

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Authorize Write-off of Delinquent Utilities & Miscellaneous Accounts Receivable	
FROM: Bobby Fitzjohn, Financial Services Director Jeremy Coble, Customer Service Director	MEETING DATE: May 6, 2024
PUBLIC HEARING: N/A	ADVERTISED DATE/BY: N/A
ATTACHMENTS: History of Utilities Receivables Write-offs	

PURPOSE: The Financial Services and Customer Service Departments recommend that the City Council authorize them to write-off the delinquent utilities and miscellaneous accounts receivable remaining from Fiscal Year 2019-2020 from the general ledger for accounting purposes.

BACKGROUND: It is the City's practice to write-off uncollected utility and miscellaneous accounts when they become three years old. The City's accounting staff continues to annually review and evaluate the collectability of all outstanding amounts and makes accounting adjustments to the balance sheet. Although these amounts are being written off the City's accounting records, the Customer Service Department continues to make efforts to collect these debts via a variety of methods, including our outstanding successes through the NC Debt Setoff Program in connection with our partnership with the NC Department of Revenue which has collected over \$5,147,612 in outstanding utility debts since we began that program in 2002.

At the recommendation of Financial Services staff, the Public Services Department has changed its credit and billing practices at the landfill and recycling centers which is now reducing any larger balances outstanding for that business line. City staff is also requesting the write-off of unpaid returned checks that have not been able to be processed otherwise.

Utility Billings	\$831,261
Landfill fees	1,553
Returned checks	115
Miscellaneous AR	200
Total	<u>\$833,129</u>

BUDGET IMPACT: These amounts have already been "reserved" at 100% of their value during the audit for fiscal year June 30, 2023. There is no additional impact for the procedural approval to write these amounts off for accounting purposes. Recoveries of prior amounts written off are recognized as income for collections of prior accounts receivable charged off. The City's Customer Service Department's efforts maintained an impressive collection effort which averaged 99.63% for this past year.

RECOMMENDATION/ACTION REQUESTED: City Council is requested to authorize the Financial Services Director to write-off \$833,129 for original utilities billings and miscellaneous accounts through the fiscal year 2019-2020.



City of High Point
Historical Utilities Charge-Offs

DATE	FISCAL YR	CHG'D OFF AMT	PERCENTAGE	BILLINGS
6/30/1987	1983-1984	\$105,107.75	0.275	\$38,288,424.88
6/30/1988	1984-1985	\$114,691.42	0.260	\$44,088,136.22
6/30/1989	1985-1986	\$174,916.41	0.419	\$41,719,428.08
6/30/1990	1986-1987	\$231,105.92	0.439	\$52,587,284.13
6/30/1991	1987-1988	\$167,740.45	0.300	\$55,868,789.86
6/30/1992	1988-1989	\$175,247.40	0.305	\$57,415,634.87
6/30/1993	1989-1990	\$171,290.09	0.285	\$60,046,327.21
6/30/1994	1990-1991	\$176,895.35	0.271	\$65,267,674.68
6/30/1995	1991-1992	\$175,309.67	0.255	\$68,882,417.05
6/30/1999	1995-1996	\$337,946.82	0.384	\$88,030,891.21
6/30/2000	1996-1997	\$244,765.83	0.285	\$85,744,208.77
6/30/2001	1997-1998	\$249,765.83	0.262	\$95,470,156.98
6/30/2002	1998-1999	\$218,381.33	0.228	\$95,526,975.82
6/30/2003	1999-2000	\$172,092.40	0.163	\$105,820,760.30
6/30/2004	2000-2001	\$177,065.01	0.165	\$107,496,977.06
6/30/2005	2001-2002	\$222,393.40	0.203	\$109,521,564.33
6/30/2006	2002-2003	\$223,780.98	0.191	\$117,220,626.71
6/30/2007	2003-2004	\$263,789.81	0.220	\$119,847,582.87
6/30/2008	2004-2005	\$413,510.26	0.341	\$121,248,738.27
6/30/2009	2005-2006	\$349,965.32	0.261	\$134,296,214.52
6/30/2010	2006-2007	\$400,146.77	0.297	\$134,587,635.64
6/30/2011	2007-2008	\$492,965.82	0.342	\$143,939,788.84
6/30/2012	2008-2009	\$560,802.18	0.385	\$145,493,985.94
6/30/2014	2009-2010	\$619,747.81	0.412	\$150,487,134.99
6/30/2015	2010-2011	\$713,557.63	0.440	\$163,525,999.00
6/30/2016	2011-2012	\$618,098.00	0.380	\$163,930,969.00
6/30/2018	2012-2013	\$659,275.54	0.390	\$169,080,501.52
6/30/2018	2013-2014	\$1,288,689.87	0.740	\$176,375,391.00
6/30/2019	2014-2015	\$943,526.35	0.521	\$181,107,729.01
6/30/2020	2015-2016	\$906,983.01	0.489	\$185,368,859.46
6/30/2021	2016-2017	\$834,487.55	0.435	\$191,924,711.45
6/30/2022	2017-2018	\$826,487.89	0.426	\$193,929,724.09
6/30/2023	2018-2019	\$943,896.38	0.481	\$196,125,204.49
6/30/2024	2019-2020	\$831,261.39	0.433	\$191,817,629.07