# The Fiscal Condition of Albany County

## 2019 Year-End

## June 2020

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Albany County Comptroller

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# 2019 Financial Results

# Overall 2019 Budget vs. Actual

| Dollars in Millions | Original Budget | Revised Budget | Actual | Increase/ (Decrease) |
|---|---|---|---|---|
| **Revenue** | **$712.0** | **$730.7** | **$688.9** | **($41.8)** |
| **Expenses** | **$712.0** | **$730.7** | **$689.0** | **($41.7)** |
| **Surplus/(Deficit)** | **$-0-** | **$-0-** | **($0.1)** | **($0.1)** |

# General fund
# Overall Comparison 2018 vs. 2019

| Dollars in Millions | 2018 | 2019 | Increase/ (Decrease) |
|---|---|---|---|
| **Revenue & Transfers** | **$571.0** | **$578.9** | **$7.9** |
| **Expenses** | **$525.1** | **$540.1** | **$15.0** |
| **Net Transfers to Other Funds** | **$39.2** | **$38.5** | **($0.7)** |
| **Surplus/(Deficit)** | **$6.7** | **$0.25** | |

*The County continues to add to its fund balance*

# Revenue Highlights Year-Over-Year

| Dollars in Millions | 2018 | 2019 | Increase/ (Decrease) |
|---|---|---|---|
| Tax revenue | $384.3 | $397.2 | $12.9 |
| Departmental, Intergovernmental, and Miscellaneous | $53.9 | $50.3 | ($3.6) |
| State & Federal Aid | $132.8 | $128.8 | ($4.0) |

# Expense Highlights Year-Over-Year

| Dollars in Millions | 2018 | 2019 | Increase/ (Decrease) |
|---|---|---|---|
| Sales Tax Distribution | $110.3 | $115.4 | $5.1 |
| General Government Support | $150.5 | $158.2 | $7.7 |
| Education | $30.9 | $31.5 | $0.6 |
| Public Safety | $64.3 | $65.7 | $1.4 |
| Health | $33.1 | $33.5 | $0.4 |
| Economic Assistance & Opportunity | $179.7 | $181.5 | $1.8 |

# Fund Balance and Debt Reserve Comparison Year-over-Year

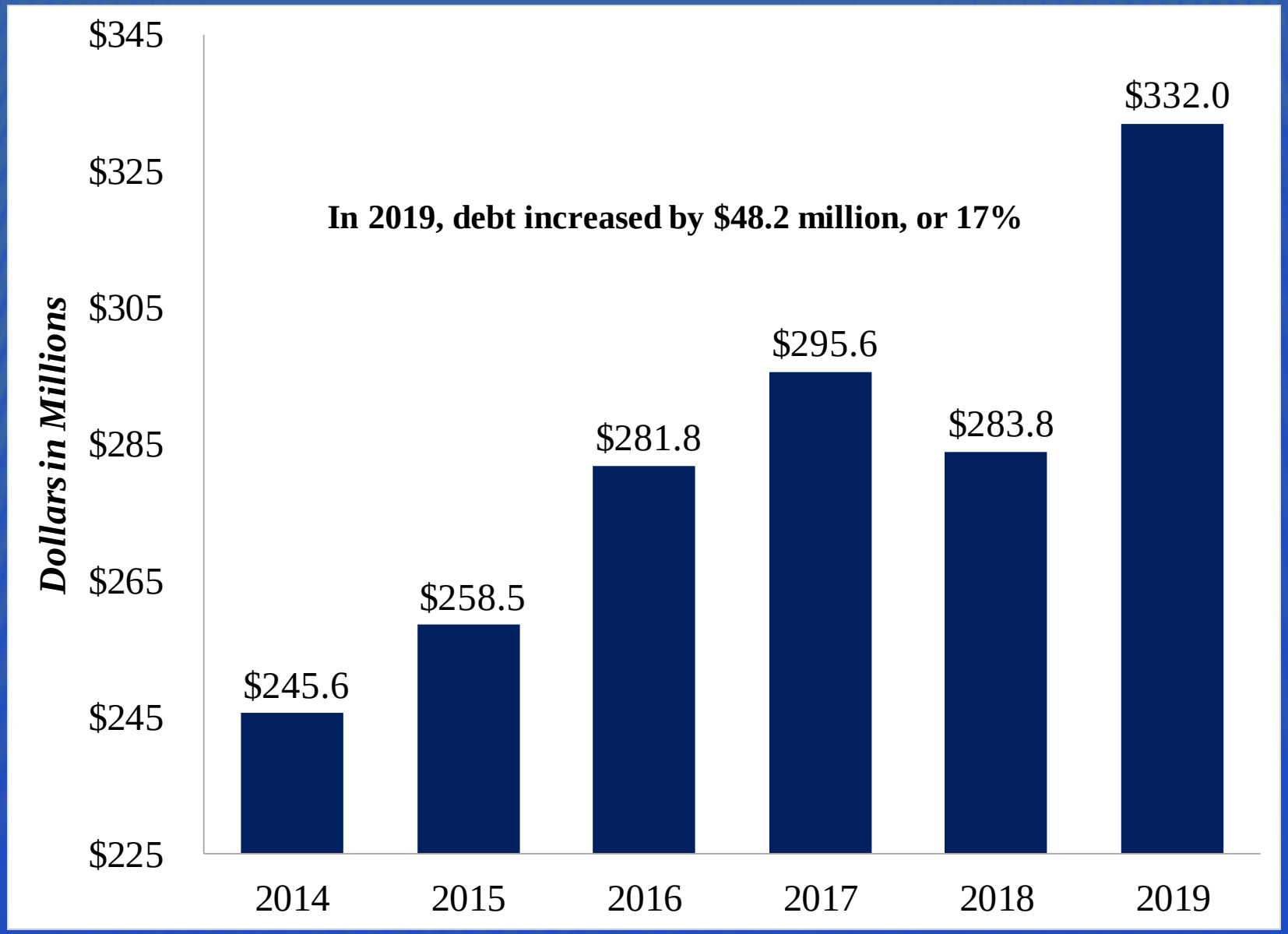
| | 2018 | 2019 | Increase/ (Decrease) |
|---|---|---|---|
| **Fund Balance** | **$68,625,000** | **$68,874,000** | **$249,000** |
| **Debt Reserve** | **$14,862,000** | **$17,084,000** | **$2,222,000** |

