

## Emerald Tidings / Island Review – December 17 Print Edition

### Town Receives Favorable FY 02-03 Audit Report

The Town's FY 02-03 financial audit was recently completed by an independent auditor, Bell and Company CPAs of Morehead City. Town Manager Frank Rush is happy to report that the Town continues to maintain its excellent overall financial position.

Some of the highlights from the recent audit include:

- General Fund revenues (not including Transfers In, Debt Proceeds, and Appropriated Fund Balance) in FY 02-03 totaled \$5,305,505, and exceeded budget estimates by \$191,626. General Fund expenditures (not including Transfers Out, primarily for Debt Service) totaled \$4,684,276, and were \$130,121 less than budgeted. After considering Transfers In, Debt Proceeds, and Transfers Out, the General Fund ended FY 02-03 with a net surplus of \$222,107. This amount represents a net addition to the Town's General Fund Balance.
- Property taxes accounted for \$2,509,032, or approximately 47%, of total General Fund revenues. This percentage is down from FY 01-02, when property taxes accounted for nearly 50% of total General Fund revenues.
- Local option sales taxes accounted for \$1,002,312, or approximately 19%, of total General Fund revenues. This percentage is up from FY 01-02 when local option sales taxes accounted for approximately 15% of total General Fund revenues. Local option sales tax revenues increased by \$284,424 in FY 02-03 due to the partial impact of the beach nourishment district taxes on the sales tax distribution and the additional half-cent sales tax that was implemented by the Carteret County Board of Commissioners in December 2002. The Town's FY 02-03 budget only anticipated \$850,000 from local option sales taxes, so the actual sales tax collections exceeded budget estimates by \$152,312. This surplus is the most important factor contributing to the net addition to the Town's fund balance in FY 02-03.
- Public Safety expenditures (Police and Fire) continue to represent the largest portion of the General Fund budget. Total expenditures were \$2,050,298 in FY 02-03, or approximately 44% of all General Fund expenditures.
- The Town's "undesignated" General Fund balance at June 30, 2003 is \$1,359,199. The General Fund also has an additional \$463,535 of fund balance that is legally "reserved by State Statute". The addition of these funds to the "undesignated" fund balance yields a total "available" General Fund balance of \$1,822,734. This figure is a more accurate indication of the Town's total General Fund balance, and equates to approximately 29.6% of total General Fund expenditures included in the FY 03-04 budget adopted by the Board in June.
- The Town continues to boast an excellent collection rate for property taxes. The FY 02-03 collection percentage was 99.11%, which is among the highest of all local governments in North Carolina.
- FY 02-03 was the first year of the Beach Nourishment Debt Service / Reserve Fund, which is used to account for special district taxes and the principal and interest payments on the beach nourishment bonds. As of June 30, this fund has a fund balance of \$2,564,438. This fund is structured to accumulate a significant fund balance in the early years of the bond repayment schedule in order to maintain a consistent tax rate in the two special districts over the next 8 years. Thus far, this fund is performing according to

plan.

### **New Elected Officials Take Office on December 9**

New Commissioners Nita Hedreen, Bob Isenhour, and John Wootten, along with returning Commissioners Pat McElraft and Floyd Messer and Mayor Art Schools, begin their service to the Town at the December 9 Town meeting. The Town will implement staggered terms for the Board of Commissioners for the first time, with Commissioners McElraft and Messer elected to serve four-year terms, and Commissioners Hedreen, Isenhour, and Wootten serving two-year terms. Mayor Schools will also serve a two-year term. The Mayor and Board of Commissioners look forward to serving the residents and property owners of Emerald Isle during their terms as they seek to make Emerald Isle an even better place to live, work, play, and visit. They've already been hard at work over the past several weeks, and are ready to tackle the challenges facing Emerald Isle!

### **Special Thanks to Outgoing Elected Officials**

Outgoing Commissioners Dick Eckhardt, Emily Farmer, and Doje Marks will be honored for their service to the Town at the December 9 meeting. The Town extends its sincerest gratitude to each of them for their dedication and commitment to improving the Town of Emerald Isle over the past two years. We wish them nothing but the best!

### **Seasons Greetings - Town of Emerald Isle Holiday Schedule**

It's that wonderful time of the year again, and the Mayor, Board of Commissioners, and staff of the Town of Emerald Isle wish everyone a safe and happy holiday season. We hope that you will all remember those less fortunate this season, and give special thanks to those who are currently serving in our armed forces at home and abroad. Please cherish the blessings in your own personal lives, and give thanks for this wonderful place that means so much to us all - Emerald Isle!

Please note that Town Hall will be closed on December 24, 25, and 26 (Wednesday, Thursday, and Friday) for the Christmas holiday. Normal office hours will resume on Monday, December 29. Town Hall will also be closed for New Year's on Thursday, January 1, 2004. Have a great holiday season!