

Quarterly Report

Department of Finance & Procurement



Town Council Meeting Date: November 14, 2023

Quarter 2024: July, August, September

Department introduction:

The mission of the Department of Finance and Procurement is to promote excellence and transparency in the delivery of effective and efficient financial management services to our internal and external customers and stakeholders. This is accomplished by adhering to sound financial management practices, demonstrating integrity in all that we do, and working as a team to support the Town's mission, vision, and values.

Commendable Achievements:

This past quarter, staff received two awards from the Government Finance Officers Association (GFOA):

- For the 30th year, the Town received the ***Certificate of Achievement for Excellence in Financial Reporting*** for the FY2022 Annual Comprehensive Financial Report.
- The Town also received a ***Distinguished Budget Presentation Award*** for its Fiscal Year 2024 Adopted Budget.

Project Progress:

Budget:

Our Budget Manager held a kickoff meeting with Town departments to begin the development of the Fiscal Year 2025 operating and capital budgets.

Auditing and Financial Reporting:

Staff continue to wrap up the Fiscal Year 2023 external audit and production of the FY2023 Annual Comprehensive Financial Report. The Town's external auditors, Brown, Edwards & Company, will attend the December Council meeting to present the results.

Tax Administration:

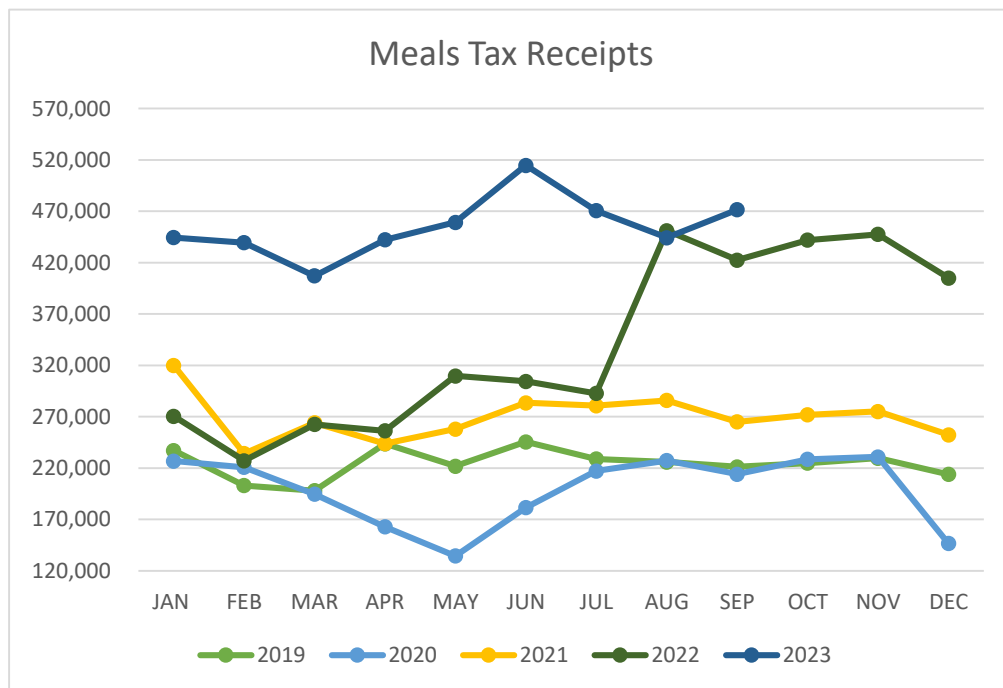
Within the next few weeks, the 2023 Personal Property Tax and 2023 Real Estate Tax and Stormwater Fee (2nd Half) bills will be mailed to Town residents. The bills are due on December 15th, 2023.

Charts and information:

