



BUDGET PERFORMANCE REPORT
Q1 2024 – JULY THROUGH SEPTEMBER

Executive Summary

The FY2024 Performance Report is an opportunity to highlight spending patterns in areas requiring additional observation or action throughout the fiscal year. Guilford County's current fiscal year runs from July 1, 2023 through June 30, 2024. This report focuses on actual performance through the first quarter of the year, which spans July 1, 2023 through September 30, 2023. In this period, the County received \$343.4 million in revenue and spent \$173.4 million.

Major revenues continue to trend favorably. Property tax is expected to meet budget while sales tax is expected to exceed budget. Sales tax is beginning to slow some but remains higher than historical growth.

Major expenses continue to trend in line with historical patterns; however, due to a decrease in vacant positions, year-end salary savings may be lower than prior fiscal years.

Year-end projections provide directional headlights based on the best knowledge at the time of publication. The County is anticipated in fulling setting aside \$50m in fund balance for honoring the school capital funding priority and ~\$19m for ARPA enabled projects. After those amounts, at this time, we project minimal use of fund balance (\$0 - \$5 million), depending on the timing of year-end expenses and potential mark-to-market losses associated with year-end investment accounting. In prior years, the County was able to minimize utilizing fund balance due to unprecedented sales tax growth.

Summary of FY2024 Revenue Budget by Type



Summary of FY2024 Expenditure Budget by Type



FY2024 Budget graphs shown above do not include re-appropriated funding for ARPA Enabled projects.

Shaping Our Action –

Operational Mission

Empowering **Successful People** to thrive in a **Strong Community** supported by **Quality Government**

Guilford County utilizes strategic service areas to align department operations to promote efficiency, effectiveness, and equity throughout County services. Our organization is structured this way so we can work towards our mission each day.

Underpinned by our core values, each Service Area is also guided by a vision statement, created by the Guilford County Board of Commissioners. This provides a foundation for County departments to ground their everyday work and plan future efforts.

Successful People

Guilford County is made up of thriving **Successful People** who have equitable access to a range of coordinated social, physical, and behavioral health services and partnerships that meet them where they are to support their life journeys. Our education and credentialing systems produce graduates with high academic achievement and skill levels that allow them to compete successfully in our thriving job market and support themselves and their families. Our residents are healthy, educated, housed, and employed throughout their lives. Communities within our county are connected and our residents are engaged, supported and fulfilled.

Strong Community

Guilford County is a **Strong Community** that protects the safety and security of its residents through strategically coordinated and professional public safety services. We have strong and inclusive local and regional economies; a clean environment with quality recreational outlets; and vibrant arts, culture, and entertainment options. Our community has a continuum of safe and affordable housing and a strong safety net for those who are experiencing housing insecurity. We have quality public infrastructure that is accessible to all ages and abilities and is equitably distributed across the county. Guilford County is an attractive, fun, and diverse community that welcomes newcomers and retains our home-grown talent. People readily choose to live and raise families here.

Quality Government

Guilford County is a fiscally-sound **Quality Government** that promotes transparency, equity, accountability, and efficiency, meaning our government is a trusted and inclusive partner that is genuinely engaged with and reflective of our community. We are a highly sought-after organization that values and supports a high-performing, professional, thoughtful, and innovative workforce where our team members are excited to work. We provide data-informed, high-quality strategic leadership that supports resilient and sustainable services while optimizing and safeguarding the public's assets. Guilford County is a community of firsts and is regularly recognized for its unique and effective programs. Our team members and residents enjoy safe public facilities that meet the service, access, and technological needs of our community.

The funding mentioned throughout this report support the County's efforts to achieve these vision statements.

General Fund Summary

The General Fund is the primary operating fund for Guilford County. The General Fund is supported through collected property tax (\$0.7305 per \$100 of property value), sales tax, intergovernmental (federal or state grants, or state shared revenue), and other revenues. These revenues support service delivery for county departments, including departments in Human Services, Public Safety, the Guilford County School System, Community Services, and General Government operations, among others.

