

**THE TOWN OF
FENWICK ISLAND, DELAWARE**

Audited Financial Statements
And Supplemental Information
For Fiscal Year Ended July 31, 2011
(With Comparative Year Analyses 2010, 2009, 2008)

TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR ENDED JULY 31, 2011

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TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR ENDED JULY 31, 2011

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor And Members Of Council
Town of Fenwick Island
Fenwick Island, Delaware

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fenwick Island, Delaware as of and for the year ended July 31, 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 14, 2011. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fenwick Island, Delaware as of July 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have performed certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Fenwick Island, Delaware basic financial statements. The supplementary information on pages 34 – 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sombar & Company, CPAs, P.A.
Certified Public Accountants

October 14, 2011
Georgetown, Delaware

MANAGEMENT DISCUSSION AND ANALYSIS

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

As management of the Town of Fenwick Island, Delaware, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended July 31, 2011. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements (beginning on page 11).

FINANCIAL HIGHLIGHTS

- The assets of The Town of Fenwick Island exceeded its liabilities at the close of the most recent fiscal year by \$ 3,967,101 (Net assets) as compared to \$ 3,646,707 in the prior year. Of the most recent fiscal year amount, \$ 246,924 (unassigned net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.
- As of the close of the current fiscal year, The Town of Fenwick Island's governmental funds reported combined ending fund balances of \$ 2,170,775, an increase of \$ 145,070 in comparison with the prior year. \$ 354,340 of the total amount is unassigned and available for use within the Town's designation and policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 354,340, a decrease of \$ 237,281.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

Both the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government and administration, public safety, and streets.

The government-wide financial statements can be found on pages 11-13 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten (10) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, 1½ % Realty Transfer Tax and Municipal Street Aid funds, all of which are considered to be major funds. Data from the other seven (7) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 - 27 of this report.

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town’s budgetary activity. Required supplementary information can be found on page 28 - 32 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 33 - 42 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of government’s financial position. In the case of the Town of Fenwick Island, assets exceeded liabilities by \$ 3,967,101 as of July 31, 2011.

A large portion of the Town’s net assets (48%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure). The Town uses these capital assets to provide service to citizens; consequently these assets are not available for future spending.

TOWN OF FENWICK ISLAND'S NET ASSETS

	Governmental Activities July 31, 2011	Governmental Activities July 31, 2010	Amount Change	Percentage Change
Current and other assets	\$ 2,223,760	\$ 2,067,533	\$ 156,227	7.56%
Capital Assets	1,903,091	1,718,025	185,066	10.77%
<u>Total Assets</u>	<u>4,126,851</u>	<u>3,785,558</u>	<u>341,293</u>	
Long term liabilities	107,416	97,141	10,275	10.58%
Other liabilities	52,334	41,710	10,624	25.47%
<u>Total Liabilities</u>	<u>159,750</u>	<u>138,851</u>	<u>20,899</u>	
Net Assets:				
Non-spendable	1,951,834	1,755,556	196,278	11.18%
Restricted by other governments	1,694,687	1,361,172	333,515	24.50%
Commit by council	35,287	-	35,287	-
Assigned	38,369	35,381	2,988	8.45%
Unassigned	246,924	494,598	(247,674)	(50.08%)
<u>Total Net Assets</u>	<u>\$ 3,967,101</u>	<u>\$ 3,646,707</u>	<u>\$ 320,394</u>	

The remaining balance of unassigned net assets \$ 246,924 may be used to meet the government’s ongoing obligation to citizens and creditors. As of July 31, 2011, the Town is able to report positive balances in governmental activities.

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

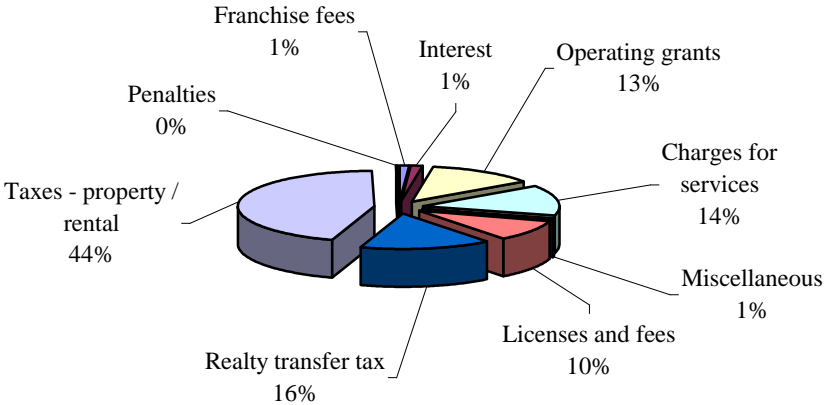
Analysis of the Town's Operations – The following table provides a summary of the Town's operations for the year ended July 31, 2011, along with comparable data. Governmental activities increased the Town of Fenwick Island's net assets by \$ 320,394.

TOWN OF FENWICK ISLAND'S CHANGES IN NET ASSETS

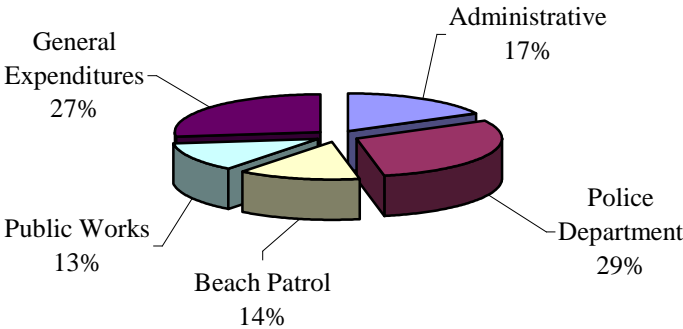
	Governmental Activities July 31, 2011	Governmental Activities July 31, 2010	Amount Change
Revenues:			
Program Revenues:			
Charges for services	\$ 268,924	\$ 252,861	\$ 16,063
Operating grants and contributions	241,767	119,096	122,671
Capital grants and contributions	-	215,000	(215,000)
General Revenues:			
Taxes - property / rental	860,260	872,465	(12,205)
Realty transfer tax	301,065	108,900	192,165
Franchise fees	21,875	28,062	(6,187)
Licenses and fees	187,626	232,679	(45,053)
Penalties	3,107	3,677	(570)
Interest	28,441	24,027	4,414
Gain (loss) on sale/retirement of fixed assets	385	15,045	(14,660)
Miscellaneous	10,635	28,098	(17,463)
<u>Total Revenues</u>	<u>1,924,085</u>	<u>1,899,910</u>	<u>24,175</u>
Expenses:			
Administrative	274,805	250,031	24,774
Police Department	477,731	445,120	32,611
Beach Patrol	216,879	204,290	12,589
Public Works (includes MSA expenses)	203,599	287,878	(84,279)
General Expenditures	430,677	382,399	48,278
Debt Service	-	294	(294)
<u>Total Expenses</u>	<u>1,603,691</u>	<u>1,570,012</u>	<u>33,679</u>
<u>Increase (Decrease) in net assets</u>	<u>320,394</u>	<u>329,898</u>	<u>(9,504)</u>
<u>Net assets - August 1st</u>	<u>3,646,707</u>	<u>3,316,809</u>	<u>329,898</u>
<u>Net assets - July 31st</u>	<u>\$ 3,967,101</u>	<u>\$ 3,646,707</u>	<u>\$ 320,394</u>

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

Governmental Activities 2011 Revenues



Governmental Activities 2011 Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

Governmental funds – The focus of the Town of Fenwick Island’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town of Fenwick Island’s governmental funds reported combined ending fund balances of \$ 2,170,775. \$ 354,340 of this total amount constitutes unassigned fund balance.