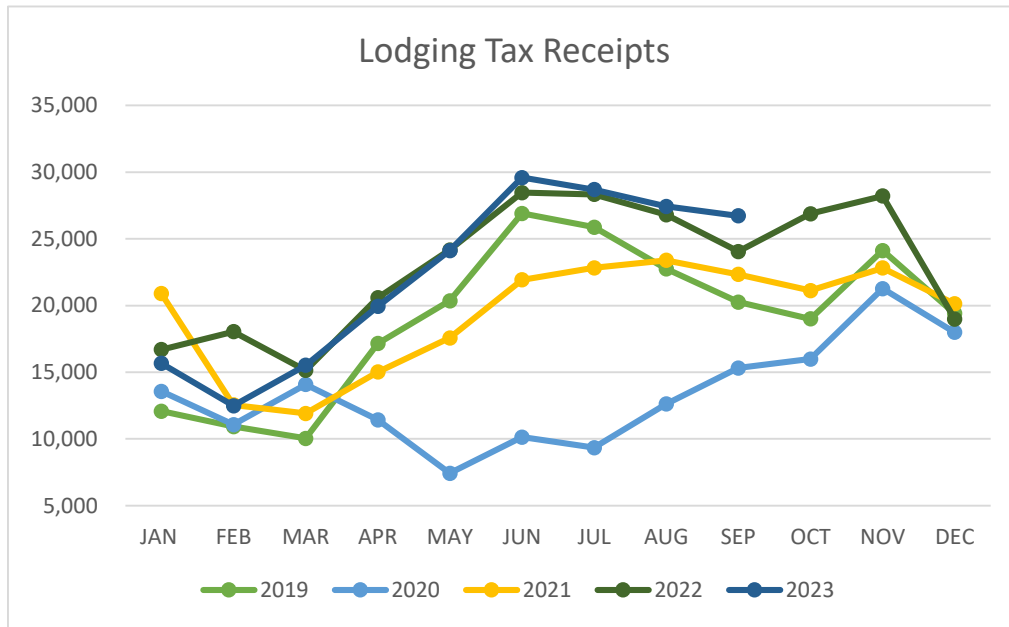
REVENUE TRENDS

A review of monthly revenue categories is provided to assist in understanding how our current receipts compare to prior periods. The data is presented on a cash basis for the current calendar year (2023) and four prior years (2019, 2020, 2021, and 2022). The monthly revenue categories are Meals Tax, Lodging Tax, Local Sales Tax, and Utility Billing Receipts.

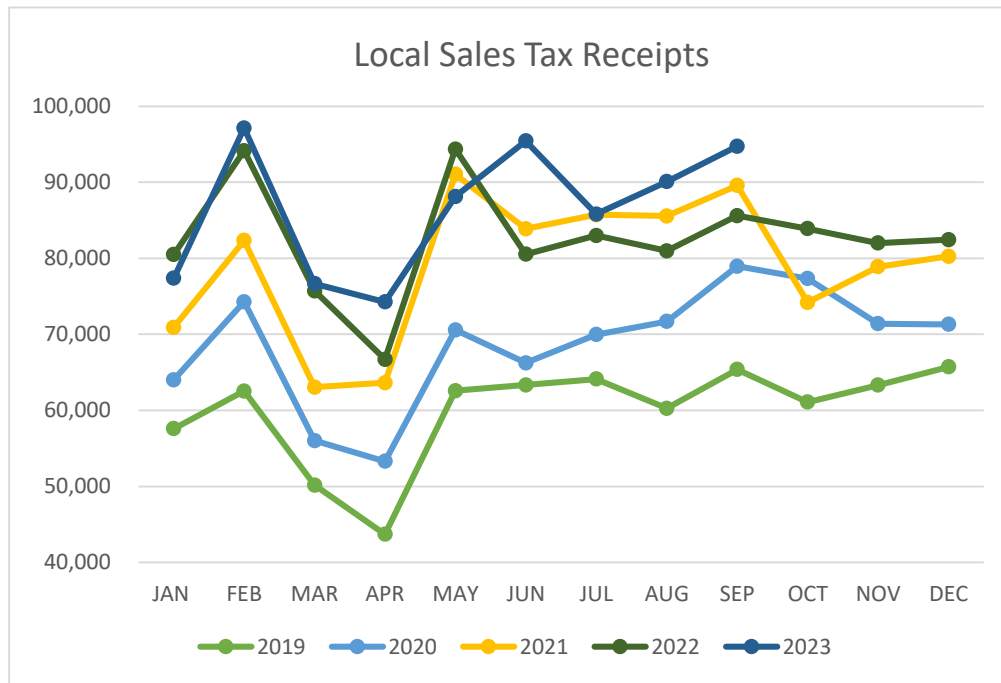
Meals Tax - This is the largest revenue source for the General Fund. Since July 2020, revenue has tracked closely to the data from 2019, apart from January 2020. This was due to mail delivery delays and accounts for the significant increase in January 2021. In April 2021, the revenue in this category matched that received in 2019. Since that time, the revenue has met or exceeded all prior years. The August 2022 collections reflect the beginning of the increase in the rate that was adopted in the FY23 budget.