	FY2024 Amended Budget	FY2024 YTD Actuals thru Q1	% Collected/ Spent YTD	FY2023 Amended	FY2023 Actuals thru Q1	% Collected/ Spent
Sources of Funds						
Property Tax	\$515,509,000	\$319,221,773	62%	\$502,484,435	\$314,346,936	63%
Sales Tax	101,750,000	-	0%	90,060,000	10,118,713	-
Federal & State	95,442,892	10,715,028	11%	94,680,643	8,575,698	9%
User Fees & Charges	48,016,615	9,585,558	20%	43,605,107	10,804,433	25%
Investment Earnings	6,013,401	120,987	2%	2,366,618	10,485	-
Other Revenues	19,249,120	3,419,465	18%	20,562,482	4,166,147	20%
Total Revenue	\$785,981,028	\$343,062,811	44%	\$753,759,285	\$348,022,412	46%
Appropriated Fund Balance	\$25,805,653	-	-	\$40,344,271	-	-
ARPA Enabled	18,997,000	-	-	-	-	-
Total Sources of Funds	\$830,783,681	\$343,062,811	41%	\$794,103,556	\$348,022,412	44%
Expenses						
Personnel	\$282,659,469	\$63,301,167	22.4%	\$265,010,520	\$54,176,031	20%
Operating	122,835,122	19,273,078	15.7%	115,890,063	16,189,771	14%
Education	329,933,573	63,980,242	19.4%	312,917,898	60,346,679	19%
Human Services Assistance	18,203,881	4,226,096	23.2%	19,534,180	3,670,066	19%
Capital	35,206	-	-	74,137	-	-
Debt Service	-	-	-	-	-	-
Transfers Out & Other Financing	77,116,430	18,894,579	24.5%	80,676,758	519,186	0.6%
Total Expenses	\$830,783,681	\$169,675,162	20.4%	\$794,103,556	\$134,901,733	17%

GENERAL FUND REVENUE

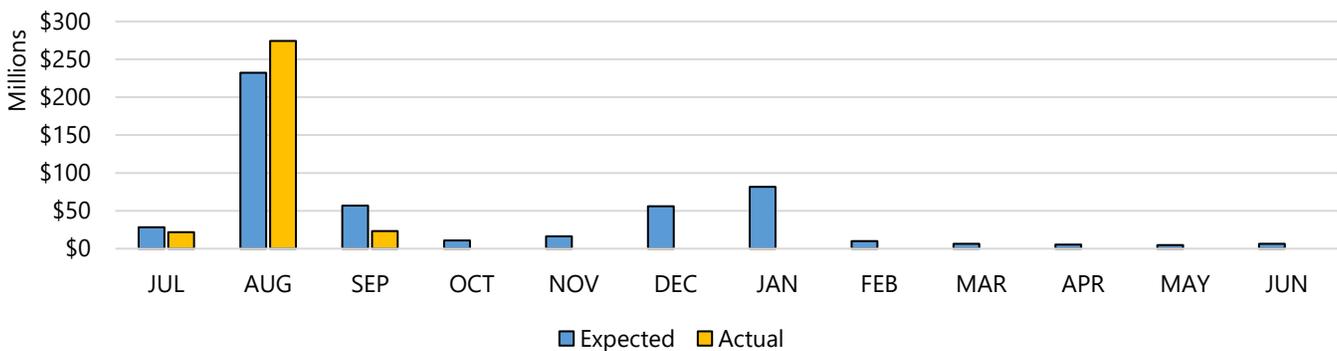
The County's FY2024 Budget is comprised of revenue from the sources shown in the graphic below. This section details how the County receives revenue from these sources throughout the fiscal year. We will highlight trends and note indications of over/underperformance.

How do we receive Property Tax?

The general county Property Tax is the county's largest single source of revenue, making up over 66% of total funds available to support operations. This tax applies to real property (things like land or buildings), personal property (things like business equipment or personal boats), and motor vehicles. The general county property tax rate is \$0.7305 for every \$100 of assessed property value. If you live in a city or town, you may also pay a city or town property tax. If you live in an unincorporated part of the county, you also pay a separate fire tax for fire response.

The County receives most of its property tax revenue by August 31 associated with the County's property tax discount program. This program provides a 1% discount if a property owner pays by August 31. Historically, 61% of property tax is collected through the first Quarter. Through the first quarter of the year, property tax revenue is projected to exceed budget estimates by \$1.4 million, or 0.27%. This is primarily driven by billed values, or the actual bills that went out the door, exceeding budgeted assessed values by 0.5%. We will continue to monitor revenue from this source.

