



**To: Ken F. Larking, City Manager**

**From: Michael L. Adkins, Chief Financial Officer**

**Date: October 10, 2023**

**Subject: Summary of Preliminary General Fund Financial Results for September 30, 2023**

After completing the first quarter of the new fiscal year, revenues are tracking well with budget and ahead of the previous year. As of September 30, General Fund revenues were \$23,631,185. This represents 17% of our FY 2024 budget. Last year at this time, we had collected \$21,779,580 or 18% of budget. The increase over the prior year is primarily from growth in local taxes, as well as an increase in interest earnings stemmed from a rise in interest rates.

We continue to see steady performance in the collection of delinquent real estate taxes with \$356,253 realized in the first three months of this fiscal year. This accounts for nearly 40% of the current year budget. Tax bills for FY 2024 will be mailed in November and we will begin realizing collection of current real estate and personal property taxes at that time. Local taxes collected through September 30, were \$9,114,975, or 22.7% of budget. This exceeds FY 2023 collections by \$1.8 million. A little over half, or \$1 million of this increase is directly related to casino payments. The remaining increase is found in other sources of local taxes.

Regarding local taxes, sales tax collections through September amounted to \$3,126,382, or 27.4% of budget, an increase of \$318,275 over the prior year. Meals taxes collected for the first quarter of the fiscal year amounted to \$3,049,278 or 28% of budget, an increase of \$322,681 from last year. Business Licenses realized at the end of September were \$528,498, an increase of \$60,842 from the prior year. Lodging taxes received as of September 30, were \$854,473 or about 35% of budget, an increase of \$173,363 from the prior year. All other revenue categories were close to or exceeded the prior year and are tracking well with budget at this point.

Expenditures through September 30 were \$47,457,904 or 31.6% of budget. This is an overall increase of \$13.2 million when compared to September 30, 2022 – mostly stemming from transfers Danville Public Schools as the actual spending of funds encumbered at June 30 and carry over funding has occurred in the first quarter of FY 2024. Departmental spending for the first quarter of the fiscal year amounted to \$21.5 million or 24.5% of budget, an increase of \$2.7 million over the prior year. The increase in departmental spending is primarily attributed to an increase in salaries and benefits

over the prior year as well as timing differences for contributions to other entities (i.e. IDA, Business Development Agencies).

Fund expenditures exceeded revenues by \$23,826,719. After considering the increased in transfers to Schools, this is typical for the start of the fiscal year in the General Fund because the timing of the revenue recognition is not matched to expenditures. At this point, the General Fund is performing well compared to the current budget.

