

# FISCAL YEAR 2025

## FINANCIAL REPORT

February 10, 2025

Town of Black Mountain
North Carolina

Tammy Holland, Finance Director

# TOWN OF BLACK MOUNTAIN

## QUARTERLY FINANCIAL REPORT

### FISCAL YEAR 2025

### Quarter 2

The Quarterly Financial Report is a supplemental report intended to provide information regarding the financial position of each fund. The intent of this financial report is to provide a high-level summary of the Town of Black Mountain financial activity concentrating on the comparisons of current fiscal year activity over the prior year through the same point in time.

Highlighted are various revenues and expenditures fiscal year-to-date, which represents a little over half of FY 2025 operating budget with some exceptions, which will be discussed. Additional information on any accounts containing a significant variance will be provided, allowing insight into current trends in revenues and expenditures compared to the adopted operating budget.

Please keep in mind that the information presented in these reports only speaks as of the date it was posted. The information in this report is the most accurate and up-to-date information available at the time of creation. However, all the information in this report is unaudited, meaning that, as the fiscal year progresses, changes may occur between and within accounts.

No data on revenues and expenditure is final until the Town has completed its annual audit and finalized its Annual Comprehensive Financial Report ("ACFR"). It should be noted that the Town's adopted budget is on an annual basis and that each fund's revenues and expenditures may not align on a quarterly basis. This is the result of the timing and seasonality of many of the Town's revenue streams and expenses, as is further described in the following pages.

## SUMMARY

- The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund.
- The Town's total amended budget is $25,299,190. The General Fund Budget makes up the majority of this amount totaling $15,781,406. The Total Amended Operating Budget also contains $4,354,420 of Appropriated Fund Balance and $2,925,000 of Transfers (transfers from one fund to another fund).
- General Fund Revenue collections year to date total $6,539,813, which is 58.56% of the amended general fund budget, not including appropriated fund balance. The Total General Fund Revenues received in FY25 are currently $1.9 million (7.6%) less than this time last year. This is mostly related to a timing issue in revenues received from other government agencies. Prior Year Actuals to Date totaled $8,463,519.
- The Fire Department Fund has received revenues totaling $690,085 within FY25. The majority of the revenue received within the Fire Department Fund comes from Buncombe County's Collection of Ad Valorem Fire Tax and Transfers from the General Fund. Revenues are projected to remain within the budgeted amounts.
- Planning and Departmental Services amended budget totals $1,002,260. The majority of this budget comes from a transfer from the General Fund. The total amount projected to be transferred is $907k. Due to Helene the Town was required to suspend the collection of Permits and Fees. Currently the FY25 Revenue for Permits and Fees is $60,853 less than the prior year. If the Town is unable to resume collections of this revenue source due to Helene, we would have an overall deficit from the prior year of over $330,000.
- The Water Fund is showing an overall decrease from the previous year in the amount of $150,728. The Town was unable to provide water for 3 weeks due to Helene, the impact of this event is estimated to be $160,000. The Town also waived late fees and disconnections for 4 months which is also contributing to the decrease in revenue. Nonpayment administration fee is 40% less than at the same time last year. Water Tap Fees are also $10,750 lower than the prior year.
- The Stormwater Fund revenues and expenses are projected to remain on track.

