

Credit
 Taxes
 Audit
 Pension
 Service
 Purchasing
 Valuation
 Sheriff
 Accounts Receivable



Finance Department



ANNUAL REPORT 2020

2017-2018 PROPERTY TAX BILL

TOWN OF ELSMERE
 11 POPLAR AVE
 ELSMERE, DE 19805
 (302)839-2215

PROPERTY INFORMATION
 MAP PARCEL NO: 00000-001
 LOCATION: 11 POPLAR AV
 DATE BUILT: 02/27/74
 LEASE DESCRIPTION: 01/27/18

PROPERTY VALUE ASSIGNMENTS
 LAND VALUE: \$81,600
 IMPROVEMENT VALUE: \$483,800
 TOTAL VALUE: \$565,400

CURRENT CHARGES DETAIL
 UNITS: 0.00000
 RATE: 0.00000
 AMOUNT: 0.00

AMOUNT DUE: 0.00
 PAY DUE OR CREDIT: 0.00
 PENALTY: 0.00
 TOTAL DUE: 0.00

PROPERTY TAX BILL

THIS IS YOUR 2018 PROPERTY TAX BILL. Payment is full and must be paid for the year beginning 2018 of this year.

PLEASE MAKE CHECKS PAYABLE TO:
 TOWN OF ELSMERE
 11 POPLAR AVE
 ELSMERE, DE 19805

ATTENTION: TAX PAYMENTS

PLEASE MAKE CHECKS PAYABLE TO:
 TOWN OF ELSMERE
 11 POPLAR AVE
 ELSMERE, DE 19805

AMOUNT DUE: 0.00
 PAY DUE OR CREDIT: 0.00
 PENALTY: 0.00
 TOTAL DUE: 0.00

AMOUNT ENCLOSED: 0.00
 MAKE CHECKS PAYABLE TO:
 TOWN OF ELSMERE
 11 POPLAR AVE
 ELSMERE, DE 19805

Asset Money
 Bookkeeping
 Budget
 Capital
 Payable
 Calculator

MISSION

The Town of Elsmere's Finance Department's mission is to ensure that all resources of the Town are managed and accounted for in an effective manner, in conformity with generally accepted accounting principles and in compliance with all Local, State and Federal laws.

To ensure that all financial and property tax records are presented in a timely, accurate and meaningful format, and that all staff members work toward continuous improvement and professional service. To provide the Mayor and Town Council with financial information in a timely and meaningful basis and to provide quality service to the residents; and to safeguard the Town's assets.

PENSION PLAN ACCOUNTING

The Finance Department plays a role in the management of the Town's four pension plans. The responsibilities include valuation of projected annual expenses, bolstering plan governance by meeting regularly to review the plan, assisting with record keeping and reporting requirements. The Finance Department continues to track and report employee/employer monies, to the proper funds and assist the Pension Committee as needed.

The Department also ensures that the tracking of the financial issues involved with the pensions is compliant with the requirements issued by the Government Accounting Standards Board (GASB).

The plans include the original Police Pension Plan, the State Pension Plan for County and Municipal Police and Firemen, the Secondary Police Pension Plan from Mass Mutual Insurance Company, and the Town of Elsmere employee Pension Plan through Mass Mutual Insurance Company.

ANNUAL AUDIT

The Annual Audit was completed for fiscal year 2019/2020 and presented to Council by the Town Auditors' by Whisman Giordano on January 14th, 2021. The Statements were prepared in accordance with the various GASB Statements in order to be following Generally Accepted Accounting Principles (GAAP) and accepted by the Council at the January 14th, 2021 meeting.

Overall, the Audit revealed the following financial position of the Town. Highlights

- Current Assets at 6/30/2020 \$5,032,951.
- Current Liabilities at 6/30/2020 \$2,304,992
- Last Year's Expenses exceeded Revenues due to early payoff of a line of credit used to purchase a new HVAC System. This resulting in an \$308,428 deficit but saved the Town substantial interest expense in the up-coming years.
- Cash on Hand at 6/30/2020 \$1,421,070.
- The Contingency Reserve Fund balance @ 6/30/2020 decreased by 36,688 from fiscal year 2019 to \$205,810.