**CITY OF DANVILLE, VIRGINIA**

**GENERAL FUND REPORT**

**25% OF YEAR LAPSED AS OF SEPTEMBER 30, 2023**

**\*\*PRE-CLOSING FIGURES - SUBJECT TO CHANGE - UNAUDITED\*\***

	Budgets & Appropriations For Current Year	Actual Revenues & Expenditures For Year-to-Date	Percent Realized/Expended This Year	Encumbrances	Balance to be Realized/Expended	Actual Revenues & Expenditures At This Date Last Year
<b>REVENUES:</b>						
Property Taxes	\$ 38,347,010	\$ 2,302,653	6.00%		\$ 36,044,357	\$ 2,194,566
Other Local Taxes	40,230,430	9,114,975	22.66%		31,115,455	7,266,673
License Permits & Privilege Fees	424,040	226,189	53.34%		197,851	193,390
Fines & Forfeitures	277,760	55,888	20.12%		221,872	61,725
Revenue From Use Money & Property	1,969,170	903,283	45.87%		1,065,887	456,920
Charges For Services	3,140,340	852,131	27.13%		2,288,209	806,386
Miscellaneous Revenue	25,100	89,984	358.50%		(64,884)	92,210
Recovered Cost	8,897,070	1,546,209	17.38%		7,350,861	2,017,217
Non-Categorical Aid	13,382,620	965,505	7.21%		12,417,115	1,437,875
Shared Expenses (Categ. Aid State)	6,021,050	1,362,983	22.64%		4,658,067	1,297,855
Categorical Aid (State)	10,223,090	2,314,386	22.64%		7,908,705	2,077,513
Emergency Services (Federal)	27,020	-	0.00%		27,020	-
Categorical Aid (Federal)	-	-			-	-
Transfers From Utilities	15,588,000	3,897,000	25.00%		11,691,000	3,877,249
<b>TOTAL REVENUES</b>	<b>\$ 138,552,700</b>	<b>\$ 23,631,185</b>	<b>17.06%</b>		<b>\$ 114,921,515</b>	<b>\$ 21,779,580</b>
<b>EXPENDITURES:</b>						
General Government Administration	\$ 14,427,298	\$ 4,597,652	31.87%	\$ 180,372	\$ 9,649,274	\$ 4,236,510
Judicial Administration	9,061,322	2,142,698	23.65%	-	6,918,624	1,967,657
Public Safety	38,816,735	8,993,995	23.17%	758,296	29,064,445	8,149,448
Public Works	5,267,922	1,116,731	21.20%	229,911	3,921,279	1,148,589
Health, Education, Welfare & Soc. Svc.	10,006,616	1,923,430	19.22%	57,975	8,025,211	1,611,470
Parks, Recreation & Cultural	6,330,734	1,386,775	21.91%	82,896	4,861,064	1,136,921
Community Development	3,842,522	1,322,976	34.43%	35,632	2,483,914	516,944
Non-Departmental	18,701,500	5,039,778	26.95%	-	13,661,722	5,383,765
Transfer to Schools - Operating	36,633,907	20,276,355	55.35%	-	16,357,552	9,945,415
Transfer to Capital Projects	1,015,000	-	0.00%	-	1,015,000	165,000
Transfer to Other Funds	6,270,780	657,513	10.49%	-	5,613,267	280
<b>TOTAL EXPENDITURES</b>	<b>\$ 150,374,337</b>	<b>\$ 47,457,904</b>	<b>31.56%</b>	<b>\$ 1,345,082</b>	<b>\$ 101,571,352</b>	<b>\$ 34,261,999</b>
Revenue over(under) Expenditures		\$ (23,826,719)				\$ (12,482,419)
<b>FUND BALANCE:</b>						
Beginning Fund Balance 07/01/2023		\$ 55,064,111				\$ 46,401,528
Revenue over(under) Expenditures		(23,826,719)				(12,482,419)
Ending Fund Balance 09/30/2023		<b>\$ 31,237,392</b>				<b>\$ 33,919,110</b>
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 5,840,132				\$ 27,927,181
Unassigned		25,397,260				5,991,928
<b>TOTAL FUND BALANCE 09/30/2023</b>		<b>\$ 31,237,392</b>				<b>\$ 33,919,110</b>

**City of Danville, Virginia**  
**Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED**  
**For the period ending September 30, 2023**

<u>Description</u>	<u>Current Budget</u>	<u>Revenue Realized</u>	<u>Percentage Realized</u>	<u>Prior Year Budget</u>	<u>Prior Year Realized</u>	<u>Percentage Prior Year</u>
Sales Tax	\$ 11,400,000	\$ 3,126,382	27.42%	\$ 10,962,050	\$ 2,808,107	25.62%
Business Licenses	6,800,000	528,498	7.77%	5,430,000	467,656	8.61%
Meals Tax	10,867,220	3,049,278	28.06%	9,500,000	2,726,598	28.70%
Utility Taxes	930,000	197,726	21.26%	930,000	222,864	23.96%
Vehicle License Fees	1,000,000	138,797	13.88%	1,000,000	144,245	14.42%
Bank Stock Tax	1,000,000	-	0.00%	1,000,000	-	0.00%
Recordation Tax	270,000	88,331	32.72%	270,000	108,343	40.13%
Hotel Motel Tax	2,467,230	854,473	34.63%	2,025,080	681,110	33.63%
Daily Property Rental Tax	15,980	5,389	33.72%	12,370	5,700	46.08%
Motor Vehicle Tax	200,000	62,334	31.17%	200,000	57,770	28.88%
DMV Fees	280,000	37,742	13.48%	250,000	44,281	17.71%
Caesars Min Fee	5,000,000	1,026,026	20.52%	-	-	0.00%
<b>TOTAL</b>	<b><u>\$ 40,230,430</u></b>	<b><u>\$ 9,114,975</u></b>	<b><u>22.66%</u></b>	<b><u>\$ 31,579,500</u></b>	<b><u>\$ 7,266,673</u></b>	<b><u>23.01%</u></b>

