



**BOARD OF ALDERMEN
MEMORANDUM**

TO: MAYOR MCDERMON AND ALDERMEN
FROM: Debra H Mack, Consultant
SUBJECT: Finance Monthly Financial Report
DATE: March 26, 2025

Listed below are key financial highlights:

- A) Budget vs Actual Report for all Funds.
 - 1) **General Fund** (Fund 10) Pages 1 – 9
 - i. **Ad Valorem Tax Current Year** – received \$4,257,051 through March 26th which exceeds budget \$94,854. Most of the current year taxes are received by February.
 - ii. **Interest Earnings** – received \$507,515 through February which exceeds total budget \$29,515 (March interest will post on 4/1/25). If interest rates hold, it is estimated an additional \$120,000 will be earned through year-end; for total **projected** Interest Earnings of \$627,515 or **\$149,515 over budget**.
 - iii. **Utility Franchise Tax** – received \$276,303 through the quarter ended December 2024, distributed in March 2024. The remaining distribution schedule:: Jan – Mar in June, April – June in September. Realized 84% of the budgeted revenue. This tax is susceptible to extreme weather. Conservatively, the remaining three quarters distributions would be around \$254,000 with a total for FY 25 **projected** at \$530,612 or **\$200,612 over budget**.

- iv. **Sales Tax** – received \$1,676,910 through December sales distributed in March. The remaining distribution schedule has January sales distributed in April and the last month of June distributed in September. This tax is susceptible to economic conditions. Conservatively, the remaining six distributions would be around \$1,285,857 with a total for FY 25 **projected** at \$2,962,767 or **\$795,770 over budget**.
- 2) **Capital Improvement Fund** (Fund 12) Page 10
- i. Both Valorem Tax and County Fire Tax receipts exceed the budget by 2% and 3% respectively and the majority of these revenues are received by February. **Total revenue received \$1,632,129 exceeds the transfer to the Fire Station of \$1,584,395. Barring unforeseen expenditures, no Appropriated Fund Balance will be needed.**
- 3) **Shoreline Protection** (Fund 30) pages 11-12
- i. **Accommodation Tax** – received \$2,006,441 through March 14th which exceeds the \$1,781,123 budget by \$225,318. This tax is susceptible to economic and weather conditions. Based on FY 24 receipts for months Apr – June of \$386,032 the total for FY 25 **projected** at \$2,392,473 or **\$611,350 over budget**.
 - ii. **Interest Earnings** – received \$141,756 through February which exceeds total budget \$45,542 (March interest will post on 4/1/25). If interest rates hold, it is estimated an additional \$48,000 will be earned through year-end; for total **projected** Interest Earnings of \$189,756 or **\$93,542 over budget**.
 - iii. **Ad Valorem Tax** – exceeds the budget by 2% and the majority of this revenue is received by February.
 - iv. **Sales Tax** – received \$566,078 through December sales distributed in March. The remaining distribution schedule has January Sales distributed in April and the last month of June distributed in September. This tax is susceptible to economic conditions. Conservatively, the remaining six distributions would be around \$342,810 with a total for FY 25 **projected** at \$908,888 or **\$167,164 over budget**.
 - v. **Paid Parking Revenue** – received \$311,228 through March 7th. This tax is susceptible to weather conditions. Based on FY 24 receipts for months Apr – June of \$246,105 the total for FY 25 **projected** at \$557,333 or **\$20,958 over budget**.

- vi. Due to the **delayed FEMA reimbursements for Fund 31** the board authorized a transfer of \$6,000,000 until the FEMA grants are closed out. Due to the **delayed FEMA funding agreement for Fund 32** the board authorized a transfer of \$2,974,942 until the funding agreement is finalized. This **will result in at least \$8,974,942 of appropriated fund balance of the total \$11,273,697.**
- 4) **Capital Project Beach Maintenance** (Fund 31) pages 13-14
- i. NOTE: **Multi-year Fund.** This impacts comparisons of transfers in from annual funds when the multi-year fund has the history of prior years.
 - ii. **FEMA Reimbursement** – due to the delay in FEMA reimbursements compared to the budget shows \$6,171,550 not paid out as of March 26th.
 - iii. **Investment Income** – \$964,036 over budget and is related to the interest earned on the \$10.5 million NCDEQ Grant. This revenue can be used toward work related to Phase 4 if needed.
- 5) **Grant Project FEMA – 4837 PTC8** (Fund 32) page 15
- i. NOTE: **Multi-year Fund.** Category G: Dune Crossover at Marina Way and Category G: Emergency Berm (Beach Project)
 - ii. This project does not have the funding agreement in place yet as FEMA’s Beach Team is drafting the SME report. Once completed this will progress through the Consolidated Resource Team and other required levels of review prior to a final funding agreement.
 - iii. Due to the lack of a funding agreement and the need for this work to commence; Fund 30 transferred to Fund 32 the current estimated amount for the project. Moving forward contemplates that this transfer will be repaid to Fund 30 and all federal and state requirements for reimbursement followed.
- 6) **Capital Project Fire Station 2** (Fund 50) page 16
- i. NOTE: **Multi-year Fund.**
 - ii. Contingency balance in this project is \$87,052 to cover any unforeseen costs.
 - iii. The WB Brawley contract stipulated items that the Town would purchase and/or install. Have requested projected costs for those items to be included with the FY 26 budget request.
- 7) **Grant Project Stormwater NCEM DRMG2304** (Fund 60) page 17
- i. NOTE: **Multi-year Fund.**
 - ii. This project is funded by NCEM and no matching requirement.

B) **Payments Processed:** Cash Disbursements (ACH) \$139665.37 and Accounts Payable Checks \$1,900,633.39 = \$2,040,298.76.

C) **Cash Balance Report All Funds** – this report by Bank Type by fund no longer has the large negative balances in Bank 1 (sweep account). Those negative transactions for the past years have been corrected to show the operating bank balance – Bank 2 by Fund. The only Funds with negative cash balances are Funds 10 (payroll wires) and Fund 32 and Fund 60 both are new Grant Funds. Highlighted the General Fund and Fund 31 below:

- 1) **General Fund** – has (\$87,651.86) in Bank 2 as a result of payroll wires posted at the time of printing the report. The entire cash available is in the NC Capital Management Trust. NOTE: Accounts payable checks will be printed on March 27th so this report does not reflect those payments.
- 2) **Fund 31** – NC Capital Management Trust reflects payments that have occurred through March 26th. The Total \$8,871,549.62 is split \$6,924,339.51 unspent NCDEQ grant and interest; and the balance of \$1,947,210.11 attributable to the unspent transferred in funds. In addition, the \$1,833,984.36 balance in Bank 2 also represents unspent transferred in funds as of March 26th.

This month's report has provided detailed highlights to assist in the interpretation of the reports attached.

Respectfully submitted,

Debra H Mack/dhm

GWJ Tax & Accounting Consultant

Attachments:

Budget vs Actual All Funds – 17 pages

Check Listing 02/28/25 – 3/26/25 – 2 pages

Cash Balance All Funds – 2 pages