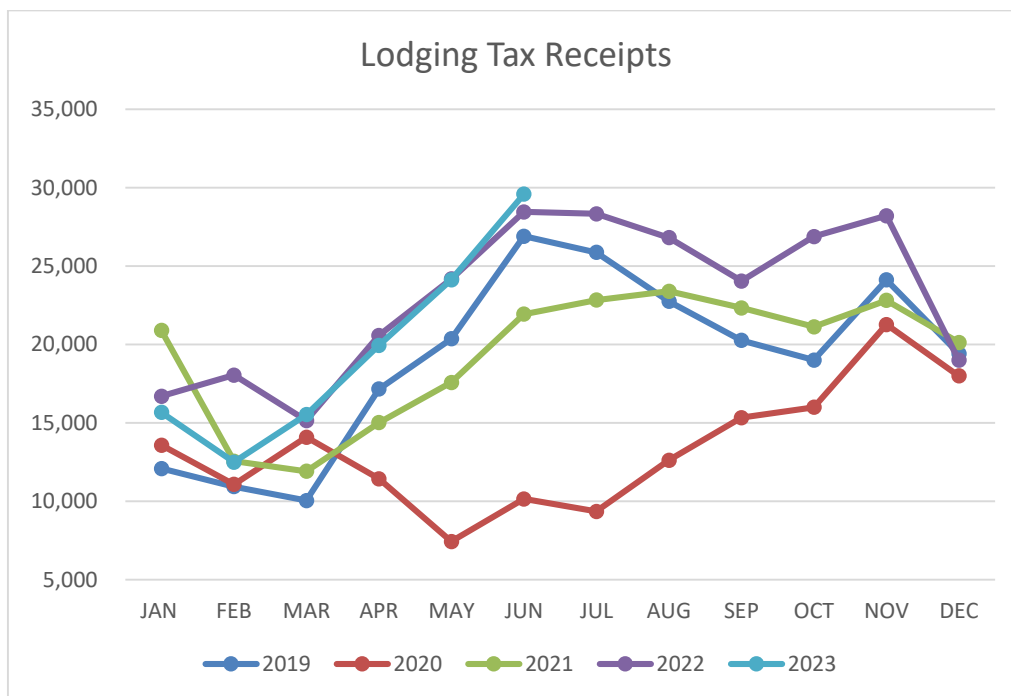
A review of monthly revenue categories is provided to assist in understanding how our current receipts compare to prior periods. The data is presented on a cash basis for the current calendar year (2023) and four prior years (2019, 2020, 2021, and 2022). The monthly revenue categories are Meals Tax, Lodging Tax, Local Sales Tax, and Utility Billing Receipts.

Meals Tax - This is the largest revenue source for the General Fund. Since July 2020, revenue has tracked closely to the data from 2019, apart from January 2020. This was due to mail delivery delays and accounts for the significant increase in January 2021. In April 2021, the revenue in this category matched that received in 2019. Since that time, the revenue has met or exceeded all prior years. The August collections reflect the

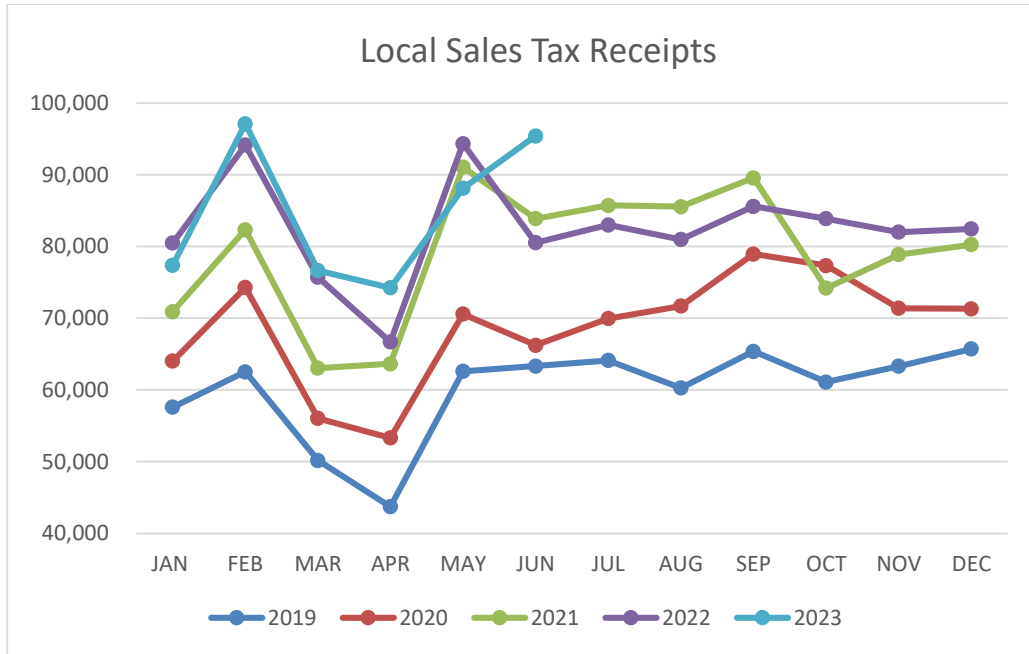
beginning of the increase in the rate that was adopted in the FY23 budget.