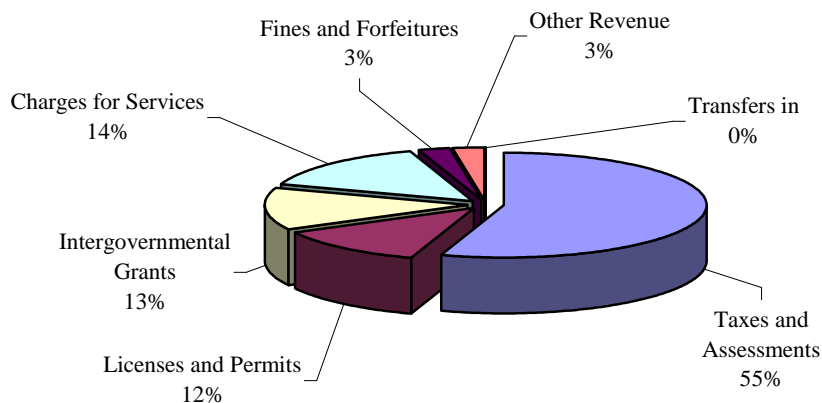
General Fund Budgetary Highlights – Revenues for the general fund operations were above original budgeted revenues estimates by \$ 66,396. Several state grants were the main reason for a favorable variance. Departmental expenditures were higher than original budgeted expenditures by \$ 256,906, primarily due to capital expenditures that were not budgeted.

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

The following schedule presents a comparative summary of General Fund revenues and transfers in for the fiscal years ended July 31, 2011 and 2010, along with the percentage of that revenue to total revenue.

<u>Revenues</u>	<u>July 31, 2011 Totals</u>	<u>Percentage of Total</u>	<u>July 31, 2010 Totals</u>	<u>Percentage of Total</u>
Taxes and Assessments \$	860,260	55%	\$ 872,465	40%
Licenses and Permits	187,626	12%	232,679	11%
Intergovernmental Grants	205,788	13%	327,771	15%
Charges for Services	230,289	14%	206,533	9%
Fines and Forfeitures	38,635	3%	46,328	2%
Other Revenue	38,663	3%	76,766	3%
Transfers in	-	0%	440,258	20%
	<u>\$ 1,561,261</u>	<u>100%</u>	<u>\$ 2,202,800</u>	<u>100%</u>

General Fund Revenues 2011



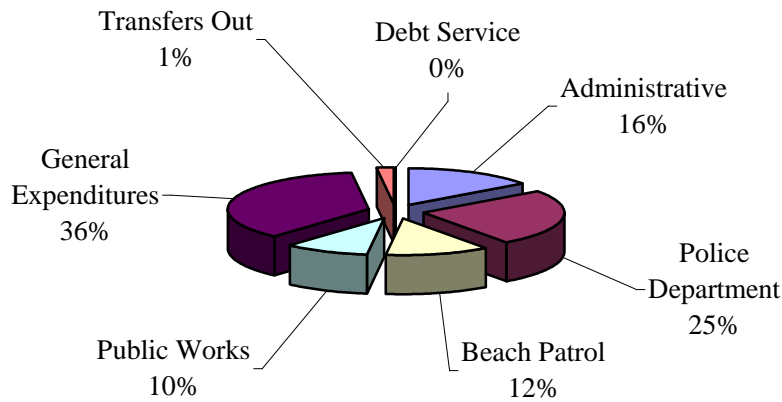
Current and prior year’s property taxes continue to represent the largest revenue source, with \$ 630,992 or 40 % of all General Fund revenues. The decrease in total operating revenues from 2010 of \$ 201,281 was due primarily to transfers in, fewer grants and lower building permit revenue. All revenue departments saw lower amounts in the current year, with the exception of charges for services, where higher trash fees were received.

The following schedule represents a comparative summary of General Fund expenditures for the fiscal years ended July 31, 2011 and 2010, along with the percentage of that expenditure to total expenditures:

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

Expenditures	July 31, 2011 Totals	Percentage of Total	July 31, 2010 Totals	Percentage of Total
Administrative	\$ 268,138	16%	\$ 247,754	13%
Police Department	445,161	25%	459,889	23%
Beach Patrol	212,721	12%	201,305	10%
Public Works	176,201	10%	255,615	13%
General Expenditures	649,550	36%	799,756	41%
Transfers Out	35,696	1%	-	0%
Debt Service	-	0%	294	0%
	\$ 1,787,467	100%	\$ 1,964,613	100%

General Fund Expenditures 2011



The Town's actual expenditures were above budget expectations by \$256,906. This unfavorable variance was due to unbudgeted capital expenditures for the general government department. All other departments were very close to the budgeted amounts. The Public Works department had a favorable budget variance of \$16,976 due to the retirement of one employee.

CAPITAL ASSETS

The Town of Fenwick Island's investment in capital assets for its governmental activities as of July 31, 2011, amounts to \$ 1,903,031 (net of accumulated depreciation). This investment in capital assets includes the following:

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2011

**Capital Assets at Year-End
Net of Accumulated Depreciation**

	Governmental Activities July 31, 2011	Governmental Activities July 31, 2010	Amount Change
CIP	\$ 74,417	\$ -	\$ 74,417
Buildings	290,982	283,493	7,489
Vehicles	234,353	234,353	-
Office equipment	90,094	90,094	-
Police equipment	176,162	159,955	16,207
Street signs and fixtures	56,559	63,397	(6,838)
Machinery and equipment	219,468	149,990	69,478
Beach and lifeguard equipment	16,837	16,837	-
Recreation equipment	33,579	33,579	-
Land improvements	1,506,262	1,374,069	132,193
Accumulated Depreciation	<u>(795,622)</u>	<u>(687,742)</u>	<u>(107,880)</u>
Total	\$ <u>1,903,091</u>	\$ <u>1,718,025</u>	\$ <u>185,066</u>

The construction in progress (CIP), includes \$38,012 for a solar roof on the Public Works building, and \$ 36,405 for the start of the new Public Safety building.

DEBT ADMINISTRATION

The Town's long term debt consists of an operating lease and accrued compensated absences. This information can be found in note 9 on page 24 of this report.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens with general overview of the Town's finances. If you have questions about this report or need any additional information, contact the Town Hall, Attn: Town Manager, at 800 Coastal Highway, Fenwick Island, Delaware 19944, call 302/539-3011.