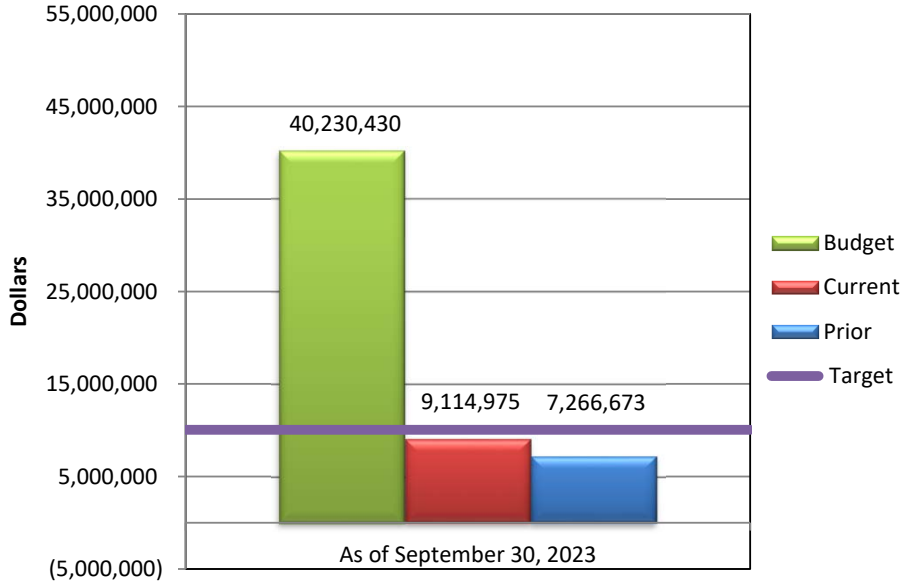
**CITY OF DANVILLE, VIRGINIA  
GENERAL FUND  
COMPOSITION OF FUND BALANCE  
PRELIMINARY - AS OF SEPTEMBER 30, 2023**

Beginning Total Fund Balance, July 1, 2023	55,064,111.17
Add: General Fund Revenues	23,631,184.57
Deduct: General Fund Expenditures	<u>(47,457,903.73)</u>
Ending Total Fund Balance, September 30, 2023	<u><u>31,237,392.01</u></u>

