



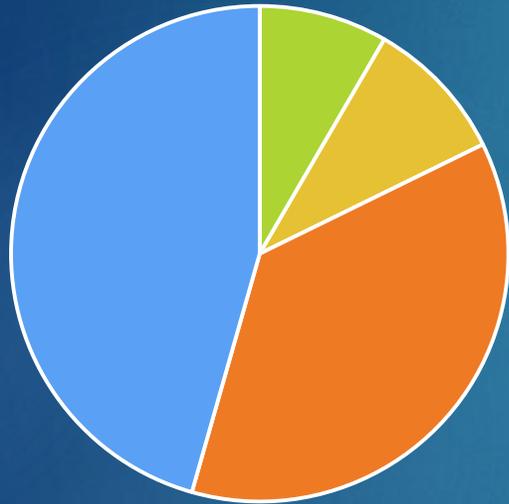
Town of Sunset Beach

FINANCIAL FORECAST

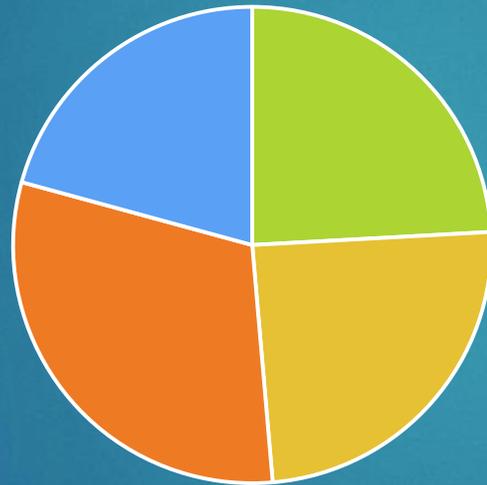
BONNIE SCHWERD, TOWN FINANCE DIRECTOR/BUDGET OFFICER

POPULATION-BASED DATA

Sunset Beach