SPECIAL ANALYSIS WORK & RESEARCH

Occasionally the Finance Department is tasked with conducting special analysis and research projects during the course of the year. Below are a few projects the Finance Department was tasked with in 2020:

(A) **Real Estate Holding Company**

In 2014, the Town Council established a Non-Profit Real Estate Holding Company for the purpose of acquiring real estate properties that were going to Sheriff Sale. The intent of the Council and the Real Estate Holding Company was to purchase abandon and boarded up properties. The Real Estate Company would then rehab and sell the properties to improve the Towns image, as well as keeping these properties from turning into properties for criminal and illegal activity.

The Finance Department continues to track the finances for the Land Bank as well as pay the necessary licensing fees and insurances. Since this a component unit of the Town of Elsmere, The Land Bank is included in the annual audit.

During the last quarter of 2020 there was decision to dissolve the Land Bank. The decision was based on the Town had a better control of the abandon properties situation. One of the tools resulting from the land bank was contracting with ProChamps, an industry leader in vacant and foreclosed property registration. During 2020 ProChamps has brought in \$20,300.00 in registration fees to the Town.

(B) **Special Meeting Minute Retention Custodian**

(C) **Town Inventory Management**

In 2020 The working with all Town departments, the Finance Department conducted a full inventory of all Town Asset. In conjunction with this task, determinations were made regarding assets that should be written-off or removed from the Town's asset listing. This task resulting in an accurate account of assets own by the Town and a cost saving in insurance premiums when comparing prior and current year inventory and the new insurance rates.

(D) **Contract Record Keeping**

The Finance Department retains most of the Towns vendor contracts

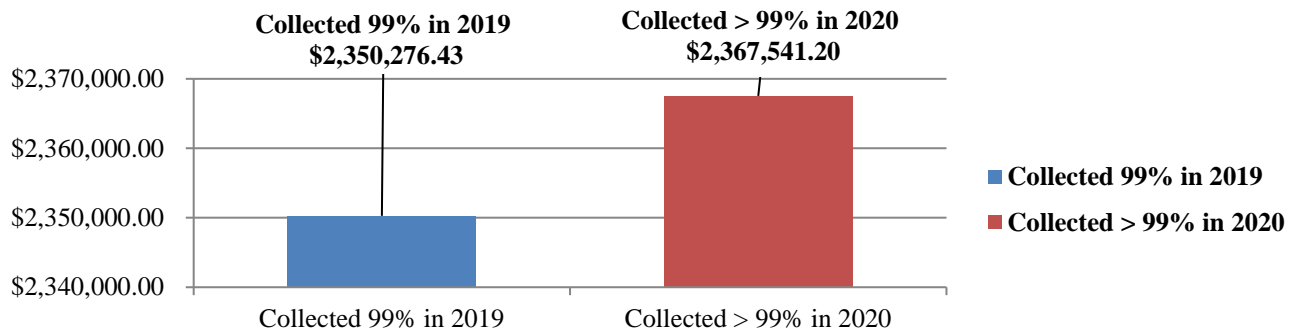
(E) **Budget Management**

In an effort to better manage budgetary line items, the Finance department implemented budget line-item subaccounts. These tools assist with identifying expenditures that may be impacting budget line items or one- time expenses that should not be accounted for in future budget projections.

PROPERTY TAXES

For fiscal year 2020/2021 we processed tax bills for 2,071 residential properties and 164 commercial properties for a total tax billing of \$2,369,361.92. This is an increase over the 2019/2020 fiscal years billing in the amount of \$2,590.13. As of December 31, 2020, we have been successful in collecting \$2,367,541.20. These collection amounts keep the Finance Department at an above 99% collection rate.