# GENERAL FUND REVENUE AND EXPENSE SUMMARY
# FISCAL YEAR 2025

| Account Description | Amended FY25 Budget | FY25 Actuals YTD | FY25 Budget To Actual YTD | FY 25 Remaining Budget |
|---|---|---|---|---|
| **REVENUE** | **$15,781,406** | **$6,539,813** | **41%** | **$9,241,593** |
| *Ad Valorem Taxes* | $5,600,000 | $4,421,528 | 79% | $1,178,472 |
| *Intergovernmental - Unrestricted* | $3,560,500 | $997,698 | 28% | $2,562,802 |
| *Investment Income* | $304,800 | $142,391 | 47% | $162,409 |
| *Miscellaneous Income* | $29,500 | $46,235 | 157% | -$16,735 |
| *Other Financing Sources* | $4,630,946 | $261,515 | 6% | $4,369,431 |
| *Other Taxes and Licenses* | $49,400 | $17,585 | 36% | $31,815 |
| *Permits and Fees* | $14,600 | $4,035 | 28% | $10,565 |
| *Restricted* | $57,500 | $32,998 | 57% | $24,502 |
| *Sales and Services* | $1,534,160 | $615,829 | 40% | $918,331 |
| **EXPENSE** | **$15,781,406** | **$5,933,689** | **38%** | **$9,847,717** |
| *Capital Outlay* | $931,873 | $532,057 | 57% | $399,816 |
| *Council Appropriations* | $63,000 | $58,000 | 92% | $5,000 |
| *Debt Service* | $589,050 | $484,281 | 82% | $104,769 |
| *Employment and Retention Cost* | $247,050 | $70,338 | 28% | $176,712 |
| *Events, Programs, Activities* | $108,100 | $23,321 | 22% | $84,779 |
| *Lease and Rentals* | $128,100 | $79,182 | 62% | $48,918 |
| *Operational Services and Supplies* | $2,584,250 | $1,168,645 | 45% | $1,415,605 |
| *Other Financing Uses* | $4,681,220 | $0 | 0% | $4,681,220 |
| *Other Operating Expense* | $420,243 | $284,383 | 68% | $135,860 |
| *Personnel Services and Employee Benefits* | $6,028,520 | $3,233,482 | 54% | $2,795,038 |

## REVENUES

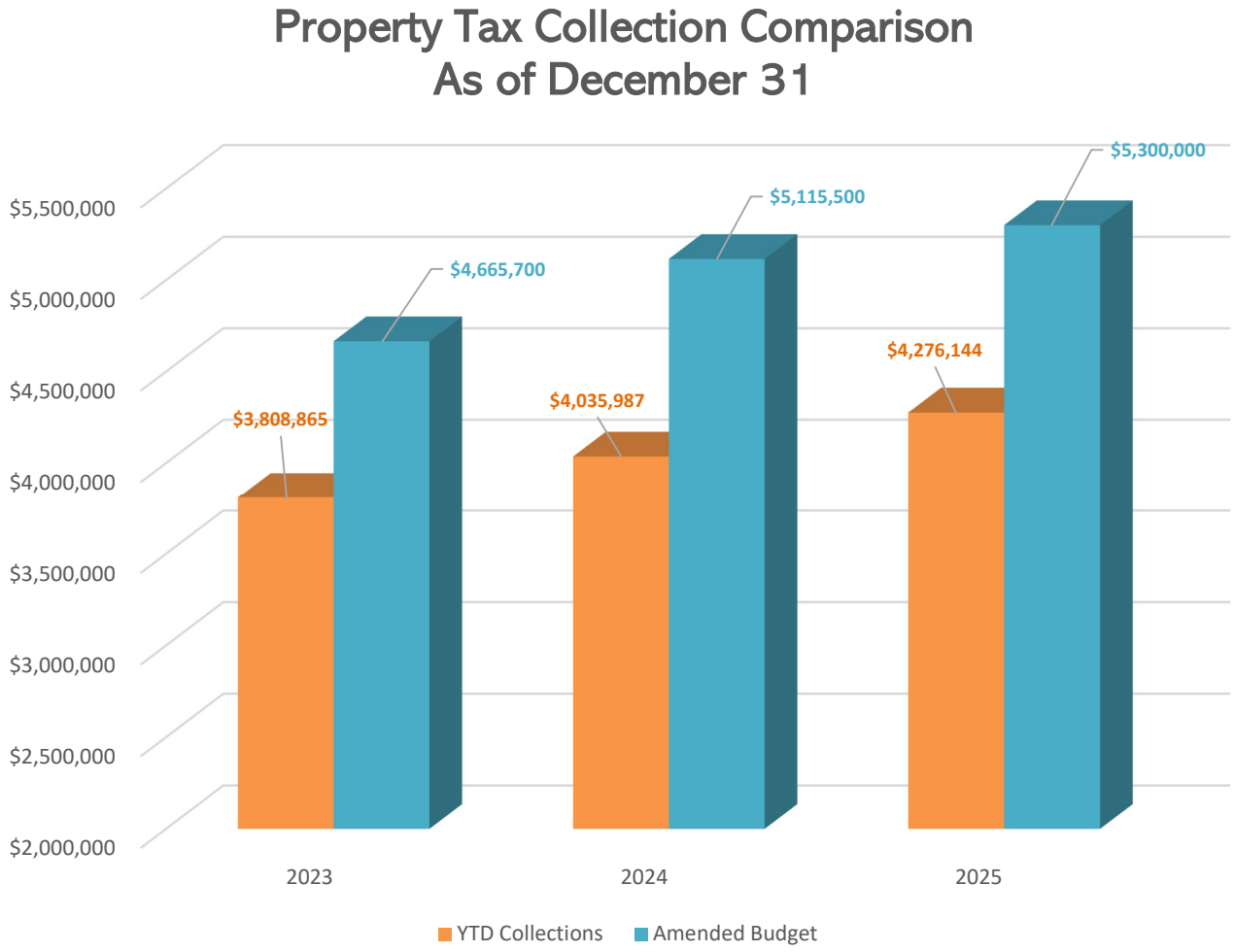
Revenues for the general fund include a wide variety of categories, a few that deserve highlighting for both the prior fiscal year and the second quarter are contained within this report.
A large portion of the General Fund Revenues are disbursed from outside governmental agencies. The time frame for which these revenues occurred and must be reported on the Town's financial statements versus the disbursements of these funds from the source which collects them are delayed. For the revenues that are affected by these timing issues I have included a comparison of the Actual Month and Year to Date amounts that have been received by the Town, which will be a different month than the other revenues received by the Town.