*The County has maintained its Fund Balance for emergencies and significantly increased its Debt Reserve*

# Results for 2019

- Positive factors:
  - Fund balance increased by approximately $250K
  - Refinanced over $36 million in debt
  - Sales tax increased by 4%,  over $10 million
- Negative factors:
  - Total expenses grew by 3%, or approximately $15 million

# Total Debt


$345
$325
$305
$285
$265
$245
$225
Dollars in Millions
In 2019, debt increased by $48.2 million, or 17%
$245.6
$258.5
$281.8
$295.6
$283.8
$332.0
2014
2015
2016
2017
2018
2019

# Transition and 2020 Progress

# Transition

- Additional efficiencies have been implemented by streamlining processes and procedures
- Hired experienced individuals
- Increase training and continuing education
- Improve data analysis

# Changes Implemented

- Process improvements
  - ✓ Increased use of direct deposit for County payroll
  - ✓ Eliminated over 50 bank accounts to reduce bank service charges
  - ✓ Instituted monthly bank account reconciliations
  - ✓ Implemented accounting software (Munis) programs and training
  - ✓ Initiated a utility expense analysis
  - ✓ Increased  analysis for invoicing, banking, capital, etc.

# Time and Attendance Audit Update

- Preliminary time and attendance audit was incomplete
  - ☒ Work papers did not indicate that sampling and testing were performed
  - ☒ Department head interviews never took place to confirm potential issues
  - ☒ Reports issued did not present a conclusion

# Finalized Time and Attendance Audit

Finalized and reported a complete audit with the following findings:

1. Out of Title Pay – should be temporary positions not permanent positions
2. Payroll Liaisons – improve internal controls
3. Supervisors need to sign-off on time cards prepared by employees
4. Prompted Legislature to update policy

# 2020 Progress

- ✓ S&P reaffirmed the County's AA Stable rating
- ✓ Maximize the return on the County's investments
  - ➢ Over $130 million currently invested
- ✓ Reduced the number of County bank accounts to lower bank fees
- ✓ Analyzed approximately $100 million in unspent capital project funds
- ✓ Resulted in over $20 million to transfer to the debt reserve, increasing the reserve to $37 million

# 2020 Trends to Monitor

- The COVID-19 pandemic has had a negative effect on the County's finances
  - Actual sales tax revenue, which accounted for 50% of the County's 2019 revenues, is anticipated to significantly decline in 2020
  - Hotel occupancy tax, although only 1% of 2019 revenues, will also significantly decline in 2020
  - Uncertainty of State and Federal Revenue
- The County is incurring unanticipated COVID-19 related expenses, some of which may be reimbursable from FEMA or other federal government funding