Brunswick County



North Carolina



United States



Population Age Distribution

Age < 25

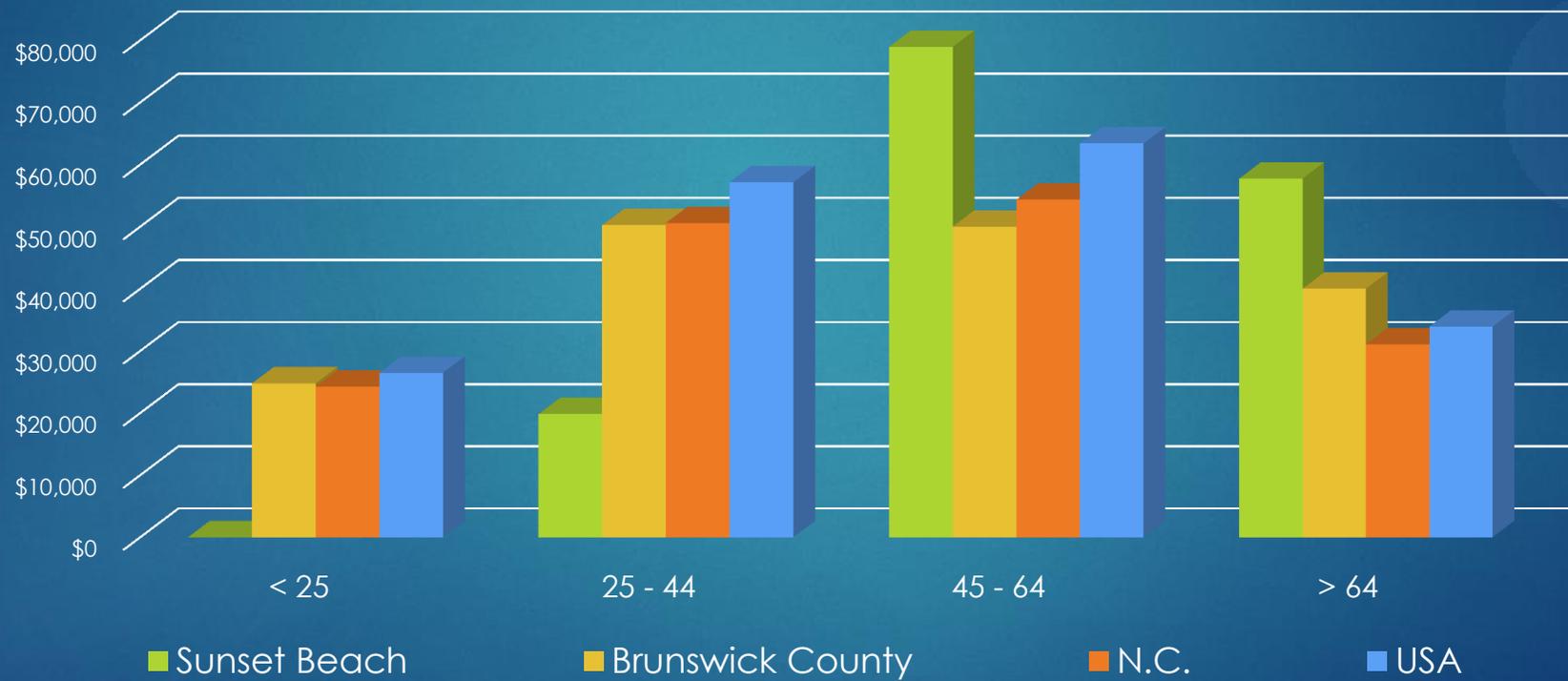
Ages 25-44

Ages 45-64

Age > 64

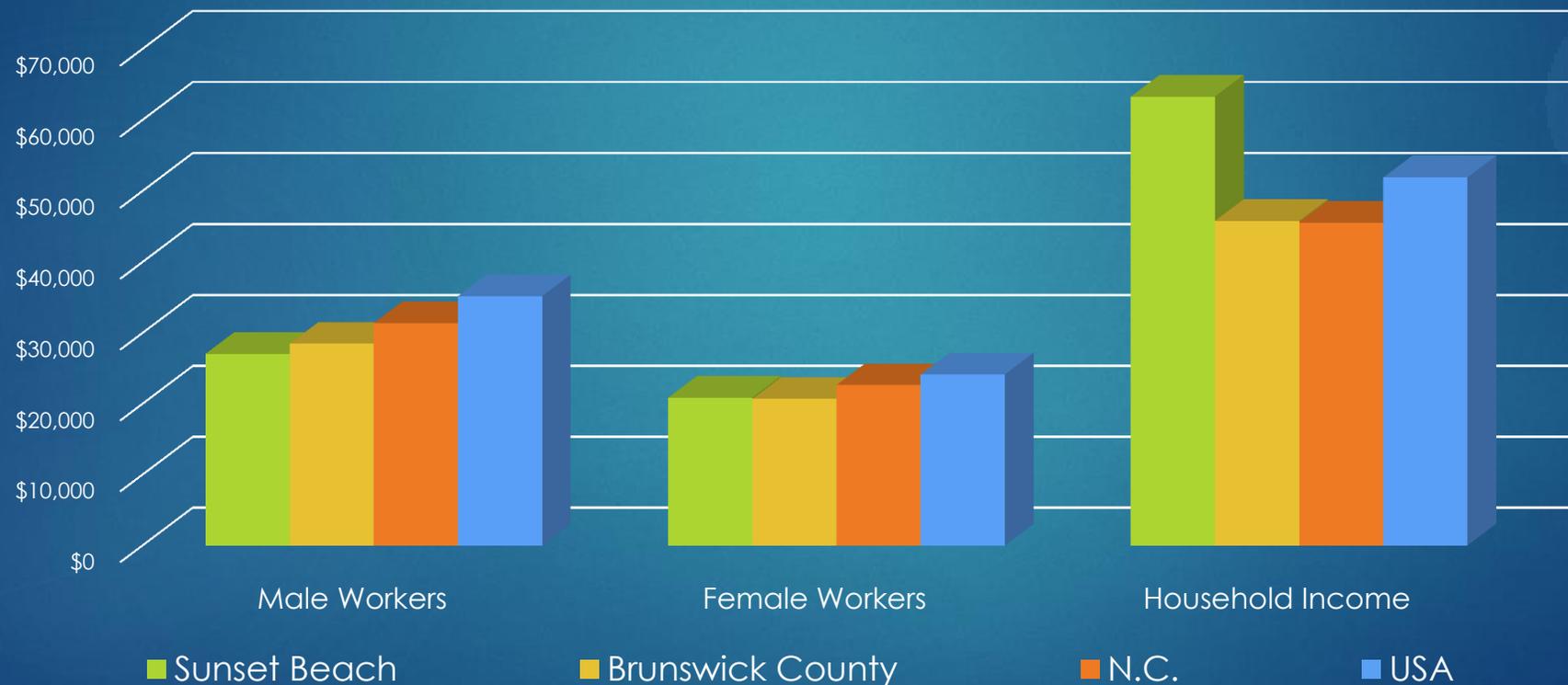