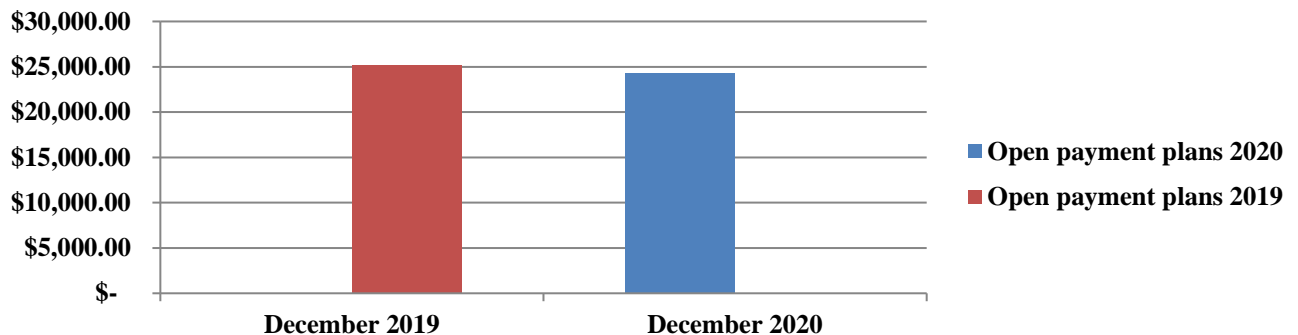
Taxes collected- 2019 vs. 2020



PAYMENT PLANS

Last calendar year there were twenty property owners placed on payment plan agreements. This was an increase from the seventeen properties that were granted payment plans in December 2019. As of December 31, 2020, there was an outstanding balance of \$24,328.68 due to the Town from Payment Agreements. The outstanding amount to be collected of as of December 31, 2019 was \$15,157.35. This is an increase of \$9,171.33 when comparing 2020 versus 2019. We continue to monitor the plans and contact participants when necessary, to ensure that they maintain their payment obligations.

Open payment plans at the end of 2019 & 2020



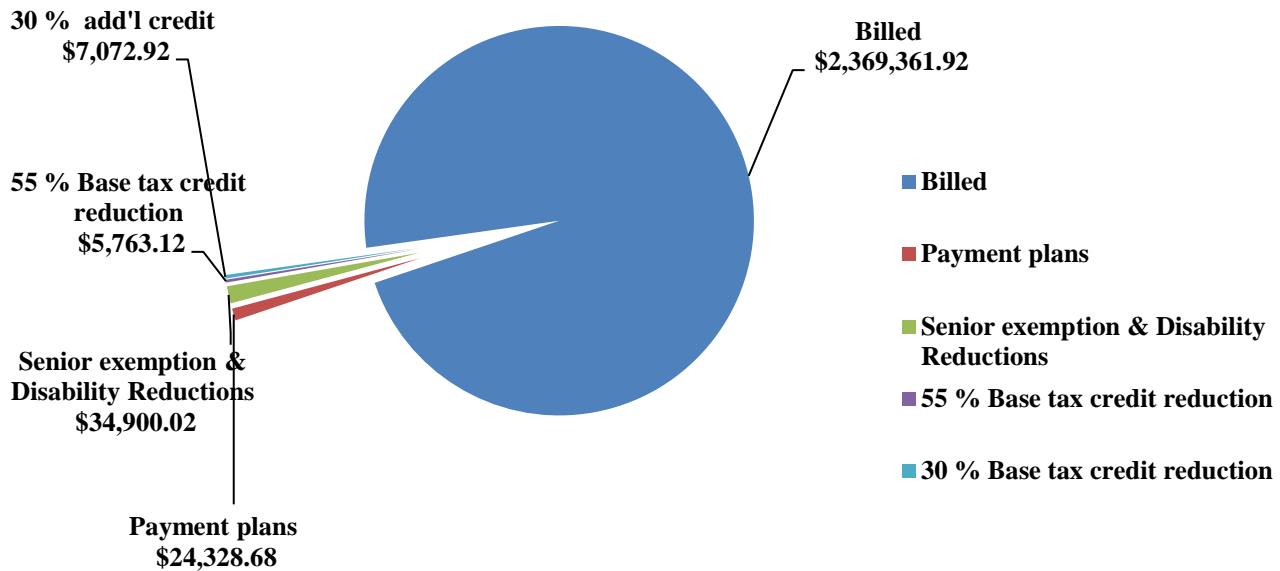
SENIOR/DISABLED EXEMPTION & BASE TAX CREDITS

There were one hundred twenty-three (123) residences who qualified to receive the Senior Tax Disability Exemption during fiscal year 2020 -2021. This is a reduction of one (1) resident who received the exemption over fiscal years 2019-2020. Of the one hundred twenty-three (123) residence who received the Senior Tax/Disability Exemption, twenty-four (24) received an additional 55% reduction off their Base Taxes, and fifty-four (54) received a 30% reduction off their Base Taxes.

This resulted in a reduction of \$34,900.02 from the anticipated tax revenues for residences receiving the Senior/Disability Exemption. There was also a reduction in revenue of \$5,763.12 for residences who received the 55% reduction on their base tax amount, and a \$7,072.92 reduction of anticipated revenue for residences who received the 30% off their base tax amount. This resulted in a total loss of anticipated revenue of \$47,736.06 for fiscal year 2020-2021. These amounts change yearly, as there are changes to the qualified senior residents for various reasons.