FY2024 Budget-to-Actual Revenues – Property Tax



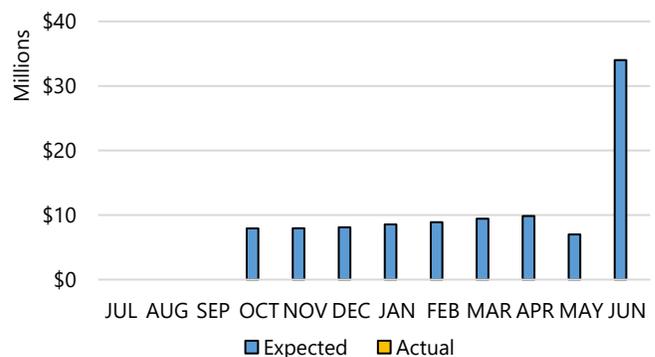
How do we receive Sales Tax?

About 12% of general county revenues come from the Sales Tax, used to support general operations. The sales tax rate in Guilford County is 6.75% -- 4.75% of state sales tax and 2% of local sales tax. Some or all this total sales tax is applied to purchases made in Guilford County (not all purchases are subject to the full sales tax rate). Sales tax revenues are shared with Guilford County cities and towns that levy a property tax.

Sales tax revenue received from the state for July, August, and September is accounted for in the prior fiscal year because it is for sales that occurred in April, May, and June. This results in an apparent spike in revenue each June. Due to this, Q1 actuals show receipt of \$0 in sales tax revenue.

The graph to the right shows the amount of sales tax revenue the County expects to receive each month of FY2024, based on historical trends. Given the volatility of this revenue source, we will continue to monitor and report total sales tax receipts on a monthly basis.

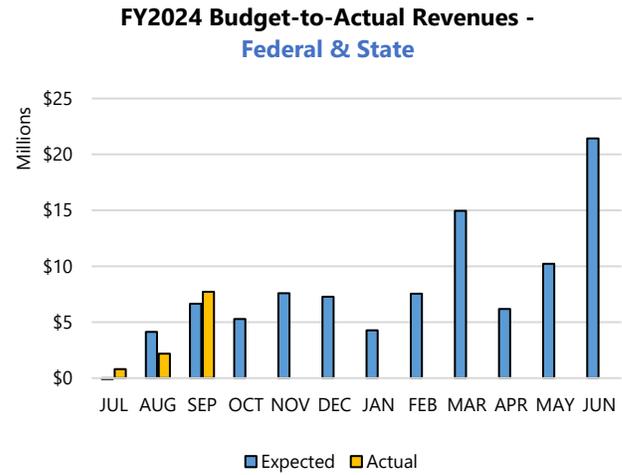
FY2024 Budget-to-Actual Revenues – Sales Tax



When are Federal & State revenues received?

About 12% of general county revenues comes from the federal and state governments through intergovernmental revenue. Most of these revenues are used to support federal and state programs provided administrated by the county's Public Health and Social Services programs. The County's share of Lottery Funds, which are used to help pay for new school buildings or renovation to existing ones, is also included in this category.

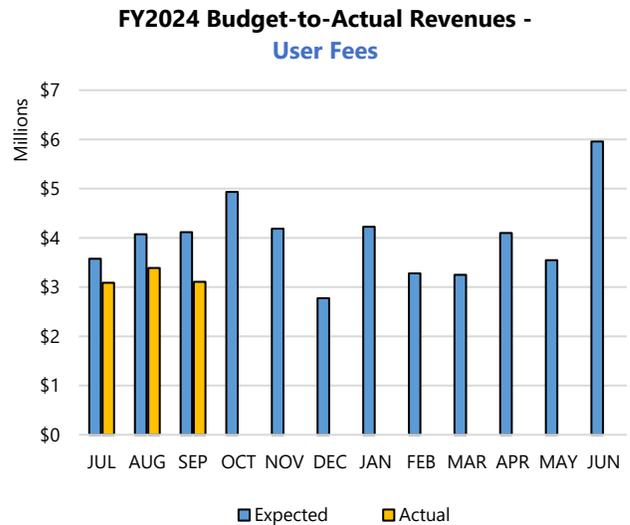
Through September, the County received \$10.7 million in intergovernmental revenue, which is \$2.0 million more than received through the same period of FY23. This is likely due to higher reimbursements associated with impacts of implementing the compensation study.



When are User Fee revenues received?

