

CITY OF HIGH POINT

AGENDA ITEM

**Title: Authorize Write-off of Delinquent Utilities Accounts Receivables**

From: Jeffrey A Moore, Financial Services Director &
T. Robert Martin, Customer Services Director

Meeting Date: May 2, 2016

Public Hearing: No

Advertising Date / N/A

Advertised By: -

Attachments: History of Utilities Receivables Write-offs

PURPOSE:

The Financial Services and Customer Services Departments recommend that the City Council authorize them to write-off the delinquent utilities receivables remaining from the Fiscal Year 2011-2012 from the general ledger for accounting purposes.

BACKGROUND:

North Carolina law allows the City to write-off uncollected utility accounts when they become three years old. It is the City's practice to annually clear the financial records of these outstanding accounts prior to fiscal year end. The City's accounting staff continues to annually review and evaluate the collectability of all outstanding amounts and makes accounting adjustments on the balance sheet. Although these amounts are being written off of the City's accounting records, the Customer Services 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 \$2,946,641 in outstanding utility debts since we began that program in 2002.

BUDGET IMPACT:

These amounts have already been "reserved" at 100% of their value during the audit for fiscal year June 30, 2015. 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.

We are most impressed with our Customer Services Department staff whose collections efforts average 99.62% for this year.

RECOMMENDATION / ACTIONS REQUESTED:

City Council is requested to authorize the Financial Services Director to write-off \$618,098 for original billings from the fiscal year 2011-2012.

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
6/30/1996	1992-1993	\$268,350.33	0.377	\$71,648,883.75
6/30/1997	1993-1994	\$413,031.97	0.538	\$76,787,298.33
6/30/1998	1994-1995	\$243,676.84	0.298	\$81,884,177.65
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
6/30/2013	2009-2010	\$619,747.81	0.412	\$150,487,134.99
6/30/2014	2010-2011	\$713,557.63	0.440	\$163,525,999.00
6/30/2015	2011-2012	\$618,098.00	0.380	\$163,930,969.00