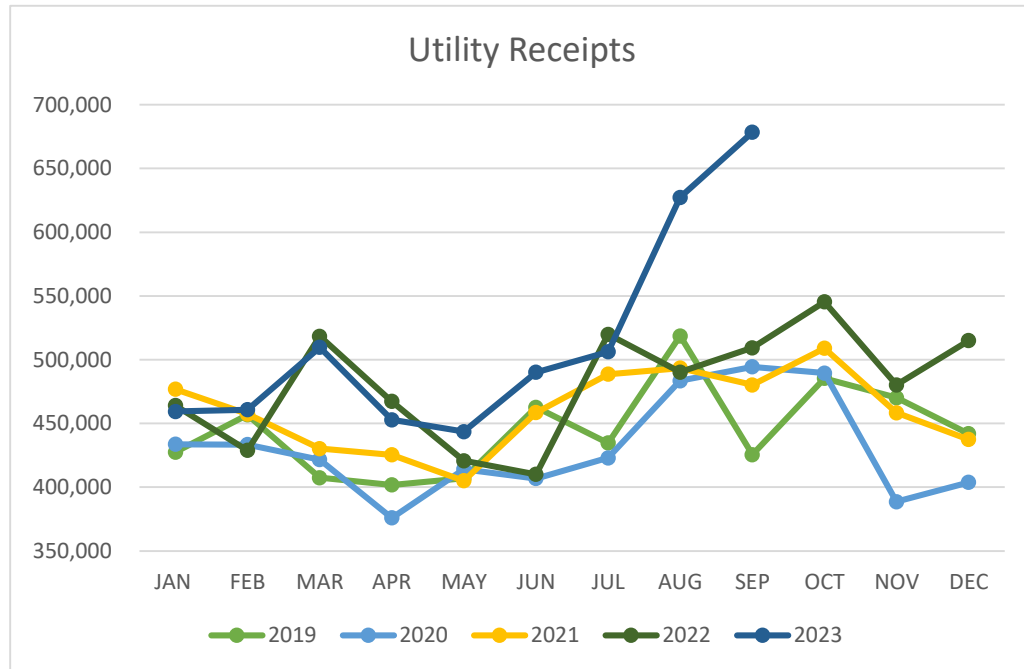
Lodging Tax – This category suffered more severely from the impacts of Covid-19. Revenue dipped in February 2023 but has met or exceeded 2022 since March.



Local Sales Tax – Sales Tax receipts for July through September are continuing along the same trendlines as 2022. September receipts exceeded the prior year by 10%.



The chart below shows the monthly receipts for Water and Sewer bills. Receipts in 2023 have generally tracked with those received in 2022. The increase in August reflects the rates adopted effective July 1, 2023.



Data:

DELINQUENT ACCOUNT BALANCES

Real Estate Tax and Stormwater Management Utility Fee

Real Estate tax and the Stormwater Management Utility fee are due twice a year, on June 15th and December 15th. The percent collected and unpaid balances are shown below:

Type	Percent Collected	Unpaid Balance
Real Estate Tax - 2nd half, CY2022	98.7	\$5,323.93
SWM Utility Fee - 2nd half, CY2022	96.9	\$11,093.87
Real Estate Tax - 1st half, CY2023	97.2	\$11,491.37
SWM Utility Fee - 1st half, CY2023	95.4	\$16,218.59

Personal Property Tax and Vehicle License Fee

Personal Property taxes and vehicle license fees are due once a year on December 15th. The percent collected and unpaid balance for the December 15, 2022, billing is shown below:

Type	Percent Collected	Unpaid Balance
Personal Property Tax	97.5	\$31,771.54
Vehicle License Fee	83.9	\$38,500.36

Business License Tax

Business license renewal applications are due annually on March 1st for the following year beginning July 1. The payment for the license is due on June 30th. The percentage collected and unpaid balances are shown below for the last two license years. Additionally, a report on businesses that have not filed for renewal for the current year license is attached to the agenda.

Type	Percent Collected	Unpaid Balance
Business License 2023	99.7	\$6,227.35
Business License 2024	99.6	\$7,847.15

Meals Tax

Meals Tax collectors must file for us to know the amount of tax owed. If they fail to file, we may issue a statutory assessment based on the best available information and pursue collection of that amount.

Filings: The Town has a total of 86 registered Meals Tax collectors. Seven businesses have not filed for September 2023, and one of those has not filed for August 2023.

Past Due Amounts: The following businesses have past due Meals Tax balances.

Business	Past Due Amount
Black Bear Bistro	\$20,718.09
Fat Tuesdays	\$445.56

Lodging Tax

Like Meals Tax, businesses must file for us to create an assessment. All registered collectors are current in their filings and payments.

Sales Tax

Sales tax is remitted to the State each month based on the County, not the Town, that the business is located in. The local 1% is then sent back to the County. The amount to be distributed to the Towns is determined based on the residency of school-aged children. The County retains 50% of that amount and distributes the remaining 50% to the incorporated Towns based on the percentage of school-aged children residing in each town. There is no information provided by the State regarding delinquent accounts.

Utility Billing

The total delinquent balance is \$14,452 higher than September 2022.

	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>Incr./ (Decr.)</u>
Over 30	61,707	70,199	8,492
Over 60	12,931	15,196	2,265
<u>Over 90</u>	<u>3,346</u>	<u>7,040</u>	<u>3,694</u>
Total	\$ 77,984	\$ 92,436	\$ 14,452