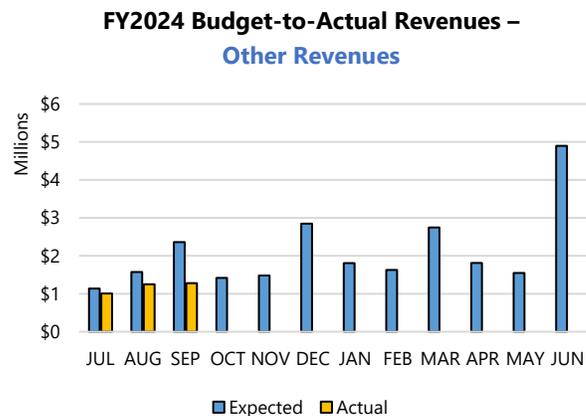
About 6% of general county revenues come from user fees. The revenue type includes items such as fees for ambulance transportation and medical visits to the Health Department. Other fees levied include inspections and permitting charges, fees received from the state for housing out-of-county inmates, fees paid to the Register of Deeds for various documents and transactions, and park fees. Most user fees and charges are collected by Public Safety and Human Services departments.

Through September 2023, the County collected \$9.6 million in revenue from these charges for services, equivalent to 20 percent of the FY24 budget target. This amount is \$2.2 million (or 5 percent) lower than collected through the same period of FY2023, mostly due to the timing upon which payments are expected to be received this year.



When do we receive Other Revenues?

The Other Revenue category is a "catch all" grouping of miscellaneous revenues. Investment earnings on county investments, facility rental charges, sales of old vehicles and equipment, interest charges on late taxes, and community donations are included in this category.



Fund Balance Replacement

Guilford County must adopt a balanced budget, which means revenues and other sources of funds must equal expenses. When budgeted revenues do not equal expenses, the county commits to use a certain amount of Fund Balance to make up the difference. Fund Balance is like a savings accounts. During a typical year, the county brings in more revenue and spends less expense than budgeted. When this happens, the county does not have to use all of the Fund Balance it committed to keep the budget balanced. If extra revenue and expense savings are more than the committed Fund Balance, the county must use funds from its savings account to pay for operations.

At this point in the year, it is too early to project how much fund balance the county has received. Future budget performance reports will provide further information on fund balance usage and recovery.

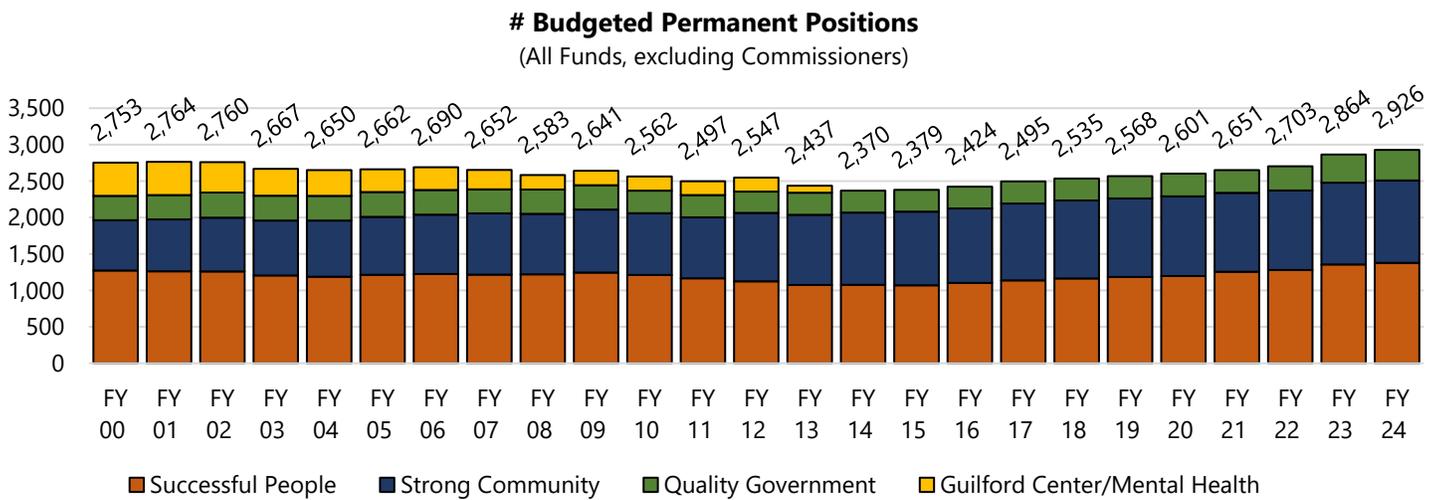
GENERAL FUND EXPENDITURES

How do we spend our Personnel Budget?

Personnel represents 34% of the county's budget. This expense category includes salaries and benefits for the county's 2,900+ employees.