POPULATION-BASED DATA

Median Household Income by Age



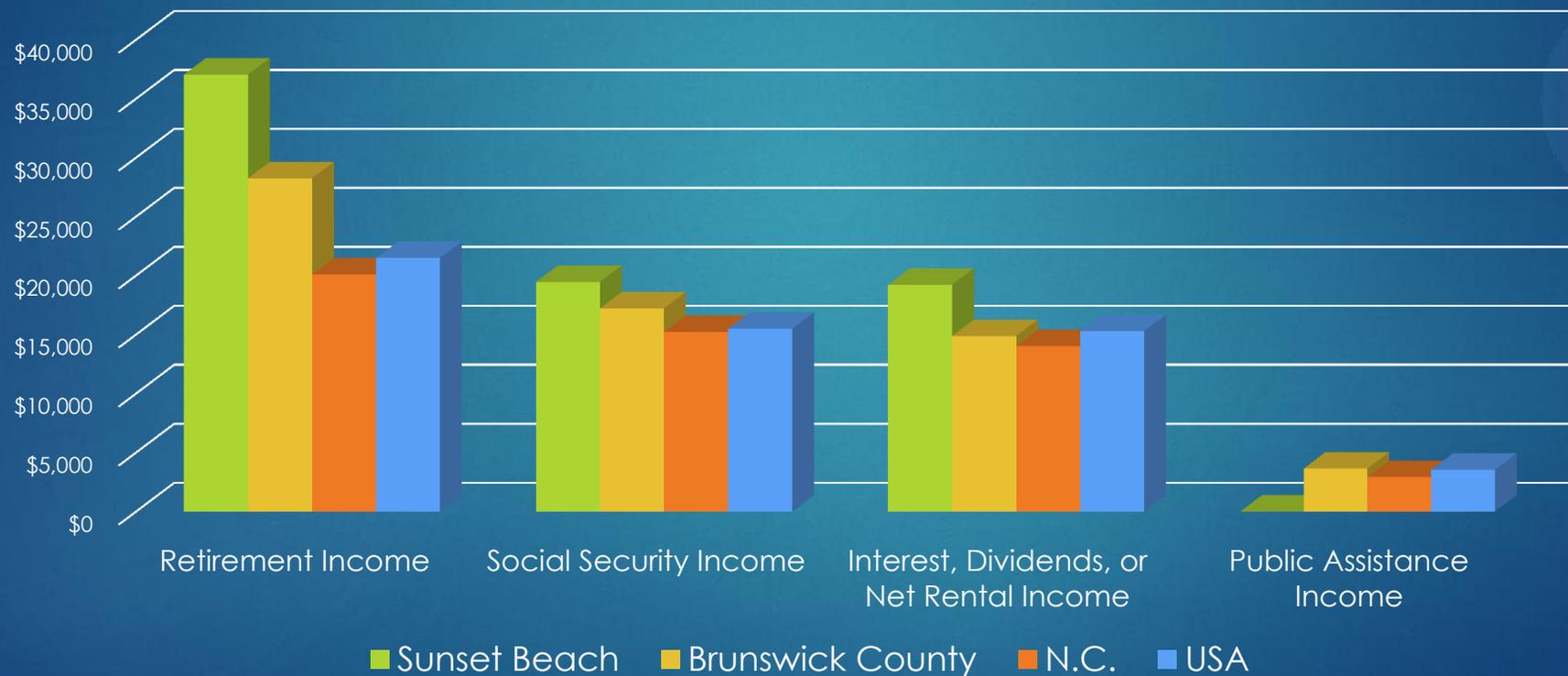
POPULATION-BASED DATA

Median Income



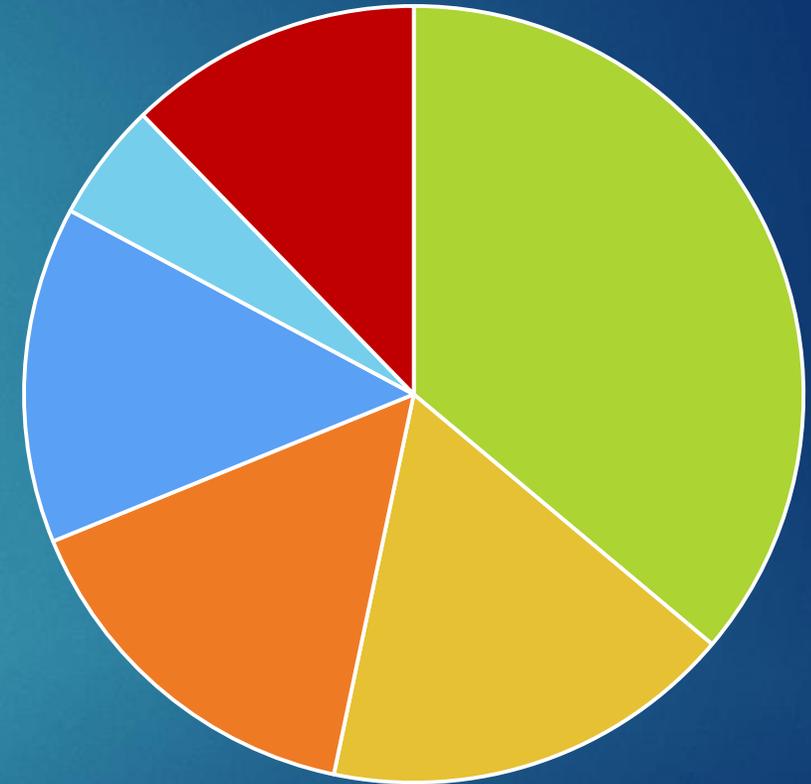
POPULATION-BASED DATA

Household Income other than Earnings



MAJOR REVENUE SOURCES

- ▶ Ad Valorem Property Tax
- ▶ Fire District Fees
- ▶ Local Option Sales Tax
- ▶ Accommodations Tax
- ▶ Utilities Franchise Tax
- ▶ All Other Sources Combined