Many residents who are eligible for the Senior Exemption & Base Tax Credit have . While this action by council had a slight impact to the Town’s overall revenues, this had a very significant impact to those Senior/Disabled residents that were eligible to receive these additional credits, we even had residents cry in relief that they would be able to afford their tax bill this year.

2020 Tax billings/credits/exemptions/payment plan information



SHERIFF SALES

In calendar year 2020, The Finance Department forwarded sixteen properties for Sheriff Sale. This was an increase of nine properties that was sent to Sheriff Sale in 2019. As of December 2020, thirteen properties outstanding fees were paid in full, including legal fees and removed from the Sheriff Sale process. 3 properties are waiting for sale date. All the Town’s Sheriff Sales are managed by Offit Kurman Attorneys at Lawyer.

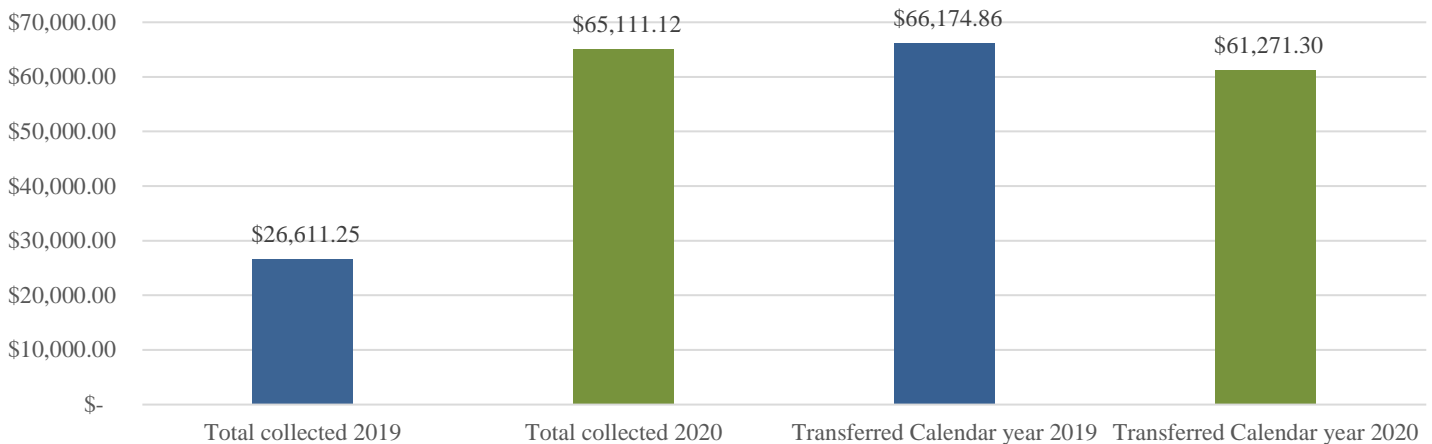
SPECIAL TAX ASSESSMENTS (BILLINGS & COLLECTIONS)

The Special Tax Lien procedure of moving any fees due to the Town into property taxes has proven to have a positive effect in collecting unpaid citations, unpaid business & rental licenses, as well as other violations and fines. In the past, these revenues went uncollected and resulted in a significant loss of revenue to the Town. Although the Code Enforcement Office does not see the majority of their citation/violation money because it gets moved to taxes, the Town has been able to recover between 90-95% of these fees and fines through this process.

Below are the billing and collection amounts for the Special Tax Assessments that were enacted by Ordinance 565 in 2013. This process continues to be a significant help with collecting fees and fines that went uncollected in prior years. This is not “found money”; this is the loss revenue in other departments that were anticipated at the budget meeting in June 2018. This could cause other department revenues to be under their anticipated approved budget amounts, while looking like this is extra money to spend.

Uncollected Fees as of December 31, 2019:	\$ 39,563.21
The total fines transferred to STL for calendar 2020:	<u>\$ 61,271.30</u>
Total <u>to be collected</u> for calendar 2020:	<u>\$100,834.51</u>
Total amount <u>that was</u> collected in 2020:	<u>(\$65,111.12)</u>
<u>Remaining balance to be collected as of December 31, 2020:</u>	<u>\$35,723.39</u>

SPECIAL TAX ASSESSMENTS 2-YEAR COMPARISON



MONTHLY FINANCIAL REPORTING

Each month, the Department prepares the Financial Summary report for The Mayor & Council. As part of this process, we also reconcile each of the 12 bank accounts currently active for the Town.