- Our largest area is **Successful People**, with over 1,370 employees, focused on providing human services including Social Services, Public Health, Child Support Enforcement, Family Justice Center, and Veteran’s Services.
- Over 1,120 of these employees are dedicated to providing public safety and community-oriented services in our **Strong Community** focus area (Law Enforcement, Emergency Management and Emergency Medical Services, Animal Services, Parks etc.).
- Our **Quality Government** area houses over 410 employees dedicated to providing key internal services (Human Resources, Information Technology, Finance, Administration). Guilford County has one of the lowest ratios in the state of general service positions to residents - at 5.3 employees for every 1,000 county residents.

The graph below provides a historical look at the County’s total number of full-time equivalent positions budgeted by service area.

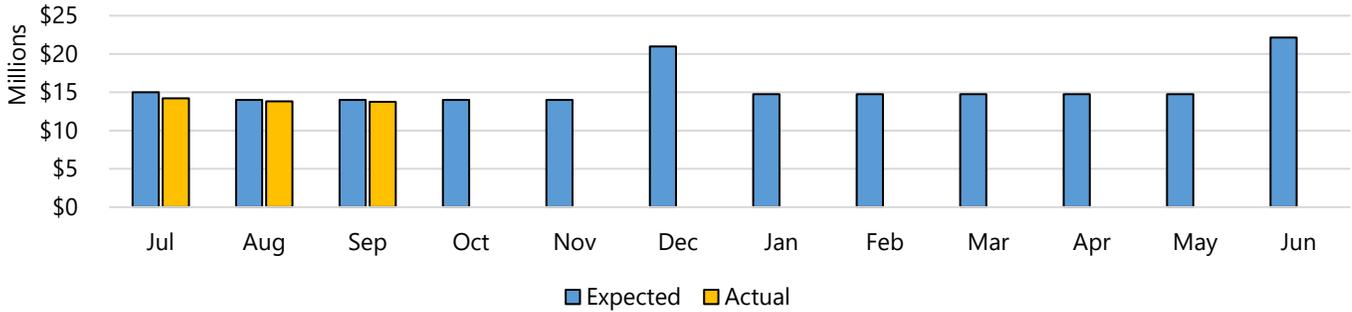


As of mid-September, the County had 338.5 vacant full-time equivalent positions, which is equivalent to 14 percent of total budgeted positions. Compared historical vacancy rates, this shows improvement towards increasing our employee-to-resident ratio.

Q1 2024
Vacancy Rate:
14%

Through the first quarter of the year, monthly personnel expenditures remained within budgeted amounts.

FY2024 Budget-to-Actual Expenditures - Personnel



Operating Expenses

Items included in this category provide funding for most of the day-to-day operating expenses for the county, as well as the county's cash support for other community partners like the Guilford County Schools, Guilford Technical Community College, and Sandhills Center (our mental health, substance abuse, and developmental disabilities service provider). Support for these outside agencies totals about \$292 million annually. Other expenses include drugs and medical supplies for county health clinics and ambulances, property insurances, building and vehicle repairs, technology hardware and software needs, and utilities.

The table below shows the County's spending on these items through the first period of FY2024.

General Fund Operating Expenses

	FY2024 Amended Budget	FY2024 YTD Actuals	% Spent YTD	FY2023 Actuals	Y-o-Y Variance
Supplies & Materials	\$12,755,109	\$2,397,755	18.8%	1,653,285	\$744,470
Other Services & Charges	89,145,053	13,973,246	15.7%	11,420,597	\$2,552,649
Non-Discretionary Accounts*	9,291,220	1,732,133	18.6%	1,550,805	\$181,328
Multi-Year Plans	11,643,740	1,169,945	10.0%	1,565,082	(\$395,137)
Total Operating Expenses	\$122,835,122	\$19,273,079	15.7%	\$16,189,769	\$3,083,310

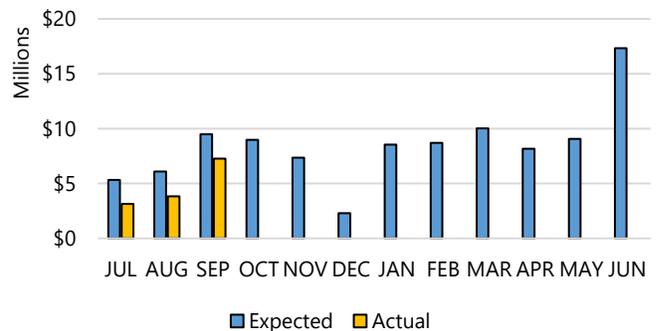
*Non-discretionary accounts include funds budgeted for general operations such as utilities and centralized telephone and copier rental expenses.