BASIC FINANCIAL STATEMENTS

TOWN OF FENWICK ISLAND, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JULY 31, 2011

(With Comparative Totals for July 31, 2010)

	<u>Primary Government</u>	<u>Primary Government</u>
	<u>Total 2011</u>	<u>Total 2010</u>
ASSETS		
Cash and cash investments	\$ 2,070,344	\$ 1,802,129
Receivables (net of allowance for doubtful accounts):		
Franchise fee	6,585	6,043
Interest	1,226	605
State of Delaware	47,362	215,000
Taxes	46,125	6,225
Traffic fines	3,375	-
Inventories	8,914	8,777
Prepaid items	39,829	28,754
Capital assets:		
CIP	74,417	-
Buildings	290,982	283,493
Vehicles	234,353	234,353
Office equipment	90,094	90,094
Police equipment	176,162	159,955
Street signs and fixtures	56,559	63,397
Machinery and equipment	219,468	149,990
Beach and lifeguard equipment	16,837	16,837
Recreation equipment	33,579	33,579
Land and improvements	1,506,262	1,374,069
Accumulated depreciation	<u>(795,622)</u>	<u>(687,742)</u>
<u>Total Assets</u>	<u>\$ 4,126,851</u>	<u>\$ 3,785,558</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JULY 31, 2011

(With Comparative Totals for July 31, 2010)

	Primary Government Total 2011	Primary Government Total 2010
LIABILITIES		
Accounts payable	\$ 16,638	\$ 9,074
Accrued liabilities	16,493	12,597
Accrued compensated absences	107,416	97,141
Deferred revenue	19,203	20,039
<u>Total Liabilities</u>	159,750	138,851
NET ASSETS		
Non-spendable	1,951,834	1,755,556
Restricted by other governments	1,694,687	1,361,172
Committed by council	35,287	-
Assigned	38,369	35,381
Unassigned	246,924	494,598
<u>Total Net Assets</u>	3,967,101	3,646,707
<u>Total Liabilities and Net Assets</u>	\$ 4,126,851	\$ 3,785,558

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Totals for July 31, 2010)

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
Administrative	\$ 274,805	\$ -	\$ -	\$ -
Police Department	477,731	38,635	61,209	-
Beach Patrol	216,879	-	40,000	-
Public Works	203,599	-	26,651	-
General Government	430,677	230,289	113,907	-
Debt Service	-	-	-	-
<u>Total Governmental Activities</u>	<u>1,603,691</u>	<u>268,924</u>	<u>241,767</u>	<u>-</u>
 <u>Total Government</u>	 <u>1,603,691</u>	 <u>268,924</u>	 <u>241,767</u>	 <u>-</u>

General revenues:

- Taxes
- Franchise fees
- Licenses and fees
- Penalties
- Interest
- Miscellaneous

Total General revenues and transfers

Change in net assets

Net assets - August 1

Net assets - July 31

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Assets	
Governmental Activities	
Totals	
2011	2010
\$ (274,805)	\$ (223,169)
(377,887)	(329,696)
(176,879)	(154,290)
(176,948)	(108,207)
(86,481)	(167,399)
-	(294)
(1,093,000)	(983,055)
(1,093,000)	(983,055)
1,161,325	981,365
21,875	28,062
187,626	232,679
3,107	3,677
28,441	24,027
11,020	43,143
1,413,394	1,312,953
320,394	329,898
3,646,707	3,316,809
\$ 3,967,101	\$ 3,646,707

TOWN OF FENWICK ISLAND, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2011

	<u>General</u>	1 1/2% Realty <u>Transfer Tax</u>
ASSETS		
Cash and cash investments	\$ 348,102	\$ 1,637,437
Receivables (net of allowance for doubtful accounts):		
Accounts	57,322	-
Other	-	568
Taxes		46,125
Inventory	-	-
Prepaid items	39,829	-
<u>Total Assets</u>	<u>445,253</u>	<u>1,684,130</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	16,638	-
Accrued liabilities	16,493	-
Deferred revenue	17,953	-
<u>Total Liabilities</u>	<u>51,084</u>	<u>-</u>
Fund Balances:		
Non-spendable	39,829	-
Restricted by other governments	-	1,684,130
Committed by council	-	-
Assigned	-	-
Unassigned	354,340	-
<u>Total Fund Balances</u>	<u>394,169</u>	<u>1,684,130</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 445,253</u>	<u>\$ 1,684,130</u>

The accompanying notes are an integral part of these financial statements.

<u>Municipal Street Aid</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,906	\$ 74,899	\$ 2,070,344
-	-	57,322
-	7	575
-	-	46,125
8,914	-	8,914
-	-	39,829
<u>18,820</u>	<u>74,906</u>	<u>2,223,109</u>
-	-	16,638
-	-	16,493
-	1,250	19,203
<u>-</u>	<u>1,250</u>	<u>52,334</u>
8,914	-	48,743
9,906	-	1,694,036
-	35,287	35,287
-	38,369	38,369
-	-	354,340
<u>18,820</u>	<u>73,656</u>	<u>2,170,775</u>
<u>\$ 18,820</u>	<u>\$ 74,906</u>	<u>\$ 2,223,109</u>

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TOWN OF FENWICK ISLAND, DELAWARE
RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND BALANCES TO
GOVERNMENTAL ACTIVITIES IN NET ASSETS
FOR THE YEAR ENDED JULY 31, 2011

The Total Net Assets reported for governmental activities in the Statement of Net Assets is different because:

Total Fund Balances for Government Funds	\$ 2,170,775
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Amounts reported for governmental activities in the statement of activities are different because:

Receivables due after 60 days are not included in governmental funds but are included in governmental activities	651
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Capital assets net of accumulated depreciation are included in the Statement of Net Assets

Total Capital Assets	2,698,713	
Accumulated Depreciation	<u>(795,622)</u>	1,903,091

Long-term liabilities applicable to the governmental activities are not due and payable in the current year and, accordingly, are not reported as fund liabilities.

Compensated absences	<u>(107,416)</u>
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Total Net Assets of Governmental Activities	\$ <u><u>3,967,101</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JULY 31, 2011

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
<u>Revenues:</u>		
Taxes and Assessments	\$ 860,260	\$ 301,065
Licenses and Permits	187,626	-
Intergovernmental Grants	205,788	-
Charges for Services	230,289	-
Fines and Forfeitures	38,635	-
Other Revenue	38,663	23,958
	<u>1,561,261</u>	<u>325,023</u>
<u>Total Revenues</u>		
<u>Expenditures:</u>		
Administrative	268,138	-
Police Department	445,161	-
Beach Patrol	212,721	-
Public Works	176,201	-
General Expenditures	649,550	-
	<u>1,751,771</u>	<u>-</u>
<u>Total Expenditures</u>		
<u>Excess Of Revenues Over</u> <u>(Under) Expenditures</u>	<u>(190,510)</u>	<u>325,023</u>
<u>Other Financing Sources (Uses):</u>		
Transfers from (to) other funds	<u>(35,696)</u>	<u>447</u>
<u>Net Change in Fund Balances</u>	<u>(226,206)</u>	<u>325,470</u>
<u>Fund balance - August 1, 2010</u>	<u>620,375</u>	<u>1,358,660</u>
<u>Fund balance - July 31, 2011</u>	<u>\$ 394,169</u>	<u>\$ 1,684,130</u>

The accompanying notes are an integral part of these financial statements.

<u>Municipal Street Aid</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 1,161,325
-	-	187,626
26,651	9,328	241,767
-	-	230,289
-	-	38,635
-	1,288	63,909
<u>26,651</u>	<u>10,616</u>	<u>1,923,551</u>
-	-	268,138
-	9,328	454,489
-	-	212,721
16,593	-	192,794
<u>15</u>	<u>774</u>	<u>650,339</u>
<u>16,608</u>	<u>10,102</u>	<u>1,778,481</u>
<u>10,043</u>	<u>514</u>	<u>145,070</u>
<u>-</u>	<u>35,249</u>	<u>-</u>
10,043	35,763	145,070
<u>8,777</u>	<u>37,893</u>	<u>2,025,705</u>
<u>\$ 18,820</u>	<u>\$ 73,656</u>	<u>\$ 2,170,775</u>

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TOWN OF FENWICK ISLAND, DELAWARE
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES TO FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 145,070
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (302,494) exceeded depreciation (117,428) in the current period.	185,066
Governmental funds report changes in long-term liabilities as a reduction or increase of the liability. However, in the statement of activities these are expensed.	
Increase in Compensated Absences	(10,275)
CD interest income accrued but not received within 60 days	<u>533</u>
Change in net assets of governmental activities	<u>\$ 320,394</u>

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(1) Summary of Significant Accounting Policies

A. General Statement

The Town of Fenwick Island (the "Town") was incorporated in 1953 and adopted its first charter July 8, 1953, under the provisions of House Bill No. 274, with House Amendment No. 1 (An Act to Incorporate the Town of Fenwick Island, Delaware). The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, culture and recreation, planning and zoning, general administrative, and public works to include street maintenance.

The basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Town are described below.

B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town hold the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Fenwick Island has no component units.

C. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Town. The effect of interfund activity, within the governmental activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(1) Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items are not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, used and balance of current financial resources. The Town has presented the following major governmental funds:

General Fund – This is the main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

D. Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(1) Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

The Town reports the following major governmental funds:

The General Fund is used to account for all financial transactions not accounted for in another fund. Revenues are derived principally from property taxes, municipal user taxes, and other intergovernmental revenues. This fund accounts for the general administrative services of the Town not recorded elsewhere, including the activities of the various departments, public safety, street maintenance, administrative, and mayor and council.

The Municipal Street Aid Fund is used to account for financial transactions pertaining to specific resources. Revenues are derived from State of Delaware Transportation Trust Fund grant monies. Expenditures of these monies are allowable for improvements to water and sewer systems, street improvements, public safety and public works.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(1) Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

The 1½ % Realty Transfer Tax Fund is used to account for financial transactions pertaining to specific resources. Revenues are derived from collections of the Town's assessed realty transfer tax fee of 1½ %. Expenditures of these monies are allowable for capital and operating costs of public safety services, economic development programs, public works services, capital projects and improvements, infrastructure projects and improvements and debt reduction.

E. Implementation of New Accounting Principles

Starting with fiscal year 2004, the Town implemented GASB Statement No. 33, GASB Statement No. 34, GASB Statement No. 37 and GASB Statement No. 38.

Under GASB Statement 33, property taxes are imposed non-exchange revenue. Assets (accounts receivable) from imposed non-exchange transactions are recorded when the Town has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date.

GASB 34 creates another set of the basic financial statements for reporting on the Town's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

The Town has implemented GASB Statement No. 54. This standard requires governments to further define how much of the fund balance is truly unrestricted, in order to meet the needs of the governments day to day operations. There are five new fund balance types presented on the Town's financial statements, and are defined as follows:

Non-spendable - Amounts that cannot be spent due to liquidity, such as prepaid amounts and fixed assets.

Restricted - Amounts where an external party has determined how and what items monies can be spent for. Examples include federal, state and county grants.

Committed - Amounts that the Town Council has formally passed by ordinance. A majority vote by council is also required to formally release these funds.

Assigned - Amounts that may be designated for a specific purpose without a formal vote by the Town Council.

Unassigned - Amounts that are at the Town's discretion for day to day operations.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(1) Summary of Significant Accounting Policies (Continued)

F. Budgetary Control

The Town charter established the fiscal year as the twelve-month period beginning August 1. The Town Council adopts a budget annually. The budget can be revised as deemed necessary by the Council. A single fixed budget covers the general fund and is employed during the year as a management control device. The budgetary amounts are comprised of the normal operating budget and supplemental budget allocations, if applicable.

(2) Investments

In prior years, the Town participated in the Delaware Local Government Investment Pool (DELGIP). In February of 2011, the Town closed this account, and the Town no longer holds any monies in this investment.

		<u>Beach</u> <u>Replenishment</u>
Beginning Balance 8/1/10	\$	35,378
<u>Add:</u> Current Year Deposits		-
Current Year Interest		35
<u>Less:</u> Withdrawals		35,413
Ending Balance 7/31/11	\$	<u>-</u>
Accrued Interest at 7/31/11	\$	<u>-</u>

The Town primarily uses Certificates of Deposits and Money Market accounts for their investments.

(3) Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The amount for prepaid items has been designated to signify that a portion of the fund balance is not available for other subsequent expenditures.

(4) Inventory

Inventory consists of supplies used in street repair and drainage projects. These materials are recorded at cost as an asset of the Municipal Street Aid Fund, with an equal offsetting amount recorded as a fund balance.

(5) Interfund Receivables and Payables

The interfund receivables and payables reflected as “Other Financing Sources (Uses)” (due from or to other funds) are current assets and liabilities between the individual funds.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(6) Operating Transfers

Funds have been received and disbursed between the General Fund and Special Revenue Funds to finance operations during the year.

(7) Total Columns On General Purpose Financial Statements

Total columns captioned “Memorandum Only” indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Each fund should be considered separately as to its financial position and operating results.

(8) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

	Balances August 1, 2010	Additions	Deletions	Balances July 31, 2011
CIP	\$ -	\$ 74,417	\$ -	\$ 74,417
Buildings	283,493	7,489	-	290,982
Vehicles	234,353	-	-	234,353
Office equipment	90,094	-	-	90,094
Police equipment	159,955	18,918	2,711	176,162
Street signs and fixtures	63,397	-	6,838	56,559
Machinery and equipment	149,990	69,478	-	219,468
Beach and Lifeguard equipment	16,837	-	-	16,837
Recreation equipment	33,579	-	-	33,579
Land and improvements	1,374,069	132,193	-	1,506,262
Total	2,405,767	302,495	9,549	2,698,713
Less: accumulated depreciation	(687,742)	(117,429)	9,549	(795,622)
Total capital assets	\$ <u>1,718,025</u>	\$ <u>185,066</u>	\$ <u>-</u>	\$ <u>1,903,091</u>

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(9) Long-Term Debt

In July of 2010, the Town entered into a 3 year operating lease agreement with Toyota Financial Services for the lease of a 2011 Toyota Sienna. Since the Town will not retain any ownership rights to this vehicle, it has not been recorded as a liability or as an asset. The required payments over the life of this operating lease is as follows:

		<u>Amount Due</u>	
Year Ended July 31, 2012	\$	4,153	
Year Ended July 31, 2013		<u>3,806</u>	
Total	\$	<u><u>7,959</u></u>	

The following is a summary of long-term debt for the year ended July 31, 2011:

	<u>Beginning Balance 8/01/10</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance 7/31/11</u>
Long-term portion of accrued compensated absences	\$ <u>97,141</u>	\$ <u>10,275</u>	\$ <u>-</u>	\$ <u><u>107,416</u></u>

(10) Accrued Compensated Absences

Employees can accrue compensatory time on an unlimited basis. Such liability is reflected in the financial statements.

Liabilities for accrued compensated absences have been allocated between current and long-term liabilities.

For departments accounted in the General Fund, the long-term liability has been recorded in the General Long-Term Debt Account Group.

A. Sick Leave

The Town allows employees to accumulate unused sick leave to a maximum of 120 days. Upon termination in good standing and having given two week notice, the employee is paid for one-half (1/2) of the accumulated sick time.

Government Accounting Standards Board Statement No. 16 states that “compensated absences for sick leave and other compensated absences with similar characteristics should be accrued only when it is probable that the employer will have to make termination payments”.

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 2,652	\$ 16,182	\$ 18,834
Police Department	78	26,505	26,583
Public Works Department	<u>90</u>	<u>11,391</u>	<u>11,481</u>
<u>Total</u>	<u>\$ 2,820</u>	<u>\$ 54,078</u>	<u>\$ 56,898</u>

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(10) Accrued Compensated Absences (Continued)

B. Vacation Pay

Earned vacation time may be accumulated to a maximum of one year's entitlement ranging from 12 to 21 days. Upon termination, employees are paid for accumulated vacation days. The liability for vacation pay is accrued using the Town's guidelines as outlined above, at the employees' daily rate of pay as of July 31, 2011.

