

**THE TOWN OF  
FENWICK ISLAND, DELAWARE**

Audited Financial Statements  
And Supplemental Information  
For Fiscal Year Ended July 31, 2013  
(With Comparative Year Analyses 2012, 2011, 2010)



**TOWN OF FENWICK ISLAND, DELAWARE**  
**FISCAL YEAR ENDED JULY 31, 2013**

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**TOWN OF FENWICK ISLAND, DELAWARE**  
**FISCAL YEAR ENDED JULY 31, 2013**

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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, 2013, with comparative totals as of July 31, 2012, 2011 and 2010, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10 and 28-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 33 through 43 is presented for purposes of additional analysis and is 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.

*Sambar & Company, CPAs, P.A.*  
Certified Public Accountants

October 25, 2013  
Georgetown, Delaware

## **MANAGEMENT DISCUSSION AND ANALYSIS**



**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2013**

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, 2013. 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 \$ 4,051,211 (Net assets) as compare to \$ 4,165,122 in the prior year. Unassigned net assets have a balance of \$ 30,953 which may be used to meet the Town'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 \$ 1,833,769, a decrease of \$ 230,521 in comparison with the prior year. \$ 67,399 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 \$ 67,399, a decrease of \$ 54,446.

**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.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2013**

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).

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, 2013**

**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 - 43 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 \$ 4,051,211 as of July 31, 2013.

A large portion of the Town's net assets (58%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure, less any debt used to acquire those assets that is still outstanding). 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 <u>July 31, 2013</u>	Governmental Activities <u>July 31, 2012</u>	<u>Amount Change</u>
Current and other assets	\$ 1,956,294	\$ 2,128,467	\$ (172,173)
Capital Assets	<u>2,622,252</u>	<u>2,629,009</u>	<u>(6,757)</u>
<u>Total Assets</u>	<u>4,578,546</u>	<u>4,757,476</u>	<u>(178,930)</u>
Long term liabilities	122,524	528,177	(405,653)
Other liabilities	<u>404,811</u>	<u>64,177</u>	<u>340,634</u>
<u>Total Liabilities</u>	<u>527,335</u>	<u>592,354</u>	<u>(65,019)</u>
Net Assets:			
Non-spendable	2,656,217	2,266,696	389,521
Restricted by other governments	1,312,619	1,803,615	(490,996)
Commit by council	11,738	56,053	(44,315)
Assigned	39,684	39,145	539
Unassigned	<u>30,953</u>	<u>(387)</u>	<u>31,340</u>
<u>Total Net Assets</u>	<u>\$ 4,051,211</u>	<u>\$ 4,165,122</u>	<u>\$ (113,911)</u>

The balance of net assets, net of non-spendable balances is \$ 1,394,994 which may be used to meet the government's ongoing obligation to citizens and creditors. As of July 31, 2013, the Town is able to report positive balances in governmental activities net asset balances.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2013**

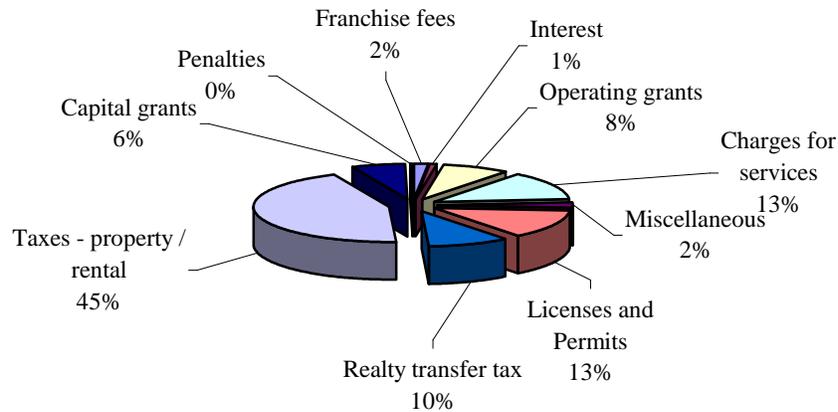
**Analysis of the Town's Operations** – The following table provides a summary of the Town's operations for the year ended July 31, 2013, along with comparable data. Governmental activities decreased the Town of Fenwick Island's net assets by \$ 113,911.