**General Fund Revenue Comparison of Year to Date Actuals**

| Category | Current Year | Prior Year |
|---|---|---|
| **Ad Valorem Taxes** | $4,421,528 | $5,160,519 |
| **Intergovernmental - Unrestricted** | $997,698 | $1,906,656 |
| **Investment Income** | $142,391 | $169,881 |
| **Other Revenues** | $325,335 | $351,372 |
| **Permits and Fees** | $4,035 | $8,505 |
| **Restricted** | $32,998 | $18,932 |
| **Sales and Services** | $615,829 | $847,654 |
| **Grand Total** | **$6,539,813** | **$8,463,519** |

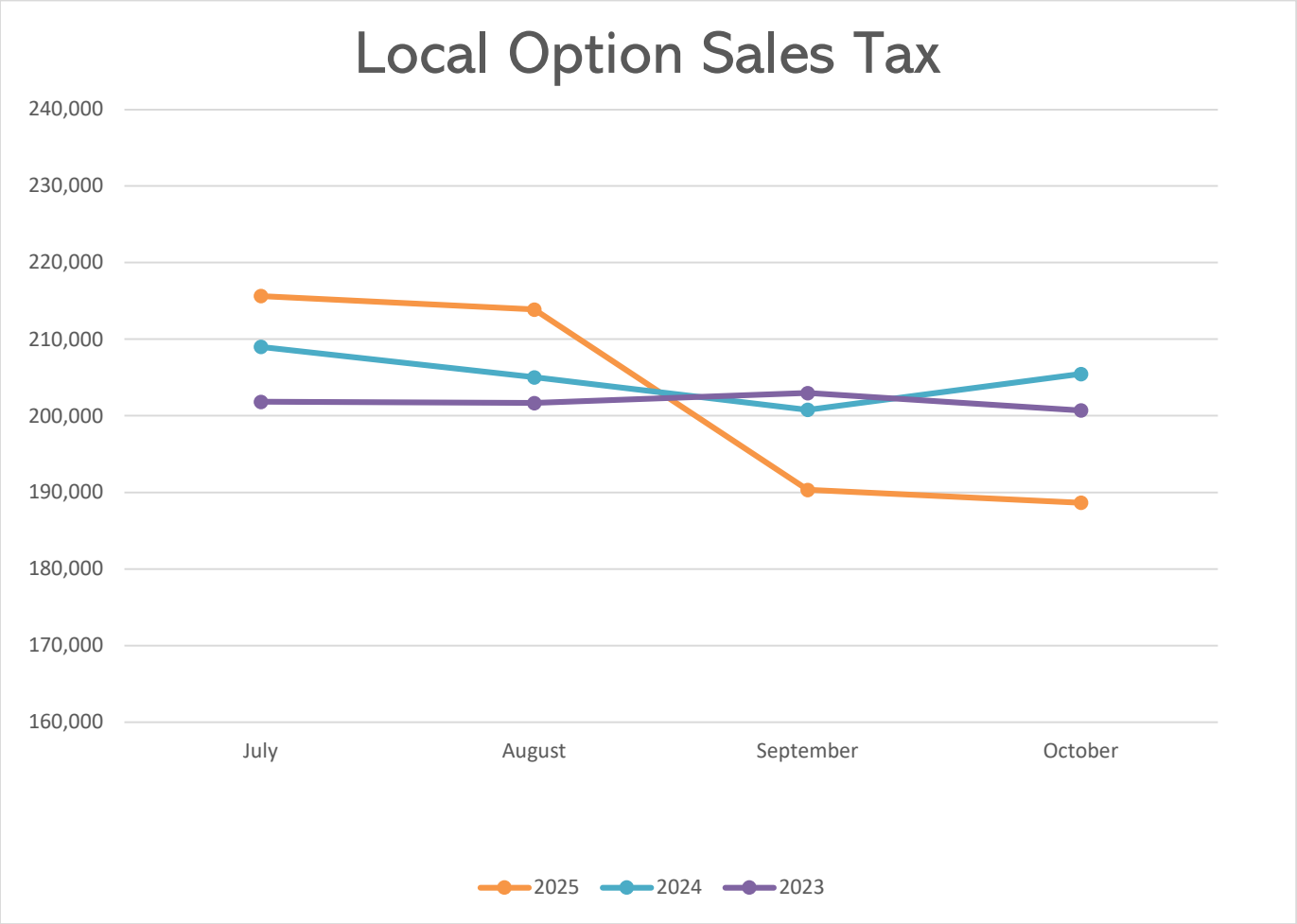
### Ad Valorem Taxes

Property taxes comprise 49% of FY 2025 General Fund operating revenues, not including appropriated fund balance. Property taxes are collected by Buncombe County and remitted to the town monthly. Vehicle taxes are collected by the NC Department of Motor Vehicles at the time of vehicle registration renewals and remitted monthly to the County, then submitted to the Town.
Although property tax bills are mailed each year in August, penalties are not incurred until January. Therefore, most property tax revenues (excluding vehicles) are collected during the months of November, December, and January. The trend for the past two fiscal years shows most citizens choose to pay their taxes during December.
Property Tax Ad Valorem revenues within the report show 22.57% less revenue within 2025 than in 2024. This is due to the timing of the disbursement from the county. January collections have not been received as of the date of this report. Motor Vehicle Ad Valorem taxes are received 2 months after the collection date. It is expected that the current year's revenue will stay within the budgeted amount. Further discussions will need to be had with Buncombe County Tax Assessor's Department to determine what the impacts may be for Fiscal Year 2026. The normal growth in population and increase in values of homes may offset any loss we may have seen.
To provide a clearer picture the graph below shows a comparison of total collections as of December. Using the December collection data there was an increase of 5.95%, or $240,156, over the prior year.