The liability recorded in the financial statements for vacation pay and payroll taxes at July 31, 2011, is as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 2,044	\$ 8,164	\$ 10,208
Police Department	-	32,728	32,728
Public Works Department	118	12,445	12,563
<u>Total</u>	<u>\$ 2,162</u>	<u>\$ 53,337</u>	<u>\$ 55,499</u>

C. Total Accrual

Total accrued compensated absences recorded in the financial statements as of July 31, 2011 are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 4,696	\$ 24,346	\$ 29,042
Police Department	78	59,233	59,311
Public Works Department	208	23,836	24,044
<u>Total</u>	<u>\$ 4,982</u>	<u>\$ 107,415</u>	<u>\$ 112,397</u>

(11) Pension Plan

Police Pension Plan

All certified police officers of the Town are covered by the State of Delaware Police Pension Plan. The Town is required to contribute 13.90% of each officer's salary. Each police officer is required to contribute 7% of their salary. During the year ended July 31, 2011, the State contributed \$ 21,882, to help offset the cost for the benefit of the police officers.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(11) Pension Plan (Continued)

Municipal Employee's Pension Plan

The Town contributes 5 % of the municipal employee's annual salary. The Town also matches employee contributions up to an additional 5 % of the employee's annual salary, for a total maximum cost to the Town of up to 10 % for each municipal employee.

(12) Secured Deposits

At July 31, 2011, the Town had \$279,849 on deposit with PNC Bank. \$59,957 of this amount is held in non-interest bearing checking accounts, and is fully insured by the FDIC. The remaining \$219,892 is held in interest bearing accounts and is fully covered up to the \$250,000 FDIC limit. Deposits held at other bank institutions include \$153,174 at the Bank of Delmarva, \$157,622 at the Bank of Ocean City, \$ 1,177,848 in Certificates of Deposits held by seven different banks. All of these amounts are fully insured by the FDIC. The Town also has deposits in the amount of \$ 301,650 held in interest bearing accounts at WSFS Bank. \$ 51,650 of the WSFS deposits are not collateralized or insured by the FDIC.

(13) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(14) Property Taxes

Real property taxes were levied on August 1st. Taxes unpaid at October 30th are subject to a penalty of 5% per month until paid. The total assessed value of property amounted to \$ 32,816,018 for a real property tax yield of \$ 630,069.

(15) Contingencies

The Town maintains commercial insurance policies to handle the risk of loss to the Town's assets and employees.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

(16) Other Financing Sources (Uses)

During the fiscal year, transfers were made between the General Fund, Special Revenue Funds, and General Long-term Debt Account Group. A schedule of these transfers is as follows:

	Special Revenue Fund				Account Group	
	General Fund	Municipal Street Aid	1 1/2 % Realty Transfer Tax	Dedicated Streets	Total Special Revenue	General Long Term Debt
Transfers (to) from General Fund	\$ -	\$ -	\$ 35,696	\$ -	\$ 35,696	\$ -
Transfers (to) from Special Revenue	\$ (35,696)	\$ -	\$ (35,249)	\$ 35,249	\$ -	\$ -
Proceeds (to) from (repayment of) long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (35,696)</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>\$ 35,249</u>	<u>\$ 35,696</u>	<u>\$ -</u>

(17) Subsequent Events

The solar panels installed on the Public Works building were completed in September of 2011, with no additional expenditures required. \$ 38,012 is being held as CIP as stated in Note (8).

The new Public Safety building construction began in September of 2011. \$ 36,405 is being held as CIP as stated in Note (8), due to engineering and architectural expenditures related to the new building. The Town will be expensing about \$ 605,000 for the new building during the 2012 fiscal year.

The Town Manager resigned for new employment in September of 2011. An interim Town Manager has been hired on a part time basis, until the Town hires a new full time Town Manager.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF FENWICK ISLAND, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original And Final</u>	<u>Actual Amounts</u>	
<u>Revenues:</u>			
<u>Taxes And Assessments:</u>			
Gross rental tax	\$ 260,000	\$ 229,268	\$ (30,732)
Real estate	625,000	630,992	5,992
<u>Total Taxes And Assessments</u>	885,000	860,260	(24,740)
 <u>Licenses And Permits:</u>			
Building and sign permits	100,000	81,374	(18,626)
Mercantile licenses	93,000	85,437	(7,563)
Parking & Bonfire permits	20,000	20,815	815
<u>Total Licenses And Permits</u>	213,000	187,626	(25,374)
<u>Total Intergovernmental Grants</u>	70,000	205,788	135,788
 <u>Charges For Services:</u>			
Trash collection	200,900	203,823	2,923
Ambulance fees	27,120	26,466	(654)
<u>Total Charges For Services</u>	228,020	230,289	2,269
 <u>Fines And Forfeits:</u>			
Traffic and parking fines	53,000	38,635	(14,365)
 <u>Other Revenue:</u>			
Cable franchise fee	17,500	21,875	4,375
Interest	8,000	3,611	(4,389)
Miscellaneous	1,845	9,685	7,840
Penalties	2,500	3,107	607
Other revenue	16,000	385	(15,615)
<u>Total Other Revenue</u>	45,845	38,663	(7,182)
<u>Total Revenue</u>	\$ 1,494,865	\$ 1,561,261	\$ 66,396

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original And Final</u>	<u>Actual Amounts</u>	
<u>Expenditures:</u>			
<u>Administrative:</u>			
Health / Life / WC insurance	\$ 40,250	\$ 44,945	\$ (4,695)
Office equipment maintenance	5,700	5,643	57
Office supplies	5,000	2,489	2,511
Parking permits	1,700	-	1,700
Payroll taxes	12,400	14,982	(2,582)
Pension costs	16,860	15,985	875
Personal services	6,000	5,894	106
Printing and advertising	100	1,397	(1,297)
Salaries	163,000	165,906	(2,906)
Vehicle Acquisition/Maintenance	2,300	1,055	1,245
Vehicle lease	4,000	3,957	43
Training	5,000	5,019	(19)
Travel	750	866	(116)
<u>Total Administrative</u>	<u>263,060</u>	<u>268,138</u>	<u>(5,078)</u>
<u>Police Department:</u>			
Capital expenses	-	12,228	(12,228)
Computer expenses	4,000	5,340	(1,340)
Gas and oil	16,000	16,727	(727)
Health / Life / WC insurance	63,832	61,899	1,933
Supplies	4,500	5,779	(1,279)
Payroll taxes	25,690	24,511	1,179
Pension costs	30,000	31,851	(1,851)
Printing and advertising	1,500	835	665
Office equipment	1,000	914	86
Salaries	285,000	272,347	12,653
Training	3,000	3,103	(103)
Uniforms	4,000	7,223	(3,223)
Vehicle acquisition	-	-	-
Vehicle maintenance	-	2,404	(2,404)
<u>Total Police Department</u>	<u>\$ 438,522</u>	<u>\$ 445,161</u>	<u>\$ (6,639)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original And</u>	<u>Actual</u>	<u>Final Budget</u>
	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
<u>Expenditures: (Continued)</u>			
<u>Beach Patrol:</u>			
Workers compensation	\$ 9,250	\$ 9,306	\$ (56)
Miscellaneous	1,900	1,481	419
Payroll taxes	15,100	16,100	(1,000)
Salaries	184,876	174,584	10,292
Supplies and equipment	3,500	3,383	117
Training	-	1,215	(1,215)
Uniforms	6,000	6,652	(652)
<u>Total Beach Patrol</u>	220,626	212,721	7,905
 <u>Public Works:</u>			
Workers compensation	8,200	8,164	36
Capital expenses	-	-	-
Gasoline and oil	3,500	3,311	189
Health and life insurance	20,500	17,325	3,175
Landfill charges	-	-	-
Miscellaneous	150	192	(42)
Office supplies	150	106	44
Payroll taxes	10,000	10,972	(972)
Pension costs	12,000	9,791	2,209
Printing and advertising	200	-	200
Uniforms	600	336	264
Utilities	4,500	4,911	(411)
Repairs - vehicles and equipment	5,000	3,962	1,038
Salaries	124,677	114,882	9,795
Shop supplies	1,500	1,230	270
Testing	700	561	139
Town Hall maintenance	500	407	93
Training	1,000	51	949
<u>Total Public Works</u>	\$ 193,177	\$ 176,201	\$ 16,976