**TOWN OF FENWICK ISLAND'S CHANGES IN NET ASSETS**

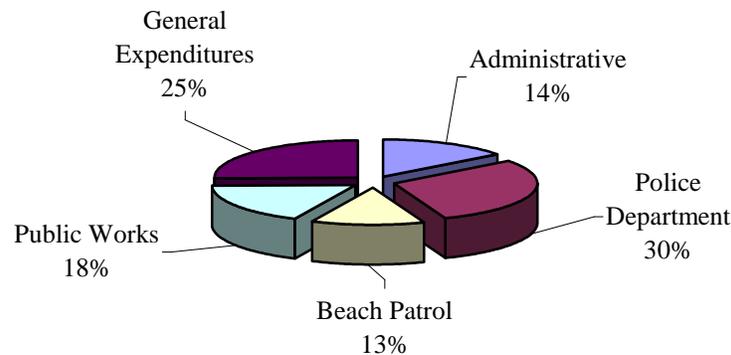
	<b>Governmental Activities July 31, 2013</b>	<b>Governmental Activities July 31, 2012</b>	<b>Amount of Change</b>
Revenues:			
Program Revenues:			
Charges for services	\$ 268,970	\$ 282,873	\$ (13,903)
Capital Grants	133,057	-	133,057
Operating grants and contributions	166,956	177,319	(10,363)
General Revenues:			
Taxes - property / rental	901,446	913,529	(12,083)
Realty transfer tax	199,986	196,420	3,566
Franchise fees	33,289	19,074	14,215
Licenses and Permits	276,114	309,623	(33,509)
Penalties	4,695	11,101	(6,406)
Interest	15,495	22,457	(6,962)
Miscellaneous	49,672	13,183	36,489
<u>Total Revenues</u>	<u>2,049,680</u>	<u>1,945,579</u>	<u>104,101</u>
Expenses:			
Administrative	313,561	284,166	29,395
Police Department	631,981	502,747	129,234
Beach Patrol	271,723	233,026	38,697
Public Works (includes MSA expenses)	380,019	263,308	116,711
General Expenditures	539,307	464,311	74,996
<u>Total Expenses</u>	<u>2,136,591</u>	<u>1,747,558</u>	<u>389,033</u>
<u>Increase (Decrease) in net assets</u>	<u>(86,911)</u>	<u>198,021</u>	<u>(284,932)</u>
<u>Net assets - August 1st</u>	<u>4,165,122</u>	<u>3,967,101</u>	<u>198,021</u>
<u>Prior period adjustment</u>	<u>(27,000)</u>	<u>-</u>	<u>(27,000)</u>
<u>Net assets - July 31st</u>	<u>\$ 4,051,211</u>	<u>\$ 4,165,122</u>	<u>\$ (113,911)</u>

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2013**

**Governmental Activities 2013 Revenues**



**Governmental Activities 2013 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.

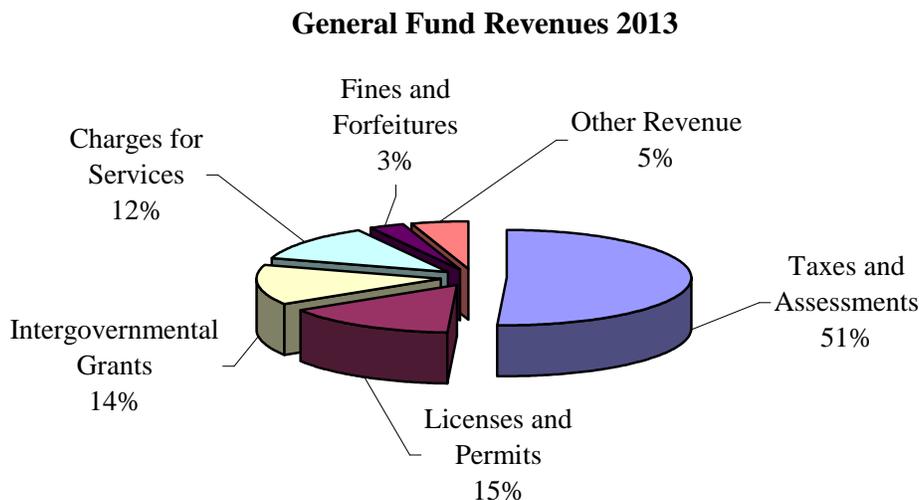
At the end of the current fiscal year, the Town of Fenwick Island’s governmental funds reported combined ending fund balances of \$ 1,833,769. \$ 67,399 of this total amount constitutes unassigned fund balance.