**This section removes funds allocated for ARPA Enabled Projects.

Other Services & Charges

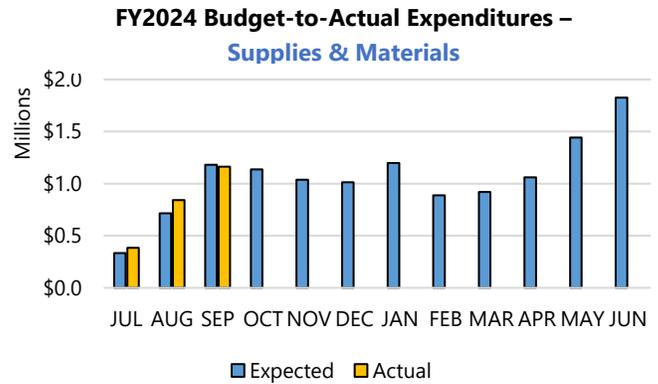
Other Services and Charges represent 12% of the County's budget for professional services, medical services at county jails, utilities, insurance, routine building maintenance, fuel for Law Enforcement or Emergency Medical Service, and payments to Sandhills Center (our mental health, substance abuse, and developmental disabilities service provider).

FY2024 Budget-to-Actual Expenditures – Other Services & Charges



How are Supplies & Materials spent?

Supplies & Materials represents 1% of the County's budget for drugs and medical supplies for county health clinics and ambulances, food and provisions for the County's jails, computer equipment, and other supplies utilized to provide county services.



How do we spend our multi-year plans?

Operating capital, or the amount allocated for the County's multi-year plans, represents 1% of the FY2024 budget. This includes funding for the purchase of **major equipment, vehicles and technology needs** for County operations. Purchases for these categories vary based on market conditions and availability of vehicles. More information can be found on these plans within the annual budget book.

- Major Equipment:** Major items within the Equipment Plan include Stryker PowerPro Stretchers within Emergency Services, which transform patient care with advanced mobility and electric functionality, taking the load off paramedics to lift and carry patients. Equipment within Law Enforcement included replacing kitchen equipment within the detention centers. Additional equipment is programmed for Parks and Public Health.
- Major Technology:** Major items within the Technology Plan include an annual computer refresh to replace outdated or unsupported computer equipment, funding for a website overhaul, funding for car and body cameras within the Sheriff's Office, and mission critical equipment within Emergency Services.
- Vehicle Replacement:** Each year the County works to replace vehicles, generally over 10 years old or with mileage above recommended standards. The FY24 budget includes \$3.2 million for the Sheriff's Office and \$1.8 million for Emergency Services. The County's fleet supports departments including Social Services, Public Health, Animal Services, Parks, Inspections, and Facilities. There is \$1.7 million programmed for County fleet replacements, with an additional \$0.4 million to begin the process of purchasing a mobile clinic.

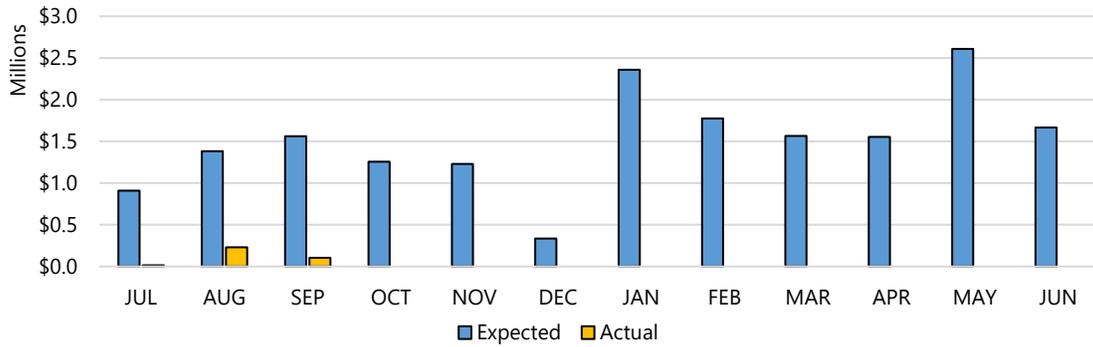
The table below shows the amounts budgeted and spent through September for each plan for fiscal year 2024.

	FY2024 Amended Budget	\$ Spent YTD	% Spent YTD
Major Equipment Plan	\$1,978,370	\$349,742	17.7%
Major Technology Plan	2,298,384	301,585	13.1%
Vehicle Replacement Plan	7,299,883	516,168	7.1%

How do we spend Human Services Assistance?