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Favorable (Unfavorable)
	<u>Original And Final</u>	<u>Actual Amounts</u>	
<u>Expenditures: (Continued)</u>			
<u>General Expenditures:</u>			
Appraisal	5,500	4,000	1,500
Auditing	8,700	8,232	468
Capital expenditures	-	268,610	(268,610)
Ambulance service	27,120	30,983	(3,863)
Codification	5,000	2,883	2,117
Community projects	2,500	1,450	1,050
County tax billing	700	759	(59)
Street expenses	-	23,026	(23,026)
Dues	750	1,254	(504)
Median highway landscaping	13,500	13,439	61
Employee relations	3,200	3,332	(132)
Government liaison	2,500	1,730	770
Insurance - general	61,000	59,435	1,565
Legal	14,000	11,494	2,506
Miscellaneous	12,000	6,077	5,923
Trash & recycling	191,310	176,187	15,123
Postage	2,000	2,620	(620)
Printing and advertising	1,700	2,848	(1,148)
Sewer	500	492	8
Telephone	8,500	13,157	(4,657)
Utilities	13,000	11,796	1,204
Building maintenance	5,000	5,074	(74)
Website	1,000	672	328
<u>Total General Expenditures</u>	<u>379,480</u>	<u>649,550</u>	<u>(270,070)</u>
<u>Total Expenditures</u>	<u>\$ 1,494,865</u>	<u>\$ 1,751,771</u>	<u>\$ (256,906)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

	<u>Budgeted Amounts</u>		Variance with Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original And Final</u>	<u>Actual Amounts</u>	
<u>Excess Of Revenues Over (Under) Expenditures</u>	\$ -	\$ (190,510)	\$ (190,510)
<u>Other Financing Sources (Uses):</u>			
Transfer from (to) other funds	-	(35,696)	(35,696)
<u>Excess Of Revenues And Over Financing Sources Over (Under) Expenditures And Other Financing Uses</u>	-	(226,206)	(226,206)
<u>Fund Balance - August 1, 2010</u>		<u>620,375</u>	
<u>Fund Balance - July 31, 2011</u>		<u>\$ 394,169</u>	

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTAL INFORMATION

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING BALANCE SHEET - GENERAL FUND
AS OF JULY 31, 2011

(With Comparative Amounts As Of July 31, 2010, 2009, 2008)

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Cash And Cash Equivalents:</u>				
Cash	\$ 348,102	\$ 108,744	\$ 139,479	\$ 90,923
Investments	-	300,000	330,774	524,074
<u>Total Cash And Cash Equivalents</u>	<u>348,102</u>	<u>408,744</u>	<u>470,253</u>	<u>614,997</u>
<u>Taxes Receivable</u>	-	-	-	1,042
<u>Accounts Receivable:</u>				
Franchise fees receivable	6,585	6,043	9,681	-
DE grant receivables	47,362	215,000	-	-
Traffic fines receivable	3,375	-	3,762	3,760
<u>Total Accounts Receivable</u>	<u>57,322</u>	<u>221,043</u>	<u>13,443</u>	<u>3,760</u>
<u>Other Receivables:</u>				
Accrued interest receivable	-	-	33	1,047
Sanitation rebate	-	-	-	3,850
<u>Total Other Receivables</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>4,897</u>
<u>Prepaid Expenses:</u>				
Prepaid insurance	39,829	28,754	37,071	39,526
<u>Total Prepaid Expenses</u>	<u>39,829</u>	<u>28,754</u>	<u>37,071</u>	<u>39,526</u>
<u>TOTAL ASSETS</u>	<u>\$ 445,253</u>	<u>\$ 658,541</u>	<u>\$ 520,800</u>	<u>\$ 664,222</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING BALANCE SHEET - GENERAL FUND
AS OF JULY 31, 2011

(With Comparative Amounts As Of July 31, 2010, 2009, 2008)

LIABILITIES AND FUND EQUITY

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities:</u>				
<u>Accounts Payable</u>	\$ 16,638	\$ 9,074	\$ 8,808	\$ 8,924
<u>Accrued Liabilities:</u>				
Accrued pension	6,624	5,397	-	-
Accrued compensated absences	4,982	2,494	2,471	969
Accrued other withholdings	-	-	792	-
Accrued payroll taxes	347	334	365	-
Accrued salaries and wages	4,540	4,372	4,768	-
<u>Total Accrued Liabilities</u>	16,493	12,597	8,396	969
<u>Deferred revenue</u>	17,953	16,495	121,408	123,345
<u>Total Liabilities</u>	51,084	38,166	138,612	133,238
<u>Fund Equity:</u>				
Non-spendable	39,829	28,754	37,071	39,526
Restricted by other governments	-	-	-	-
Committed by council	-	-	-	-
Assigned	-	-	-	-
Unassigned	354,340	591,621	345,117	491,458
<u>Total Fund Equity</u>	394,169	620,375	382,188	530,984
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 445,253</u>	<u>\$ 658,541</u>	<u>\$ 520,800</u>	<u>\$ 664,222</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

	2011	2010	2009	2008
<u>Revenues:</u>				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 229,268	\$ 250,653	\$ 265,490	\$ 284,834
Real estate	630,992	621,812	620,522	620,773
<u>Total Taxes And Assessments</u>	860,260	872,465	886,012	905,607
<u>Licenses And Permits:</u>				
Building and sign permits	81,374	114,410	38,864	128,294
Mercantile licenses	85,437	91,834	82,708	87,508
Parking permits	16,015	20,265	16,150	15,741
Bonfire permits	4,800	6,170	2,350	2,200
<u>Total Licenses And Permits</u>	187,626	232,679	140,072	233,743
<u>Intergovernmental Grants</u>	205,788	327,771	94,042	142,836
<u>Charges For Services:</u>				
Trash collection	203,823	179,671	123,254	120,971
Ambulance fees	26,466	26,862	29,832	-
<u>Total charges for services</u>	230,289	206,533	153,086	120,971
<u>Fines and Forfeits:</u>				
Traffic and parking fines	38,635	46,328	54,829	73,575
<u>Other Revenue:</u>				
Cable franchise fee	21,875	28,062	34,164	33,205
Gain on sale of asset	385	15,045	2,070	55,401
Interest	3,611	2,659	7,492	23,848
Miscellaneous	9,685	15,933	8,486	6,852
Penalties	3,107	3,677	2,594	4,393
Insurance reimbursement	-	11,390	-	5,177
<u>Total Other Revenue</u>	38,663	76,766	54,806	128,876
<u>Total Revenue</u>	1,561,261	1,762,542	1,382,847	1,605,608
<u>Expenditures:</u>				
<u>Administrative:</u>				
Vehicle Fuel / maintenance	1,055	975	1,125	3,157
Vehicle lease	3,957	-	-	-
Health / Life / WC insurance	\$ 44,945	\$ 41,144	\$ 37,808	\$ 41,396