Property Tax Collection Comparison
As of December 31
$5,500,000
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$3,808,865
$4,665,700
$4,035,987
$5,115,500
$4,276,144
$5,300,000
2023
2024
2025
YTD Collections
Amended Budget

## Sales Taxes:

The State collects sales tax and distributes it monthly based on the county in which the sale occurred or the address to which an online purchase is sent. County sales tax distribution to municipalities can be based either on its property tax base (ad valorem) or on its population relative to the county's total tax base or population. Buncombe County distributes sales tax receipts based on ad valorem.
Local option sales tax is received on a three-month lag, where October sales are not received until January. Sales tax revenues account for approximately 23% or $2,585,000 of the general fund operating budget, not including appropriated fund balance.
Collections through October are slightly behind prior year revenues by $11,768 or 1.4%. While the year-to-date comparison shows an almost unnoticeable decrease the collections have decreased each month since June. The amount of decrease month-over-month for Fiscal Year 2025 is an average of 5%. At this time sales tax is still projected to come in at budget and staff will continue to monitor throughout the fiscal year as more collections are received from the NCDOR.



## Other Revenues

### Intergovernmental Revenues

Discussed below are Intergovernmental revenues that do not fall within Ad valorem or Local Sales Tax Revenues. Intergovernmental Revenues are those funds received by the Town from federal, state, and other local government entities. These intergovernmental revenues represent 8.8% of the Town's Revenue Operating Budget. Actuals are down by $292,267 from the prior year. This is mostly due to the timing of revenue.

***The items that are highlighted in blue are the revenues that staff will monitor closely to determine what if any the impacts related to Helene may be***.