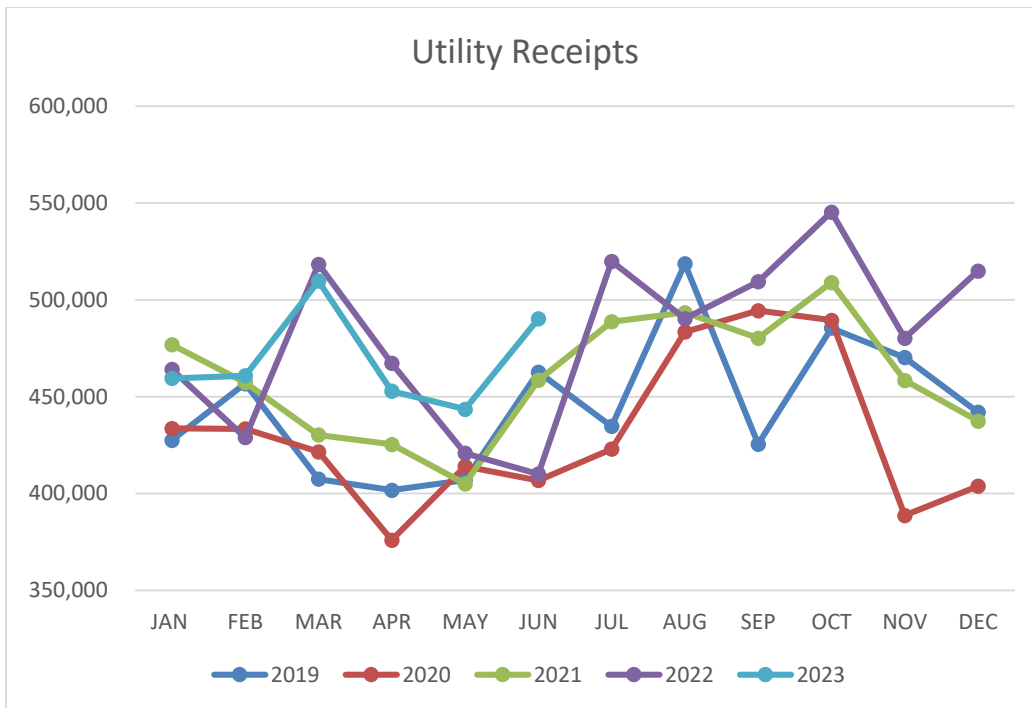
Lodging Tax – This category suffered more severely from the impacts of Covid-19. Revenue dipped in February 2023 but has matched 2022 for March and April 2023.



Local Sales Tax – Sales Tax receipts for January through March are continuing along the same trendlines as 2022. April receipts exceeded the prior year by 11%.



Utility Bills – Receipts in 2023 have generally tracked with those received in the prior year.



DELINQUENT ACCOUNT BALANCES

Real Estate Tax and Stormwater Management Utility Fee

Real Estate tax and the Stormwater Management Utility fee are due twice a year, on June 15th and December 15th. The percent collected and unpaid balances are shown below:

Type	Percent Collected	Unpaid Balance
Real Estate Tax – 2nd half, CY2022	98.1	\$7,658.78
SWM Utility Fee – 2nd half, CY2022	95.2	\$17,181.98
Real Estate Tax – 1st half, CY2023	94.4	\$23,067.98
SWM Utility Fee – 1st half, CY2023	90.1	\$35,063.74

Personal Property Tax and Vehicle License Fee

Personal Property taxes and vehicle license fees are due once a year on December 15th. The percent collected and unpaid balance for the December 15, 2022 billing is shown below:

Type	Percent Collected	Unpaid Balance
Personal Property Tax	97.4	\$33,807.99
Vehicle License Fee	82.8	\$41,327.42

Business License Tax

Business license renewal applications are due annually on March 1st for the following year beginning July 1. The payment for the license is due on June 30th. The percent uncollected and unpaid balances are shown below.

Type	Percent Collected	Unpaid Balance
Business Personal Property Tax 2023	99.7	\$4,893.98
Business Personal Property Tax 2024	93.7	\$112,155.69

Meals Tax

Meals Tax collectors must file for us to know the amount of tax owed. If they fail to file, we may issue a statutory assessment based on the best available information and pursue collection of that amount.

Filings: The Town has a total of 87 registered Meals Tax collectors. Six businesses have not filed for June 2023, and one of those has not filed for May 2023.

Past Due Amounts: The following businesses have past due Meals Tax balances.

Business	Past Due Amount
Black Bear	\$7,521.42
Fat Tuesdays	\$1,079.10

Lodging Tax

Similar to Meals Tax, businesses must file in order for us to create an assessment. All registered collectors are current in their filings and payments.

Sales Tax

Sales tax is remitted to the State each month based on the County, not the Town, that the business is located in. The local 1% is then sent back to the County. The amount to be distributed to the Towns is determined based on the residency of school-aged children. The County retains 50% of that amount and distributes the remaining 50% to the incorporated Towns based on the percentage of school-aged children residing in each town. There is no information provided by the State regarding delinquent accounts.

Utility Billing

The total delinquent balance is \$20,950 lower than June 2023 with a notable decline in the Over 30 balance.

	June 30, 2022	June 30, 2023	Incr./(Decr.)
Over 30	67,175	46,798	(20,377)
Over 60	14,059	11,488	(2,571)
<u>Over 90</u>	<u>4,388</u>	<u>6,386</u>	<u>1,998</u>
Total	\$ 85,622	\$ 64,672	\$ (20,950)