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

	2011	2010	2009	2008
<u>Expenditures: (Continued)</u>				
<u>Administrative: (Continued)</u>				
Miscellaneous	\$ 96	\$ 346	\$ -	\$ 23
Office equipment maintenance	5,643	7,463	12,446	5,378
Office supplies	2,489	3,312	4,676	7,825
Parking permits	-	1,480	1,669	1,654
Payroll taxes	14,982	13,787	14,067	12,027
Pension costs	15,985	13,838	14,073	19,375
Personal services	5,894	4,536	31,500	26,784
Printing and advertising	1,397	87	84	-
Salaries	165,906	156,924	167,804	161,215
Training	5,019	3,616	746	1,098
Travel	770	246	865	2,624
	<u>268,138</u>	<u>247,754</u>	<u>286,863</u>	<u>282,556</u>
<u>Police Department:</u>				
Capital expenses	12,228	16,088	-	-
Gas and oil	16,727	12,222	10,337	13,883
Computer expenses	5,340	5,637	3,411	-
Health / Life / WC insurance	61,899	59,310	66,773	80,782
Miscellaneous	770	442	-	100
Other supplies	1,591	2,999	1,353	70
Payroll taxes	24,511	22,868	24,521	19,694
Pension costs	31,851	31,432	59,113	34,331
Printing and advertising	835	320	1,417	507
Vehicle acquisition	-	33,822	25,226	-
Supplies	3,418	4,451	-	3,685
Office equipment	914	783	3,295	11,998
Salaries	272,347	260,390	268,539	236,428
Training	3,103	2,281	2,847	1,252
Uniforms	7,223	2,728	4,626	5,721
Vehicle maintenance	2,404	4,116	5,127	7,618
	<u>445,161</u>	<u>459,889</u>	<u>476,585</u>	<u>416,069</u>
<u>Total Police Department</u>	<u>\$ 445,161</u>	<u>\$ 459,889</u>	<u>\$ 476,585</u>	<u>\$ 416,069</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Expenditures: (Continued)</u>				
<u>Beach Patrol:</u>				
Workers Compensation	\$ 9,306	\$ 6,292	\$ 7,583	\$ 10,518
Miscellaneous	1,481	3,297	1,711	452
Payroll taxes	16,100	14,972	15,161	15,346
Salaries	174,584	168,554	172,916	180,312
Supplies and equipment	3,383	2,853	4,784	4,266
Training	1,215	1,380	977	1,323
Uniforms	6,652	3,957	6,202	4,913
	<u>212,721</u>	<u>201,305</u>	<u>209,334</u>	<u>217,130</u>
 <u>Public Works:</u>				
Capital expenditures	-	11,385	-	9,890
Gasoline and oil	3,311	3,548	3,461	6,595
Health and life insurance	17,325	33,447	31,271	31,695
Landfill charges	-	300	1,330	14,471
Miscellaneous	192	388	39	453
Office supplies	106	91	-	147
Workers compensation	8,164	5,487	8,963	12,853
Payroll taxes	10,972	14,275	12,798	14,025
Pension costs	9,791	16,026	12,873	13,635
Repairs - vehicles and equipment	3,962	1,995	1,634	2,139
Salaries	114,882	162,064	148,490	173,479
Shop supplies	1,230	964	2,090	2,831
Testing	561	749	585	621
Town Hall maintenance	407	123	310	-
Training	51	80	489	1,244
Uniforms	336	416	600	1,336
Utilities	4,911	4,277	4,013	4,306
	<u>\$ 176,201</u>	<u>\$ 255,615</u>	<u>\$ 228,946</u>	<u>\$ 289,720</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

<u>Expenditures: (Continued)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>General Expenditures:</u>				
Appraisal	4,000	4,000	4,000	5,650
Auditing	8,232	8,600	8,428	7,644
Capital expenditures	268,610	461,609	253,000	-
Codification	2,883	4,163	4,260	2,330
Community Projects	1,450	2,309	2,305	10,035
MSA expenses	23,026	14,903	-	-
Comprehensive plan	-	-	-	131
Contract services	2,874	3,657	4,816	4,524
County tax billing	759	759	666	666
Donations	-	2,000	2,500	-
Dues	1,254	1,474	763	2,096
Emergency management	476	70	-	817
Employee relations	3,332	3,567	3,561	4,154
Government Liaison	1,730	1,354	2,539	1,965
Insurance - general	59,435	67,294	63,914	59,360
Building maintenance	5,074	3,044	8,647	7,626
Legal	11,494	9,527	14,613	14,470
Miscellaneous	2,727	1,790	14,214	5,333
Cell phones	5,181	4,171	4,399	5,602
Median highway landscaping	13,439	331	45	3,184
Recycling	41,110	30,185	14,042	-
Trash Collection	135,077	124,370	115,515	28,864
Postage	2,620	3,135	3,000	3,021
Printing and advertising	2,848	2,431	1,638	1,803
Ambulance service	30,983	24,300	25,581	-
Sewer	492	457	460	460
Telephone	7,976	8,384	7,585	8,596
Utilities	11,796	11,665	14,462	11,674
Website	672	207	107	107
<u>Total General Expenditures</u>	<u>\$ 649,550</u>	<u>\$ 799,756</u>	<u>\$ 575,060</u>	<u>\$ 190,112</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Debt service:</u>				
Interest payments	\$ -	\$ 294	\$ 845	\$ 3,134
<u>Total Expenditures</u>	<u>1,751,771</u>	<u>1,964,613</u>	<u>1,777,633</u>	<u>1,398,721</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	<u>(190,510)</u>	<u>(202,071)</u>	<u>(394,786)</u>	<u>206,887</u>
<u>Other Financing Sources (Uses):</u>				
Transfer from (to) other funds	<u>(35,696)</u>	<u>440,258</u>	<u>245,990</u>	<u>36,762</u>
<u>Excess Of Revenues And Other Financing Sources Over (Under) Expenditures</u>	<u>(226,206)</u>	<u>238,187</u>	<u>(148,796)</u>	<u>243,649</u>
<u>Fund Balance - August 1</u>	<u>620,375</u>	<u>382,188</u>	<u>530,984</u>	<u>287,335</u>
<u>Fund Balance - July 31</u>	<u>\$ 394,169</u>	<u>\$ 620,375</u>	<u>\$ 382,188</u>	<u>\$ 530,984</u>

The accompanying notes are an integral part of these financial statements.