**Beer and Wine Tax** – *This is a yearly distribution received from the State. Revenues are from the collections made from 04/01-03/31 payment is received within May. The amount budgeted for this Tax is $39,000.*

**Utility Franchise Taxes** – *Quarterly payments. We receive the payments 2-1/2 months after the quarter end date. Payment for the quarter ending 09/30 was received on 12/15. The first payment fiscal year 2025 is $34,553 more than the prior year. This could be caused by an increase in energy bill rates.* ***The next quarter may experience a decrease from the prior years collection due to the impacts of Helene****. These revenues are the largest source of intergovernmental income outside of Ad Valorem and Local Sales Tax for the Town. Utility Franchise Taxes currently make up 5.74% or $655,000 of the Budgeted Revenue within the Town.*

**Solid Waste Disposal Tax** - *Quarterly payments. Payments are received 1-1/2 months after the quarter end date. We Received payment for the quarter ending 09/30 on 11/15. The payment received for the first quarter was in line with the previous year revenue amounts, but* ***we may see an increase in this revenue due to the additional amount of solid waste that was disposed of due to Helene***.

**Local ABC Disbursements**- ***Due to Helene the Town has not received the normal quarterly payments***. *The local ABC Board will be meeting this month to discuss disbursements. Amount budget for this category is $280,500 in general fund revenue and $22,000 of restricted revenue for the Police Department.*

**Powell Bill Revenues** - *The Powell Bill Highway Funds fall under the Restricted Intergovernmental category. Powell Bill allocations are calculated by the state each January. The allocation received by the town is computed using the estimated population and the number of locally maintained streets. These funds are reported within the Town's Powell Bill Fund. Powell Bill Revenues are received in October and January. The first Powell Bill payment received within October for Fiscal Year 2025 was $155,389.14. Powell Bill revenues are projected to come in at budget.*

**Motor Vehicle Additional Municipality Tax** – *This additional Tax is collected by the NC Department of Motor Vehicles at the time of vehicle registration renewals and remitted monthly to the County the County then remits the payment to the Town. These taxes follow the same schedule as the Motor Vehicle Ad Valorem Tax and are received 2 months after the collection date.* ***This tax may be impacted by Helene, we do not have any numbers or estimation from the County or the State to determine what if any the impacts may be***. ***The normal growth in population may offset any loss we may have seen.***

### INTEREST INCOME

Currently the town invests its idle funds with the North Carolina Capital Management Trust (NCCMT). Investment rates have continued to rise. Fiscal year-to-date interest income for Fiscal Year 2025 is $20,000 less than at the same time last year, this difference is mostly related to the Town having approximately $3 million dollars less within the NCCMT account as it did at the same point last year. Interest Income represents 3% of the Operating Amended Budget.

## Sales and Services Revenues

The Town offers several activities and services to the public. Sales and Services make up 13.45% or $1,534,160 of the Town's Revenue Operating Budget. Solid Waste Reduction Fees have doubled over the prior year's Revenues collected. This is due to the Waste Reduction Fee increasing from the prior year.

Due to the damage received during Helene many of the revenue sources that fall within this category were impacted. Financial Statements are showing we have collected $202,496 less than at the same time last year. Staff will continue to monitor and will update Council with details related to Services that are not actively available at this time

| Department | Revenue Type | FY 2025 YTD Activity | FY 2024 YTD Activity |
|---|---|---|---|
| **Golf Course** | | **$375,500** | **$602,542** |
| | Golf Cart Fees | $98,255 | $151,278 |
| | Golf Course Green Fees | $242,346 | $396,771 |
| | Membership Fee Revenue | $14,745 | $21,794 |
| | Pro Shop Sales | $18,953 | $30,299 |
| | Rental Income-Non Taxable | $1,200 | $2,400 |
| **Lakeview Center** | | **$8,725** | **$17,113** |
| | Facility Rental - Lakeview Center Clubhouse | $6,320 | $14,170 |
| | Facility Rental - Lakeview Center Downstairs | $2,200 | $2,830 |
| | Program Revenue - Active Aging | $205 | $113 |
| **Parks & Rec** | | **$39,817** | **$45,347** |
| | Adult Sports | $0 | $0 |
| | Facility Rental - Grey Eagle Arena | $0 | $0 |
| | Facility Rental - Lake Tomahawk | $1,275 | $3,550 |
| | Facility Rental - Veterans Park | $210 | $710 |
| | Programs Revenue - Garden | $20 | $90 |
| | Programs Revenue - Summer Camp | $2,232 | $3,605 |
| | Rental - Athletic Field, Pool and Fixtures | $0 | $0 |
| | Special Activities | $140 | $1,132 |
| | Youth Sports | $35,940 | $36,260 |
| **Pool** | | **$41,139** | **$49,124** |
| | Non-Taxable Sales | $288 | $305 |
| | Pool Admissions | $29,419 | $39,109 |
| | Pool Concessions | $8,867 | $8,585 |
| | Rental - Athletic Field, Pool and Fixtures | $2,565 | $1,125 |
| **Sanitation** | | **$91,567** | **$44,518** |
| | Solid Waste - Bulk Pickup and Collections | $3,232 | $20 |
| | Solid Waste - Waste Reduction Fee | $88,335 | $44,498 |

