

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: March 19, 2018

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 two Fiscal Years 2012-2013 and 2013-2014 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 \$3,469,288 in outstanding utility debts since we began that program in 2002.

The amount for fiscal year 2013-14 is higher than the City's annual averages for uncollectible. This is attributed to the implementation of the utilities billing system that year and the resulting deferral of cutoffs as City council was briefed during that time. In addition, the change in NC tax tables beginning in 2015 resulted in less being withheld and consequently smaller refunds that could be applied under the debt setoff program.

BUDGET IMPACT:

These amounts have already been "reserved" at 100% of their value during the audit for fiscal years June 30, 2016 and 2017 respectively. 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 Services Department's efforts maintained an impressive collection effort which averaged 99.26% for this past year.

RECOMMENDATION / ACTIONS REQUESTED:

City Council is requested to authorize the Financial Services Director to write-off \$667,077 for original billings from the fiscal year 2012-2013 and to write off \$1,308,653 for original billings from fiscal year 2013-2014.

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
6/30/2016	2012-2013	\$667,077.20	0.390	\$169,080,501.52
6/30/2017	2013-2014	\$1,308,652.73	0.740	\$176,375,391.00