

**To:** Union County Board of Commissioners

**From:** Jason May, Director of Budget & Grants Management

**Date:** May 8, 2025

**Re:** FY 2025 Third Quarter Report and Projections

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As of the third quarter of FY 2025, Union County's budget outlook reflects mixed performance across revenues and expenditures, with projected surpluses in core revenues offset by notable shortfalls in intergovernmental funding.

**Revenue Analysis:**

- **Ad Valorem Taxes and Fees** are projected to exceed budget expectations by approximately **\$1.3 million**, a **1.9%** increase, indicating ongoing stability in the property tax base.
- **Local Option Sales Tax** and **Other Taxes** are closely aligned with budget, showing minor variances under **0.3%**.
- **Intergovernmental Revenues:**
  - **Unrestricted:** Projected shortfall of **\$2.88 million (13.2%** below budget).
  - **Restricted:** Shortfall of **\$107K (11.5%** below budget). These areas will continue to be closely monitored considering changes in federal funding strategies and broader macroeconomic forces, which may be contributing to these deviations.

**Expense Analysis:**

- **Total projected expenditures** for FY25 are approximately **\$205.2 million**, compared to **\$212.2 million** in projected revenues.
- This yields a **positive variance of \$6.99 million**, or approximately **3.26% of the General Fund budget**, projected to remain unspent.  
This conservative spending trend has helped offset revenue underperformance, especially in the intergovernmental categories.

**Conclusion:**

Union County is currently positioned to close FY25 with a modest surplus. Continued control of expenditures, particularly personnel costs, has been effective in managing overall budget risk in the current uncertain economic climate.

## FY 2025 General Fund 3rd. Quarter EoY Projection

Category	Actual FY 2024	Revised FY 2025	Actual FY 2025	YE Proj. FY 2025	Change Budget to Actual	%
<b>Revenues</b>						
Ad Valorem Taxes and Fees	70,044,466	67,982,228	66,478,900	69,284,939	1,302,711	101.9%
Local Option Sales Tax	48,965,373	50,214,751	25,970,695	50,097,289	(117,462)	99.8%
Other Taxes	4,080,803	4,525,000	3,317,229	4,516,654	(8,346)	99.8%
Intergovernmental Rev, Unrestrict	19,694,784	21,896,777	16,466,204	19,016,581	(2,880,196)	86.8%
Intergovernmental Rev, Restrict.	850,879	930,073	633,513	823,119	(106,954)	88.5%
Intergovernmental Rev, Federal	17,745,788	19,530,269	9,140,694	16,696,339	(2,833,930)	85.5%
Intergovernmental Rev, State	5,496,763	4,195,196	2,139,564	4,077,520	(117,676)	97.2%
Non-Enterprise Charges	12,006,010	11,836,469	10,763,951	14,351,935	2,515,466	121.3%
Investment Revenue	9,563,768	3,500,000	782,427	3,500,000	-	100.0%
Interfund Transfers	4,480,897	2,195,646	1,530,647	2,195,646	-	100.0%
Other Revenue	9,146,411	8,142,060	7,034,580	8,374,500	232,440	102.9%
Fund Balance Appropriated	-	19,238,656	-	19,238,656	-	100.0%
Debt Proceeds - Restricted	-	-	-	-	-	-
<b>Total</b>	<b>\$ 202,075,942</b>	<b>\$ 214,187,125</b>	<b>\$ 144,258,404</b>	<b>212,173,177</b>	<b>(2,013,948)</b>	<b>99.1%</b>
<b>Expenditures</b>						
Employee Compensation	76,956,333	89,464,016	63,887,203	88,193,672	(1,270,344)	98.6%
Employee Benefits	46,834,209	48,034,660	34,980,576	47,508,358	(526,302)	98.9%
Operating Cost	34,743,436	41,376,651	25,535,705	38,527,495	(2,849,156)	93.1%
Capital Outlay	3,384,027	6,902,385	3,165,485	4,986,026	(1,916,359)	72.2%
Contracts, Grants, and Subsidies	16,238,822	18,637,739	12,540,171	16,773,965	(1,863,774)	90.0%
Debt Service	-	-	-	-	-	-
Interdepartmental Charges	(3,837,744)	(4,770,159)	(3,345,874)	(4,700,266)	69,893	98.5%
Interfund Transfers, Out	35,076,257	13,897,701	13,895,802	13,897,701	-	100.0%
Contingency	-	644,132	-	-	(644,132)	0.0%
Fund Balance Contribution	-	-	-	-	-	-
<b>Total</b>	<b>\$ 209,395,340</b>	<b>\$ 214,187,125</b>	<b>\$ 150,659,068</b>	<b>205,186,950</b>	<b>(9,000,175)</b>	<b>95.8%</b>
Over/(Under)	(7,319,398)	-	(6,400,664)	<b>6,986,226</b>	6,986,226	3.3%
Projected Total Use/Addition of FB				<b>6,986,226</b>		
% of GF Budget Projected Unspent				<b>3.3%</b>		

FY 2024 Total Revenue Projected	212,173,177
FY 2024 Total Expense Projected	205,186,950
<b>Revenue Over Expense</b>	<b>6,986,226</b>
<b>% of GF Budget Projected Unspent</b>	<b>3.3%</b>