## EXPENSES:

FY 2025 spending levels are consistent with the prior year and within budget expectations for this point in the fiscal year. Departmental variances of budget spent between fiscal years is normal with the timing of purchases the most common cause.

**BUDGET TO ACTUAL EXPENSES BY FUND**

| Fund | Total Amended Budget | YTD Activity | Total Remaining Budget % |
|---|---|---|---|
| General Fund | $15,781,406 | $5,933,689 | 62.40% |
| Fire Special Revenue Fund | $3,633,260 | $1,551,322 | 57.30% |
| Planning And Development | $1,002,260 | $366,457 | 63.44% |
| Technology Fund | $13,000 | $0 | 100.00% |
| Powell Bill | $485,500 | $240,673 | 50.43% |
| Water Fund | $3,286,430 | $1,640,634 | 50.08% |
| Stormwater Fund | $566,980 | $117,969 | 79.19% |
| **Grand Total** | **$24,768,836** | **$9,850,743** | **60.23%** |

**BUDGET TO ACTUAL EXPENSES BY DEPARTMENT**

| Department | Total Amended Budget | YTD Activity | Total Remaining Budget % |
|---|---|---|---|
| Administration | $754,400 | $437,609 | 41.99% |
| Building And Grounds Maintenance | $454,500 | $193,111 | 57.51% |
| Finance | $415,860 | $264,759 | 36.33% |
| Fire | $3,633,260 | $1,551,322 | 57.30% |
| Golf Course | $1,010,540 | $459,025 | 54.58% |
| Governing Body | $220,000 | $115,653 | 47.43% |
| Human Resources | $467,210 | $353,035 | 24.44% |
| Information Technology | $238,250 | $154,108 | 35.32% |
| Lakeview Center | $214,920 | $80,569 | 62.51% |
| Parks & Rec | $641,699 | $299,838 | 53.27% |
| Planning And Developmental Services | $1,013,760 | $366,457 | 63.85% |
| Police | $3,740,168 | $2,134,570 | 42.93% |
| Pool | $217,529 | $85,136 | 60.86% |
| Powell Bill | $485,500 | $240,673 | 50.43% |
| Public Works Administration | $252,860 | $105,894 | 58.12% |
| Sanitation | $1,135,140 | $591,359 | 47.90% |
| Stormwater | $566,980 | $117,969 | 79.19% |
| Streets And Highways | $1,337,110 | $659,023 | 50.71% |
| Water Administration | $333,690 | $168,964 | 49.36% |
| Water Operations | $2,942,740 | $1,471,670 | 49.99% |
| **Grand Total** | **$20,076,116** | **$9,850,743** | **50.93%** |

# General Fund Expenses Comparison of Year-to-Date Actuals

| Category | Current Year | Prior Year |
|---|---|---|
| Capital Outlay | $532,057 | $449,835 |
| Council Appropriations | $58,000 | $57,000 |
| Debt Service | $484,281 | $483,772 |
| Employment and Retention Cost | $70,338 | $110,609 |
| Events, Programs, Activities | $23,321 | $34,565 |
| Lease and Rentals | $79,182 | $62,133 |
| Operational Services and Supplies | $1,168,645 | $1,356,322 |
| Other Financing Uses | $0 | $173,000 |
| Other Operating Expense | $284,383 | $269,822 |
| Personnel Services and Employee Benefits | $3,233,482 | $3,020,804 |
| **GRAND TOTAL** | **$5,933,689** | **$6,017,860** |