**General Fund Budgetary Highlights** – Revenues for the general fund operations were above original budgeted revenues estimates by \$ 249,078. Increases in licenses and permits and intergovernmental grants were the primary reason for a favorable variance. Departmental expenditures were higher than original budgeted expenditures by \$ 279,599, 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, 2013**

The following schedule presents a comparative summary of General Fund revenues and transfers in for the fiscal years ended July 31, 2013 and 2012, along with the percentage of that revenue to total revenue.

<u>Revenues</u>	<u>July 31, 2013</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>	<u>July 31, 2012</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>
Taxes and Assessments \$	901,446	51%	\$ 913,529	42%
Licenses and Permits	276,114	15%	309,623	14%
Intergovernmental Grants	241,756	14%	133,172	6%
Charges for Services	215,235	12%	237,251	11%
Fines and Forfeitures	53,735	3%	45,622	2%
Other Revenue	89,181	5%	46,365	2%
Transfers in	-	0%	490,999	23%
	<u>\$ 1,777,467</u>	<u>100%</u>	<u>\$ 2,176,561</u>	<u>100%</u>



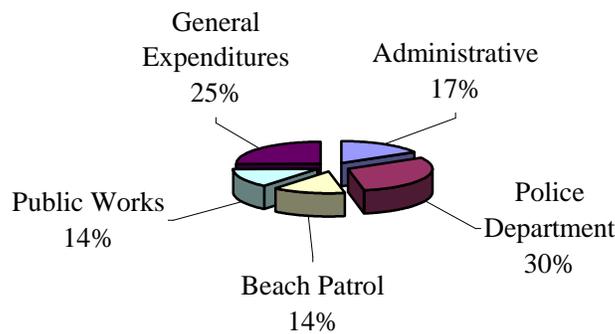
Current and prior year's property taxes continue to represent the largest revenue source, with \$ 639,361 or 37% of all General Fund revenues. The decrease in revenues from 2012 of \$ 399,094 was due primarily to transfers in.

The following schedule represents a comparative summary of General Fund expenditures for the fiscal years ended July 31, 2013 and 2012, 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, 2013**

<u>Expenditures</u>	<u>July 31, 2013</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>	<u>July 31, 2012</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>
Administrative	\$ 303,639	17%	\$ 277,310	12%
Police Department	546,717	30%	490,505	20%
Beach Patrol	249,327	14%	222,627	9%
Public Works	250,629	14%	279,683	12%
General Expenditures	457,675	25%	1,144,042	47%
	<u>\$ 1,807,987</u>	<u>100%</u>	<u>\$ 2,414,167</u>	<u>100%</u>

**General Fund Expenditures 2013**



The Town’s actual expenditures were above budget expectations by \$ 279,599. This unfavorable variance was due to unbudgeted capital expenditures.

**CAPITAL ASSETS**

The Town of Fenwick Island’s investment in capital assets for its governmental activities as of July 31, 2013, amounts to \$ 2,622,252 (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, 2013**

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

	<b>Governmental Activities July 31, 2013</b>	<b>Governmental Activities July 31, 2012</b>	<b>Amount Change</b>
Buildings	\$ 977,656	\$ 970,667	\$ 6,989
Vehicles	344,065	344,065	-
Office equipment	117,116	108,059	9,057
Police equipment	209,813	179,612	30,201
Street signs and fixtures	62,487	62,487	-
Machinery and equipment	244,462	243,023	1,439
Beach and lifeguard equipment	139,148	106,823	32,325
Recreation equipment	33,579	33,579	-
Land improvements	1,628,633	1,522,664	105,969
Accumulated Depreciation	<u>(1,134,707)</u>	<u>(941,970)</u>	<u>(192,737)</u>
<b>Total</b>	<b><u>\$ 2,622,252</u></b>	<b><u>\$ 2,629,009</u></b>	<b><u>\$ (6,757)</u></b>

**DEBT ADMINISTRATION**

The Town's long term debt consists of a note payable from the Bank of Ocean City (BOC), an operating lease, and accrued compensated absences. This information can be found in note 9 on page 23 of this report.