➤ **Total Accounts Payable (Four-year comparison):**

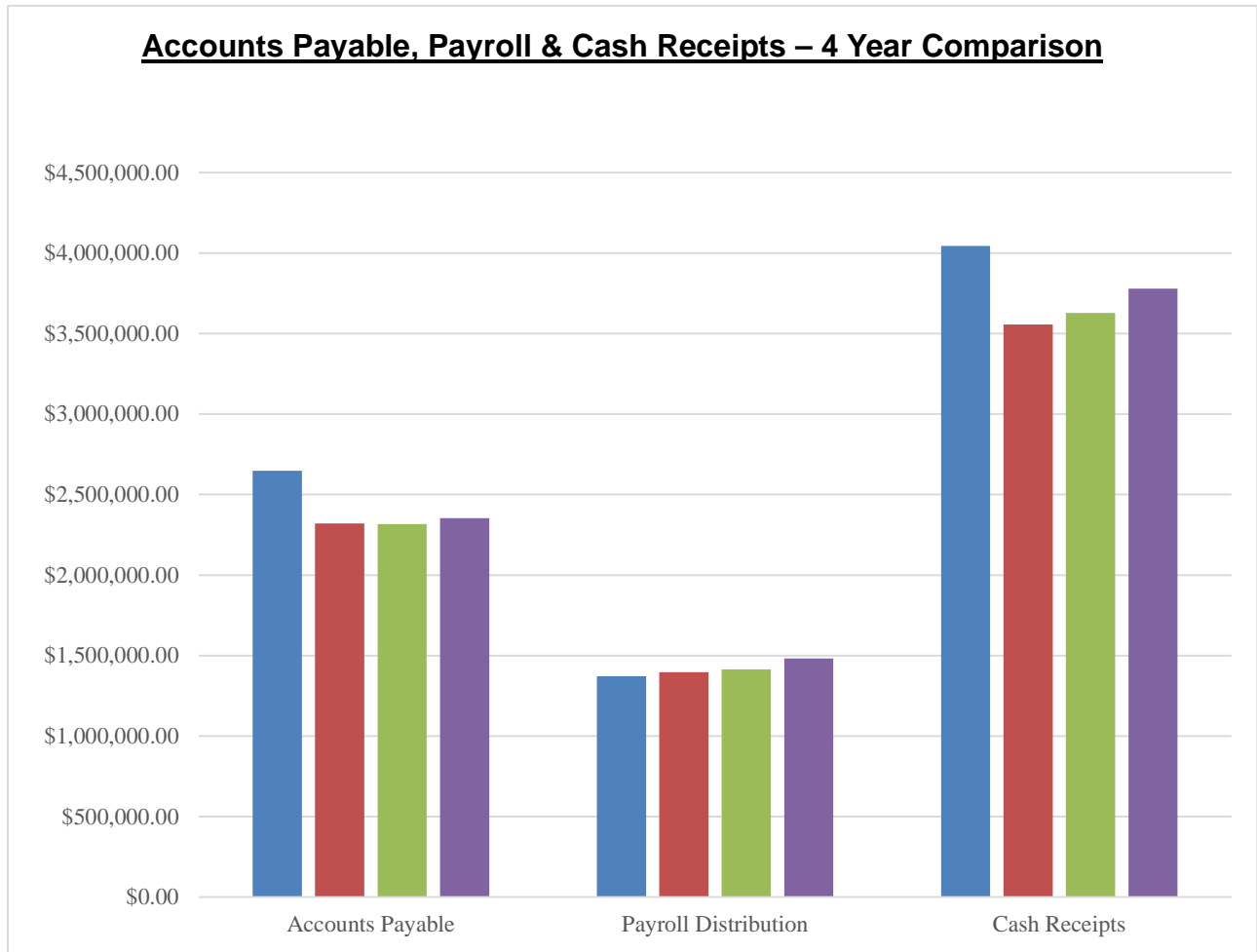
2017	-	\$2,647,679.73
2018	-	\$2,320,303.03
2019	-	\$2,316,114.21
2020	-	\$2,352,610.72