Human Services represents 2% of the county's budget. This includes most of the county's service obligations for mandated public assistance programs including adult and child day care, adoption program expenses, room and board expenses for foster children in the county's care, and funding for residents experiencing heating and cooling crises. A significant portion is offset by federal and state revenue support.

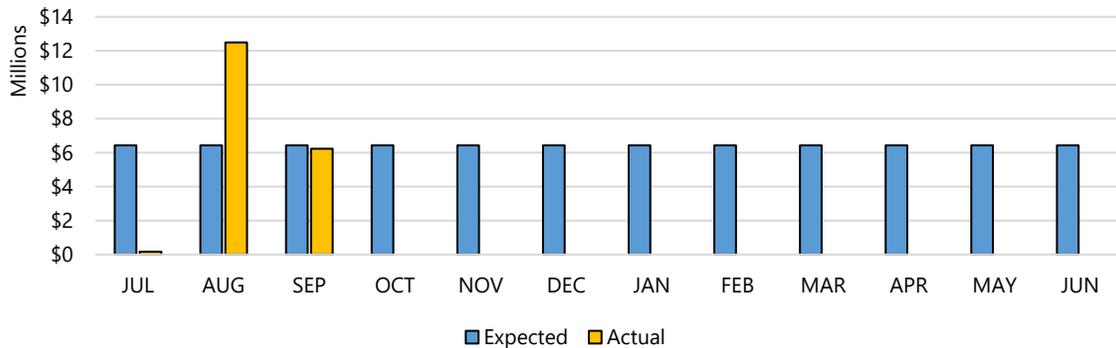
FY2024 Budget-to-Actual Expenditures – Human Services Assistance



How do we spend transfers to other funds?

Transfers represent 9% of the county's budget. This represents the county's debt service obligations and capital transfers for Guilford County Schools, GTCC, and county capital construction. This also includes a transfer to the Tax Revaluation Fund to prepare for the annual five-year revaluation cycle.

FY2024 Budget-to-Actual Expenditures – Transfers to Other Funds



How are funds for Education spent?

Funding appropriated for Guilford County Schools and Guilford County Technical Community College operating budgets are 100% spent out over the course of a fiscal year and transferred to these organizations on a monthly basis. This does not include the \$51.1 million budgeted to honor school capital funding. This represents about 40% of the total General Fund Budget.

The Board of Commissioners took historical action to place \$2.0 billion in school bonds on ballot referendums. Voters approved \$300 million in 2022 and \$1.7 billion in 2023. The County has issued \$120 million of the \$2.0 billion. To date, the Board of Commissioners has approved \$522 million in budget ordinances so Guilford County Schools can begin work on projects. The table below shows spending to date on these projects.

Projects (as of October 11, 2023)	Project Phase	Project Budget	Actuals
Kiser Middle	Construction	\$81,667,391	\$10,882,890
Peck K-8 Expeditionary Learning	Construction	78,737,396	21,472,925
Foust Elementary	Construction	59,101,641	10,647,586
Katherine G Johnson K-8 School	Site Acquisition	59,336,545	3,433,200
Claxton Elementary	Construction	50,377,090	16,147,923
Brooks Global Studies	Construction	42,639,190	6,793,531
Hampton/Peeler K-5 VPA	Pre-Construction	33,505,256	5,203,753
Erwin Montessori at former Archer E	Planning/Design	8,372,058	97,476
Allen Jay Elementary	Planning/Design	5,207,070	94,677
Sternberger Elementary	Planning/Design	3,818,849	77,983
Land Acquisition		8,116,900	116,455
Deferred Maintenance	Programming	20,000,000	1,060,767
Safety and Security Enhancements	Programming	20,000,000	9,476
Technology Upgrade	Programming	8,000,000	-
Lindley K-8 School	Planning/Design	7,500,000	615,456
Northwest Middle School Replacement	Planning/Design	7,500,000	66,756
Swann Center 6-12	Planning/Design	5,000,000	410,304
Bessemer Elementary	Planning/Design	4,500,000	39,941
Joyner Elementary	Planning/Design	4,500,000	39,941
Northwood Elementary	Planning/Design	4,500,000	39,941
Sumner Elementary	Planning/Design	4,500,000	369,273
Vandalia Elementary	Planning/Design	4,500,000	39,941
Shadybrook Elementary	Planning/Design	1,500,000	13,314
Total Spend		\$522,879,386	\$77,673,509