**PRIOR PERIOD ADJUSTMENT**

In the General Fund statements, it was determined that the Life Guard Grant receivable assets had been overstated incorrectly in the prior year. An adjustment of \$ 27,000 is made to record the grant revenues in fiscal year 2013.

**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, 2013**

(With Comparative Totals for July 31, 2012)

	<u>Primary Government</u>	<u>Primary Government</u>
	Total	Total
	2013	2012
<b>ASSETS</b>		
Cash and cash investments	\$ 1,907,544	\$ 2,046,326
Receivables (net of allowance for doubtful accounts):		
Interest	-	436
State of Delaware	-	27,000
Taxes	-	6,831
Traffic fines	4,895	4,242
Inventories	9,890	8,914
Prepaid items	33,965	34,718
Capital assets:		
Buildings	977,656	970,667
Vehicles	344,065	344,066
Office equipment	117,116	108,059
Police equipment	209,813	179,612
Street signs and fixtures	62,487	62,486
Machinery and equipment	244,462	243,023
Beach and lifeguard equipment	139,148	106,823
Recreation equipment	33,579	33,579
Land and improvements	1,628,633	1,522,664
Accumulated depreciation	<u>(1,134,707)</u>	<u>(941,970)</u>
<u>Total Assets</u>	<u>\$ 4,578,546</u>	<u>\$ 4,757,476</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, 2013**

(With Comparative Totals for July 31, 2012)

	<u>Primary Government</u>	<u>Primary Government</u>
	Total 2013	Total 2012
<b>LIABILITIES</b>		
Accounts payable	\$ 75,779	\$ 28,145
Accrued liabilities	29,054	18,058
Accrued compensated absences	102,370	122,231
Deferred revenue	14,186	17,974
Line of Credit - Bank of Ocean City	-	405,946
Note payable - Bank of Ocean City	305,946	-
	<u>527,335</u>	<u>592,354</u>
<b>NET ASSETS</b>		
Non-spendable	2,656,217	2,266,696
Restricted by other governments	1,312,619	1,803,615
Committed by council	11,738	56,053
Assigned	39,684	39,145
Unassigned	30,953	(387)
	<u>4,051,211</u>	<u>4,165,122</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 4,578,546</u>	<u>\$ 4,757,476</u>

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, 2013**

(With Comparative Totals for July 31, 2012)

<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	\$ 313,561	\$ -	\$ -	\$ -
Police Department	631,981	53,735	63,785	21,875
Beach Patrol	271,723	-	39,000	-
Public Works	380,019	-	-	82,682
General Government	539,307	215,235	64,171	28,500
<u>Total Governmental Activities</u>	<u>2,136,591</u>	<u>268,970</u>	<u>166,956</u>	<u>133,057</u>
 <u>Total Government</u>	 <u>2,136,591</u>	 <u>268,970</u>	 <u>166,956</u>	 <u>133,057</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

Prior Period Adjustment

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	
2013	2012
\$ (313,561)	\$ (284,166)
(492,586)	(398,767)
(232,723)	(164,026)
(297,337)	(230,507)
(231,401)	(209,900)
<u>(1,567,608)</u>	<u>(1,287,366)</u>
<u>(1,567,608)</u>	<u>(1,287,366)</u>
1,101,432	1,109,949
33,289	19,074
276,114	309,623
4,695	11,101
15,495	22,457
49,672	13,183
<u>1,480,697</u>	<u>1,485,387</u>
(86,911)	198,021
4,165,122	3,967,101
<u>(27,000)</u>	<u>-</u>
<u>\$ 4,051,211</u>	<u>\$ 4,165,122</u>