5-YEAR HISTORICAL TREND



Ad Valorem Tax Revenues



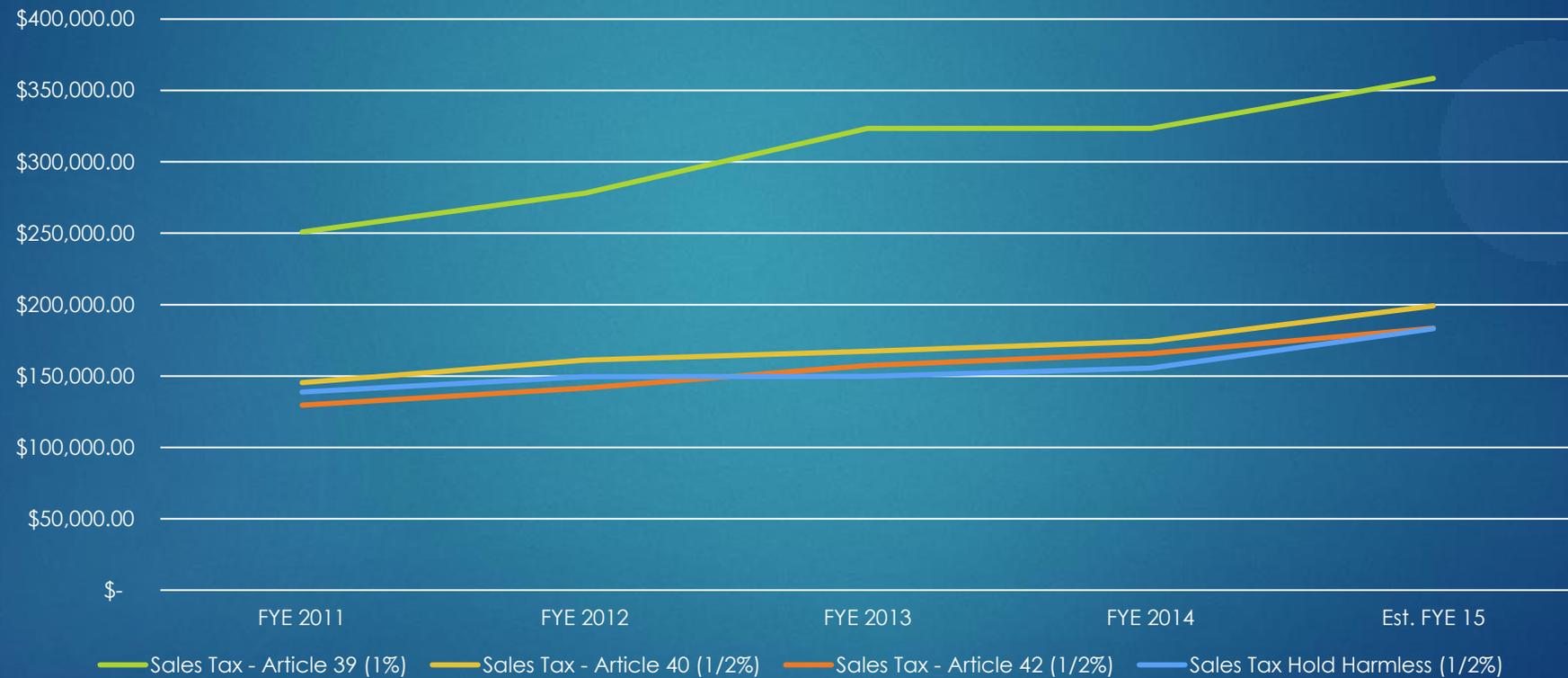
5-YEAR HISTORICAL TREND

Fire District Fees



5-YEAR HISTORICAL TREND

Local Option Sales Tax

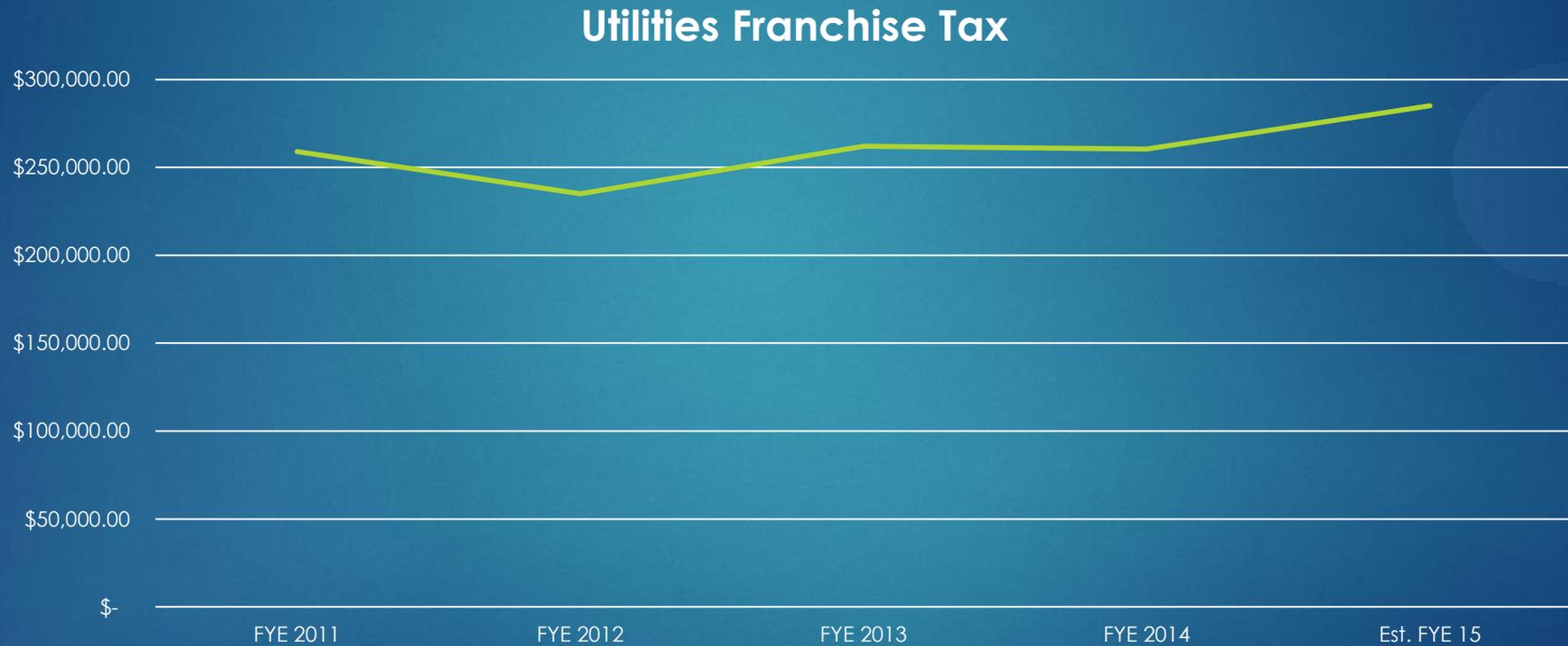


5-YEAR HISTORICAL TREND

Accommodations Tax Revenues



5-YEAR HISTORICAL TREND



ECONOMIC INDICATORS

Unemployment Rate (December 2014):

- ▶ United States 5.6%
- ▶ North Carolina 5.5%
- ▶ Brunswick County 6.5%

Producer Price Index (PPI):

December 2014 – Total final demand of -0.3%

This includes a change of 1.1% from December 2013

ECONOMIC INDICATORS

STATE & NATIONAL LEVEL

Consumer Price Index ("CPI")

- ▶ 234.812 for December 2014
- ▶ This is an overall increase of 0.8% for 2014 calendar year
 - ▶ The detailed CPI information shows 2014 with an increase of 5.8% in all items excluding food and energy.
 - ▶ In the detail of the food and energy, there were 3-4% increases in food costs and electricity, but these were mitigated by the double digit decreases in gasoline and fuel oil costs.

Short-Term Energy Outlook

- ▶ Projections show that the trend of decreasing gasoline costs has reached the bottom and prices are expected to increase to \$2.33/gal in 2015 and continue rising to \$2.73/gallon for 2016.