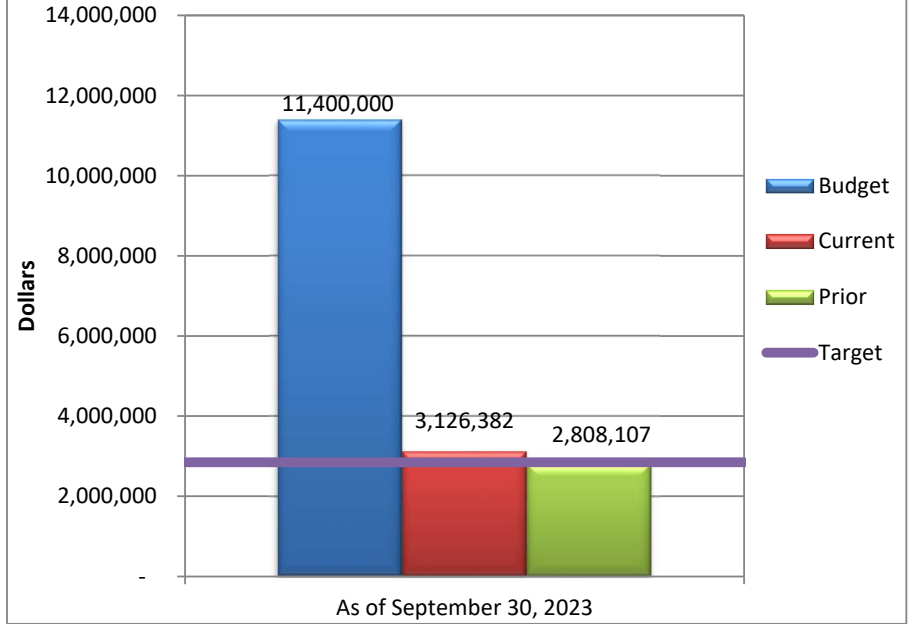
<u>Composition of Fund Balance:</u>	
Restricted for Commonwealth Attorney	92,172.53
Restricted for Police Department	40,351.66
Restricted for Fire Department	132,802.75
Committed for Sheriff's Department	9,808.73
Committed to Schools	796,363.72
Committed to Budget Stabilization	3,000,000.00
Assigned to Sheriff's Department	16,184.17
Assigned to Community Development	61,860.99
Assigned for Encumbrances	1,345,081.60
Nonspendable (Inventory and Prepaids)	345,505.48
<b>UNASSIGNED</b>	<b><u>25,397,260.38</u></b>
Total Fund Balance, September 30, 2023	<u><u>31,237,392.01</u></u>

Unassigned fund balance from above	25,397,260.38
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2024 budget	<u>27,710,540.00</u>
Current surplus (deficit) over (under) minimum	<u>(2,313,279.62)</u>

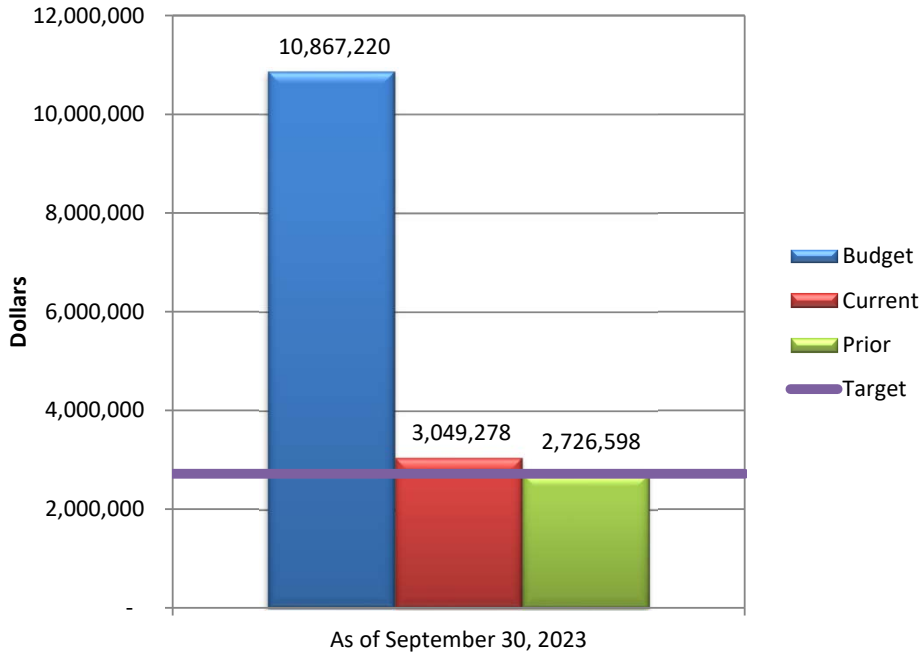
### Local Taxes



### Sales Tax



### Meals Tax



### Lodging Tax