**TOWN OF FENWICK ISLAND, DELAWARE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JULY 31, 2013**

(With Comparative Totals for July 31, 2012)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 131,791	\$ 1,705,176
Receivables (net of allowance for doubtful accounts):		
Accounts	-	-
Other	4,895	-
Taxes		-
Inventory	-	-
Prepaid items	33,965	-
	<u>170,651</u>	<u>1,705,176</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	23,251	52,528
Accrued liabilities	32,561	-
Deferred revenue	13,476	-
	<u>69,288</u>	<u>52,528</u>
Fund Balances:		
Non-spendable	33,965	-
Restricted by other governments	-	1,652,648
Committed by council	-	-
Assigned	-	-
Unassigned	67,399	-
	<u>101,364</u>	<u>1,652,648</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 170,652</u>	<u>\$ 1,705,176</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 2013</u>	<u>Total Governmental Funds 2012</u>
\$ 18,445	\$ 52,132	\$ 1,907,544	\$ 2,046,326
-	-	-	31,242
-	-	4,895	436
-	-	-	6,831
9,890	-	9,890	8,914
-	-	33,965	34,718
<u>28,335</u>	<u>52,132</u>	<u>1,956,294</u>	<u>2,128,467</u>
-	-	75,779	28,145
-	-	32,561	18,058
-	710	14,186	17,974
<u>-</u>	<u>710</u>	<u>122,526</u>	<u>64,177</u>
9,890	-	43,855	43,632
18,445	-	1,671,093	1,803,615
-	11,738	11,738	56,053
-	39,684	39,684	39,145
-	-	67,399	121,845
<u>28,335</u>	<u>51,422</u>	<u>1,833,769</u>	<u>2,064,290</u>
<u>\$ 28,335</u>	<u>\$ 52,132</u>	<u>\$ 1,956,295</u>	<u>\$ 2,128,467</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, 2013**

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

<b>Total Fund Balances for Government Funds</b>	\$	1,833,769
---	----	-----------

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

Note payable from the bank of Ocean City is not financial resources and reported as a liability.		(305,946)
--	--	-----------

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	3,756,959	
Accumulated Depreciation	<u>(1,134,707)</u>	2,622,252

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>(98,864)</u>
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<b>Total Net Assets of Governmental Activities</b>	\$	<u><u>4,051,211</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, 2013**

(With Comparative Totals for July 31, 2012)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
<u>Revenues:</u>		
Taxes and Assessments	\$ 901,446	\$ 199,985
Licenses and Permits	276,114	-
Intergovernmental Grants	241,756	-
Charges for Services	215,235	-
Fines and Forfeitures	53,735	-
Other Revenue	89,181	12,024
<u>Total Revenues</u>	<u>1,777,467</u>	<u>212,009</u>
<u>Expenditures:</u>		
Administrative	303,639	22,791
Police Department	546,717	64,448
Beach Patrol	249,327	14,564
Public Works	250,629	78,807
General Expenditures	457,675	44,688
<u>Total Expenditures</u>	<u>1,807,987</u>	<u>225,298</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	(30,520)	(13,289)
<u>Other Financing Sources (Uses):</u>		
Proceeds (payments) from borrowings	(100,000)	-
Transfers from (to) other funds	102,321	(125,928)
<u>Total Other Financing Sources (Uses)</u>	<u>2,321</u>	<u>(125,928)</u>
<u>Net Change in Fund Balances</u>	(28,199)	(139,217)
<u>Fund balance - August 1, 2012</u>	156,563	1,791,865
<u>Prior Period Adjustment</u>	(27,000)	-
<u>Fund balance - July 31, 2013</u>	<u>\$ 101,364</u>	<u>\$ 1,652,648</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 2013</u>	<u>Total Governmental Funds 2012</u>
\$ -	\$ -	\$ 1,101,431	\$ 1,109,948
-	-	276,114	309,623
32,682	25,574	300,012	174,508
-	-	215,235	237,251
-	-	53,735	45,622
-	1,945	103,150	69,278
<u>32,682</u>	<u>27,519</u>	<u>2,049,677</u>	<u>1,946,230</u>
-	-	326,430	277,310
-	25,574	636,739	499,040
-	-	263,891	222,627
25,011	68,000	422,447	310,620
-	1,328	503,691	1,149,064
<u>25,011</u>	<u>94,902</u>	<u>2,153,198</u>	<u>2,458,661</u>
7,671	(67,383)	(103,521)	(512,431)
-	-	(100,000)	405,946
-	23,607	-	-
<u>-</u>	<u>23,607</u>	<u>(100,000)</u>	<u>405,946</u>
7,671	(43,776)	(203,521)	(106,485)
20,664	95,198	2,064,290	2,170,775
-	-	(27,000)	-
<u>\$ 28,335</u>	<u>\$ 51,422</u>	<u>\$ 1,833,769</u>	<u>\$ 2,064,290</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, 2013**