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TOWN OF FENWICK ISLAND, DELAWARE
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
AS OF JULY 31, 2011

(With Comparative Amounts As Of July 31, 2010, 2009, 2008)

<u>ASSETS</u>	<u>Municipal Street Aid</u>	<u>State Aid To Local Law Enforcement</u>	<u>Emergency Illegal Drug Enforcement</u>	<u>Criminal Justice</u>	<u>Beach Replenishment</u>
<u>Cash And Cash Equivalents:</u>					
Cash	\$ 9,906	\$ 3	\$ 1,090	\$ 127	\$ 35,681
Investments	-	-	-	-	-
<u>Total Cash And Cash Equivalents</u>	<u>9,906</u>	<u>3</u>	<u>1,090</u>	<u>127</u>	<u>35,681</u>
<u>Inventory</u>	<u>8,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other Receivable:</u>					
Transfer tax receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
<u>Total Accounts Receivable</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>18,820</u>	<u>3</u>	<u>1,090</u>	<u>127</u>	<u>35,681</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities:</u>					
<u>Accounts payable</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred revenue</u>	<u>-</u>	<u>3</u>	<u>1,090</u>	<u>127</u>	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>	<u>3</u>	<u>1,090</u>	<u>127</u>	<u>-</u>
 <u>Fund Equity:</u>					
Non-Spendable	8,914	-	-	-	-
Restricted by other governments	9,906	-	-	-	-
Committed by council	-	-	-	-	-
Assigned	-	-	-	-	35,681
Unassigned	-	-	-	-	-
<u>Total Fund Equity</u>	<u>18,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,681</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 18,820</u>	<u>\$ 3</u>	<u>\$ 1,090</u>	<u>\$ 127</u>	<u>\$ 35,681</u>

The accompanying notes are an integral part of these financial statements.

1 1/2% Realty Transfer Tax	Parks and Recreation	SLEAF	Dedicated Streets	Totals (Memorandum Only)			
				2011	2010	2009	2008
\$ 459,578	\$ 2,688	\$ 30	\$ 35,280	\$ 544,383	\$ 282,054	\$ 1,017,740	\$ 1,153,637
<u>1,177,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,177,859</u>	<u>1,111,331</u>	<u>701,286</u>	<u>672,900</u>
<u>1,637,437</u>	<u>2,688</u>	<u>30</u>	<u>35,280</u>	<u>1,722,242</u>	<u>1,393,385</u>	<u>1,719,026</u>	<u>1,826,537</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,914</u>	<u>8,777</u>	<u>9,941</u>	<u>9,243</u>
46,125	-	-	-	46,125	6,225	-	10,125
<u>568</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>575</u>	<u>487</u>	<u>538</u>	<u>2,039</u>
<u>46,693</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>46,700</u>	<u>6,712</u>	<u>538</u>	<u>12,164</u>
<u>1,684,130</u>	<u>2,688</u>	<u>30</u>	<u>35,287</u>	<u>1,777,856</u>	<u>1,408,874</u>	<u>1,729,505</u>	<u>1,847,944</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,860</u>
<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>1,250</u>	<u>3,544</u>	<u>2,658</u>	<u>6,587</u>
<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>1,250</u>	<u>3,544</u>	<u>2,658</u>	<u>11,447</u>
-	-	-	-	8,914	8,777	9,941	9,244
1,684,130	-	-	-	1,694,036	1,361,172	1,681,552	1,792,205
-	-	-	35,287	35,287	-	-	-
-	2,688	-	-	38,369	35,381	35,354	35,048
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,684,130</u>	<u>2,688</u>	<u>-</u>	<u>35,287</u>	<u>1,776,606</u>	<u>1,405,330</u>	<u>1,726,847</u>	<u>1,836,497</u>
<u>\$ 1,684,130</u>	<u>\$ 2,688</u>	<u>\$ 30</u>	<u>\$ 35,287</u>	<u>\$ 1,777,856</u>	<u>\$ 1,408,874</u>	<u>\$ 1,729,505</u>	<u>\$ 1,847,944</u>

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

	<u>Municipal Street Aid</u>	<u>State Aid To Local Law Enforcement</u>	<u>Emergency Illegal Drug Enforcement</u>	<u>Criminal Justice</u>	<u>Beach Replenishment</u>
<u>Revenues:</u>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	300
Intergovernmental grants	26,651	3,702	5,626	-	-
Other	-	-	-	-	-
Transfer tax	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Revenues</u>	<u>26,651</u>	<u>3,702</u>	<u>5,626</u>	<u>-</u>	<u>300</u>
<u>Expenditures:</u>					
<u>Police Department:</u>					
Equipment	-	3,702	698	-	-
Salaries and overtime	-	-	4,928	-	-
Training	-	-	-	-	-
Uniforms	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Police Department</u>	<u>-</u>	<u>3,702</u>	<u>5,626</u>	<u>-</u>	<u>-</u>
<u>Public Works:</u>					
Capital expenditures	3,781	-	-	-	-
Equipment repairs	35	-	-	-	-
Equipment acquisition	-	-	-	-	-
Street lights	11,258	-	-	-	-
Street repairs	1,519	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Public Works</u>	<u>16,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>General Expenditures:</u>					
Bank charges	15	-	-	-	-
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JULY 31, 2011

(With Comparative Amounts For The Years Ended July 31, 2010, 2009, 2008)

	<u>Municipal</u>	<u>State Aid</u>	<u>Emergency</u>	<u>Criminal</u>	<u>Beach</u>
	<u>Street</u>	<u>To Local Law</u>	<u>Illegal Drug</u>	<u>Justice</u>	<u>Replenishment</u>
	<u>Aid</u>	<u>Enforcement</u>	<u>Enforcement</u>	<u>Justice</u>	<u>Replenishment</u>
<u>Expenditures: (Continued)</u>					
<u>General Expenditures: (Continued)</u>					
Community projects	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and recreation	-	-	-	-	-
<u>Total General Expenditures</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>16,608</u>	<u>3,702</u>	<u>5,626</u>	<u>-</u>	<u>-</u>
<u>Excess Of Revenues Over Expenditures</u>	<u>10,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
<u>Other Financing Sources (Uses):</u>					
Transfers (to) from other funds	-	-	-	-	-
<u>Excess Of Revenues And Other Sources</u> <u>Over (Under) Expenditures And</u> <u>Other Financing Sources (Uses)</u>	<u>10,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
<u>Fund Balance - August 1, 2010</u>	<u>8,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,381</u>
<u>Fund Balance - July 31, 2011</u>	<u>\$ 18,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,681</u>

The accompanying notes are an integral part of these financial statements.

<u>1 1/2% Realty Transfer Tax</u>	<u>Parks and Recreation</u>	<u>SLEAF</u>	<u>Dedicated Streets</u>	<u>Totals (Memorandum Only)</u>			
				<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,306
<u>-</u>	<u>774</u>	<u>-</u>	<u>-</u>	<u>774</u>	<u>658</u>	<u>885</u>	<u>1,320</u>
<u>-</u>	<u>774</u>	<u>-</u>	<u>-</u>	<u>789</u>	<u>690</u>	<u>886</u>	<u>4,626</u>
<u>-</u>	<u>774</u>	<u>-</u>	<u>-</u>	<u>26,710</u>	<u>16,054</u>	<u>67,161</u>	<u>36,638</u>
<u>325,023</u>	<u>176</u>	<u>-</u>	<u>38</u>	<u>335,580</u>	<u>122,033</u>	<u>139,795</u>	<u>245,010</u>
<u>447</u>	<u>-</u>	<u>-</u>	<u>35,249</u>	<u>35,696</u>	<u>(443,550)</u>	<u>(249,445)</u>	<u>(48,916)</u>
<u>325,470</u>	<u>176</u>	<u>-</u>	<u>35,287</u>	<u>371,276</u>	<u>(321,517)</u>	<u>(109,650)</u>	<u>196,094</u>
<u>1,358,660</u>	<u>2,512</u>	<u>-</u>	<u>-</u>	<u>1,405,330</u>	<u>1,726,847</u>	<u>1,836,497</u>	<u>1,640,403</u>
<u>\$ 1,684,130</u>	<u>\$ 2,688</u>	<u>\$ -</u>	<u>\$ 35,287</u>	<u>\$ 1,776,606</u>	<u>\$ 1,405,330</u>	<u>\$ 1,726,847</u>	<u>\$ 1,836,497</u>

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