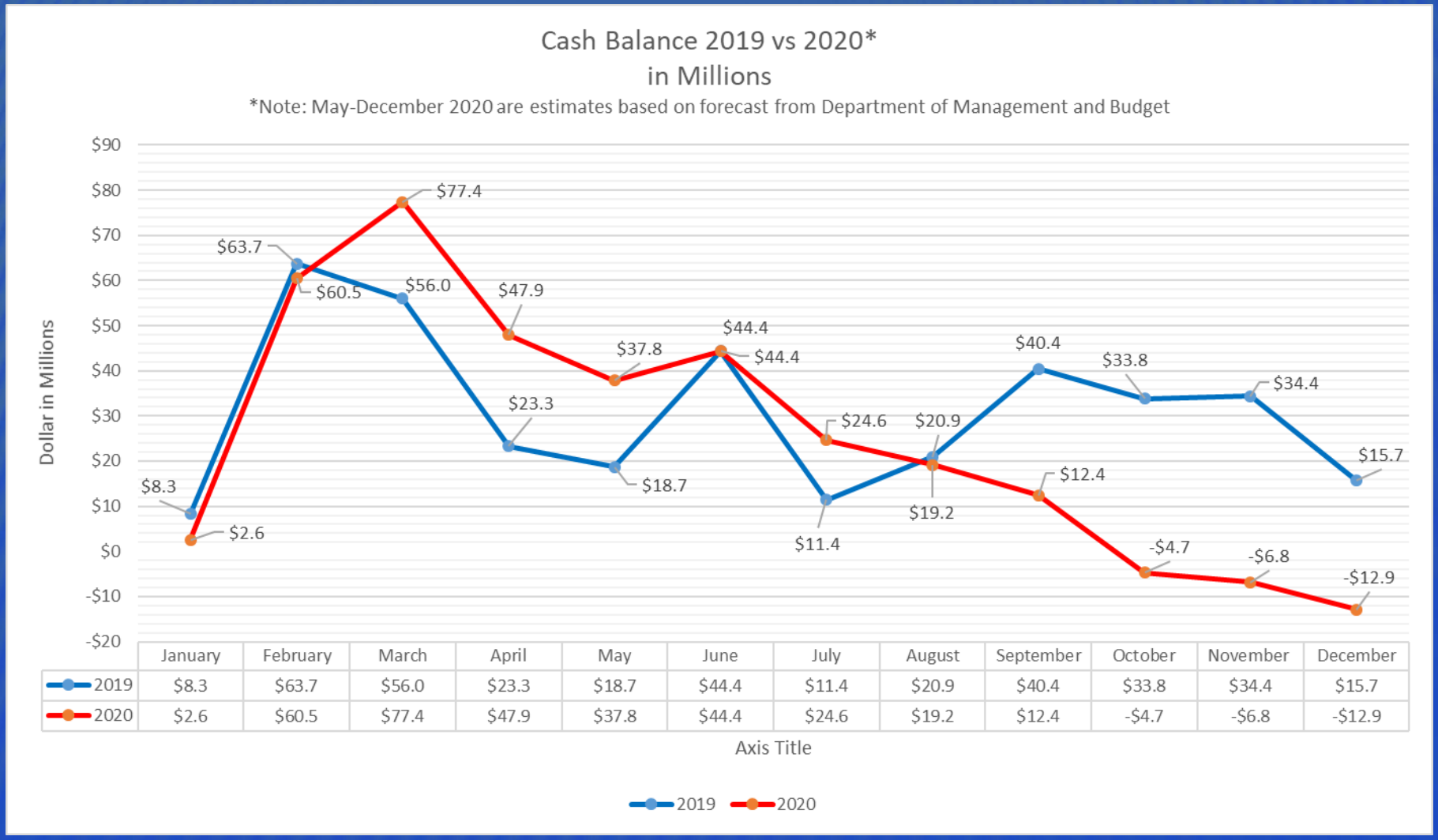
# 2020 Remedies

- Refinanced  $7.2 million of 2012 bonds that saved the County over $1 million in interest expense.

- Closed capital accounts. Transferring excess funds of $20 million debt reserve.

- Continue to maximize our return on investments.

# General Fund Cash



# Looking Forward

# Sales Tax Update

| Sales Tax Received January – April | |
|---|---|
| 2020 | $84,315,000 |
| 2019 | 88,950,000 |
| YTD Decrease | ($4,635,000) |

# Goals

- Continue to reorganize the Comptroller's Office staffing
  - Chief Accountant replaced two retired part timers
  - Chief Auditor is a Certified Internal Auditor (CIA)
  - Chief of Staff with investment experience
- Increase training and certifications
  - Certified Government Financial Manager (CGFM)
  - Certified Fraud Examiner (CFE)
- Bring the County into the 21st Century
  - 100% payroll direct deposit
  - Switch from weekly to biweekly payroll
  - Consolidate utility invoicing and payments

# Albany County is in a Strong Financial Position

- Despite the recent turmoil related to COVID-19, the County's finances remain strong
- Responsible borrowing, investing, and cash flow management will keep the County's finances on the right track
- Continued cooperation and communication between the Comptroller's Office and other County departments will lead to sustained progress and financial improvements

# Susan A. Rizzo
# Albany County Comptroller