ECONOMIC INDICATORS LOCAL LEVEL

Sunset Beach Real Estate Market information



REVENUE FORECAST

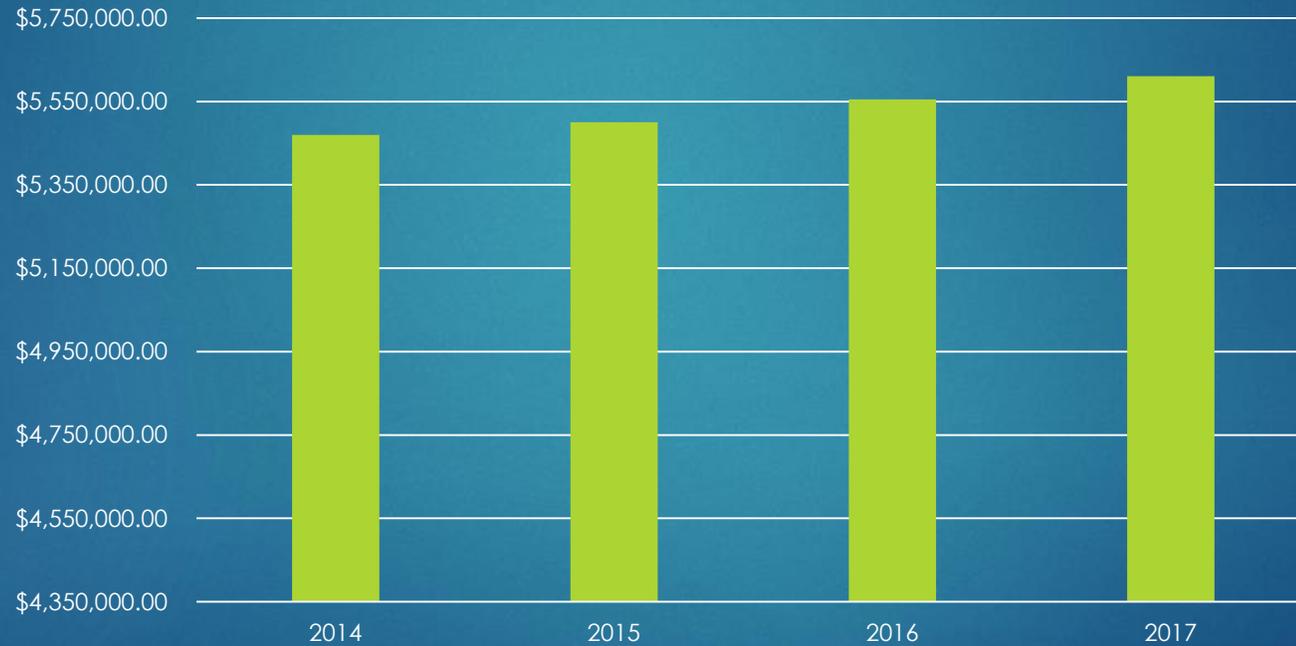
- ▶ Based on the prior data, I am projecting slow growth to continue in the national, state and local economies and therefore am projecting an overall growth rate of 1.5% for operating revenues from all sources.
- ▶ This takes into consideration the following assumptions:
 - ▶ This is used for the growth percentage of all state-shared and economy-driven revenues.
 - ▶ This includes a tax rate increase to account for the lower property revaluation data.
- ▶ This does not take into consideration the following assumptions:
 - ▶ Significant Changes in Accounting Standards or Treatment
 - ▶ Revenues needed to cover changes in Level of Services provided

EXPENDITURE HISTORICAL TREND

- ▶ The Town's General Fund expenditure trends show great volatility over the past five years.
- ▶ This makes it less appropriate to use longer-term past performance as a valid tool in projecting future performance.
- ▶ Projected expenditures are based upon the past and current fiscal year, rather than the longer term numbers.

OPERATING EXPENDITURE FORECAST

Annual General Fund
Operating Expenditure Forecast



CAPITAL EXPENDITURE FORECAST

- ▶ As we go forward in the budget process this year, Capital Expenditure Forecasts will be developed through Capital Improvement Planning process.
- ▶ Large capital projects have the ability to interject significant variability into the projected revenue/expenditure positions and therefore are excluded from the operating projections until further data can be identified and utilized.