➤ **Total payroll costs (Four-year comparison):**

2017	-	\$1,371,700.15
2018	-	\$1,396,472.39
2019	-	\$1,414,785.21
2020	-	\$1,482,015.24

➤ **Total cash receipts (Four-year comparison):**

2017	-	\$4,044,966.64
2018	-	\$3,556,802.70
2019	-	\$3,628,595.21
2020	-	\$3,779,365.43



CENTRALIZED PURCHASING

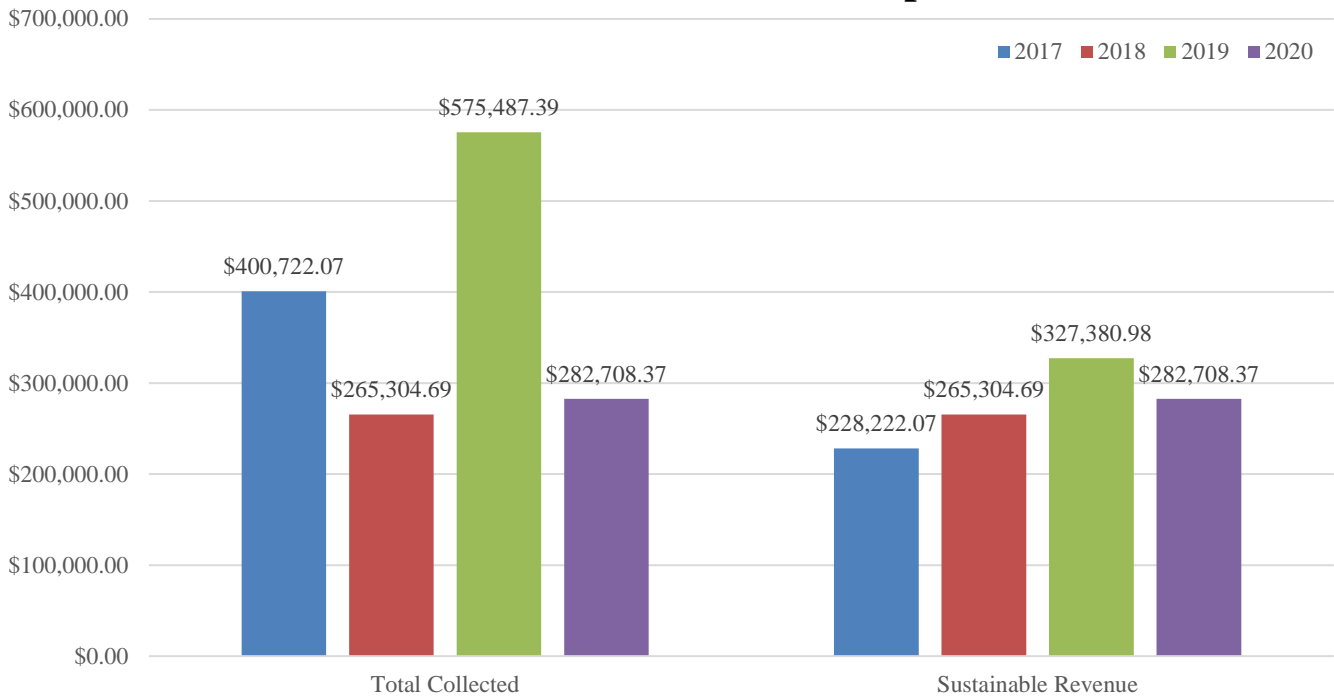
The Centralized Purchasing program continues to be very successful at reducing costs to the Town through the use of State contracts, other contractual arrangements, and the networking that the Account Clerk has established through membership with the Delaware Public Purchasing Association. We continue to check for best pricing on all requested items before the purchases are made. The total recognized savings for calendar 2020 was \$6,493.57, an increase in savings of \$5,125.95 over the prior year.

TRANSFER TAX REVENUE

The following is what was collected over the past three years for Tax Transfer Revenue:

Year	Total Collected	Sustainable Revenue
2017	\$400,722.07 (minus the sale of Gardens/Fenwick \$172,500.00)	\$228,222.07
2018	\$265,304.69	\$265,304.69
2019	\$575,487.39 (minus the sale of Parklyn Apt & Fenwick \$248,106.41)	\$327,380.98
2020	\$282,708.37	\$282,708.37

Tax Transfers – 4 Year Comparison



With a stable economy we experience continue increase in home sales.