FY2024 General Fund Expenses by Department

	FY2024 Amended Budget	FY2024 Q1 Actuals	% Budget Utilization	FY2023 Amended Budget	FY2023 Q1 Actuals	% Budget Utilization
Successful People						
HHS: DHHS Administration	\$478,453	\$68,636	14.3%	\$268,371	\$49,719	18.5%
HHS: Public Health	57,189,521	10,546,869	18.4%	55,824,771	8,826,574	15.8%
Behavioral Health	10,871,583	2,531,459	23.3%	11,078,588	2,510,053	22.7%
HHS: Social Services	86,939,067	18,665,246	21.5%	77,196,282	15,777,531	20.4%
Child Support Enforcement	8,406,910	1,992,739	23.7%	7,761,190	1,678,106	21.6%
Transportation Service	1,579,436	320,185	20.3%	1,513,249	265,122	17.5%
Veteran Services	574,082	117,347	20.4%	531,676	93,215	17.5%
Juvenile Detention	4,185,426	688,353	16.4%	3,485,036	468,686	13.4%
Family Justice Center	1,448,717	295,478	20.4%	1,201,518	330,141	27.5%
Court Services	1,190,431	240,453	20.2%	1,191,704	175,973	14.8%
Total Successful People	172,863,626	35,466,765	20.5%	160,052,385	30,175,120	18.9%
Strong Community						
Planning and Development	2,510,290	438,744	17.5%	1,349,088	203,217	15.1%
Security	4,659,697	895,184	19.2%	3,376,957	657,666	19.5%
Cooperative Extension Service	1,163,388	179,096	15.4%	933,531	183,162	19.6%
Coordination Services	4,021,790	894,328	22.2%	3,873,423	166,053	4.3%
Law Enforcement	89,161,018	20,214,698	22.7%	81,810,654	19,201,022	23.5%
Emergency Services	44,977,992	9,723,967	21.6%	41,133,907	6,700,554	16.3%
Inspections	3,444,682	693,456	20.1%	3,588,375	697,438	19.4%
Animal Services	5,346,641	1,379,966	25.8%	5,145,857	904,486	17.6%
Solid Waste	2,277,944	255,493	11.2%	2,492,021	141,171	5.7%
Soil & Water Conservation	436,532	96,946	22.2%	413,715	79,237	19.2%
Culture - Libraries	2,372,508	--	--	2,350,160	--	--
Culture-Recreation (Parks)	6,130,093	1,561,456	25.5%	5,929,761	1,176,168	19.8%
Economic Develop & Assistance	6,632,455	--	--	2,943,956	--	--
Total Strong Community	173,135,030	36,333,334	21.0%	155,341,405	30,110,174	19.4%
Quality Government						
Clerk to the Board	1,523,524	330,945	21.7%	1,479,368	293,455	19.8%
County Administration	2,629,576	490,691	18.7%	2,270,182	409,964	18.1%
MWBE	1,774,568	163,129	9.2%	519,672	90,554	17.4%
Public Relations	1,362,026	188,543	13.8%	792,526	2,682	0.3%
County Attorney	4,567,244	955,871	20.9%	4,119,284	718,857	17.5%
Human Resources	11,047,378	1,985,478	18.0%	9,887,336	2,242,585	22.7%
Budget & Management Services	1,373,955	277,217	20.2%	1,138,946	192,777	16.9%
Internal Audit	975,728	196,028	20.1%	833,620	172,334	20.7%
Finance	4,854,866	1,071,927	22.1%	4,354,455	838,324	19.3%
Information Technology	17,883,110	4,108,033	23.0%	17,245,423	3,857,041	22.4%
Tax	8,910,541	1,758,228	19.7%	8,472,139	1,774,931	21.0%
Register of Deeds	3,412,476	671,774	19.7%	3,228,761	658,344	20.4%
Elections	3,641,903	380,421	10.4%	3,478,234	914,636	26.3%
Facilities	11,336,706	2,152,424	19.0%	10,949,274	1,694,653	15.5%
Fleet Operation	2,467,060	391,411	15.9%	2,118,338	408,623	19.3%
Total Quality Government	77,760,661	15,122,120	19.4%	70,887,558	14,269,760	20.1%
Other						
Education	333,983,573	64,492,744	19.3%	324,467,898	60,346,679	18.6%
Debt Service	71,285,139	17,821,284	25.0%	68,354,310	--	--
General Government	1,755,652	438,915	25.0%	15,000,000	--	--
	\$830,783,681	\$169,675,161	20.4%	\$794,103,556	\$134,901,733	17.0%