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

Net Change in Fund Balances - Total Governmental Funds	\$ (203,521)
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 depreciation ( 192,737) exceeded capital outlay ( 185,980) in the current period.	(6,757)
Governmental funds report changes in long-term liabilities as a reduction or increase of the liability.	100,000
Decrease in Compensated Absences liabilities	<u>23,367</u>
Change in net assets of governmental activities	<u>\$ (86,911)</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, 2013**

(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, 2013**

(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 the 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, 2013**

(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, 2013**

(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, 2013**

(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

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.

(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.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2013**

(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 July 31, 2012	Additions	Deletions	Balances July 31, 2013
Buildings	\$ 970,667	\$ 6,989	\$ -	\$ 977,656
Vehicles	344,065	-	-	344,065
Office equipment	108,059	9,057	-	117,116
Police equipment	179,612	30,201	-	209,813
Street signs and fixtures	62,487	-	-	62,487
Machinery and equipment	243,023	1,439	-	244,462
Beach and Lifeguard equipment	106,823	32,325	-	139,148
Recreation equipment	33,579	-	-	33,579
Land and improvements	1,522,665	105,968	-	1,628,633
Total	3,570,980	185,979	-	3,756,959
Less: accumulated depreciation	(941,970)	(192,737)	-	(1,134,707)
Total capital assets	\$ <u>2,629,010</u>	\$ <u>(6,758)</u>	\$ <u>-</u>	\$ <u>2,622,252</u>

(9) Long-Term Debt

On August 17, 2012, the Town entered a promissory note with the Bank of Ocean City (BOC) for \$ 305,946 with 3% interest rate. This loan is unsecured and at July 31, 2013, the Town owed \$ 305,946.

The line of credit agreement with the BOC was converted a promissory note mentioned above. The different in balance amount of \$ 100,000 was paid on August 17, 2012 with funds from Realty Transfer fund.

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.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2013**

(9) Long-Term Debt (Continued)

The following is a summary of long-term debt for the year ended July 31, 2013:

	Beginning Balance 8/01/12	Additions	Subtractions	Ending Balance 7/31/13
Line of credit - BOC	\$ 405,946	\$ -	\$ 405,946	\$ -
Note payable - BOC	-	305,946	-	305,946
Long-term portion of accrued compensated absences	122,232	-	23,367	98,865
Total	\$ 528,178	\$ 305,946	\$ 429,313	\$ 404,811

(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 960 hours. Upon termination in good standing and having given two week notice, the employee is paid for one-half (1/2) of the accumulated sick hours to a maximum of 490 hours.

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”.

	Current	Long-term	Total
Administrative Department	\$ 682	\$ 14,215	\$ 14,897
Police Department	25	31,114	31,139
Public Works Department	427	9,909	10,336
Total	\$ 1,134	\$ 55,238	\$ 56,372

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2013**

A. Vacation Pay

Earned vacation time may be accumulated to a maximum of 320 hours entitlement ranging from 40 to 320 hours. 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, 2013.

The liability recorded in the financial statements for vacation pay and payroll taxes at July 31, 2013, is as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 436	\$ 8,214	\$ 8,650
Police Department	361	28,542	28,903
Public Works Department	<u>1,575</u>	<u>6,871</u>	<u>8,446</u>
Total	<u>\$ 2,372</u>	<u>\$ 43,627</u>	<u>\$ 45,999</u>

C. Total Accrual

Total accrued compensated absences recorded in the financial statements as of July 31, 2013 are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 1,118	\$ 22,429	\$ 23,547
Police Department	386	59,656	60,042
Public Works Department	<u>2,002</u>	<u>16,780</u>	<u>18,782</u>
Total	<u>\$ 3,506</u>	<u>\$ 98,865</u>	<u>\$ 102,371</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, 2013, the State contributed \$ 13,553, to help offset the cost for the benefit of the police officers.

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.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2013**

(12) Secured Deposits

At July 31, 2013, the Town had \$1,915,357 on deposit with the banks as follows;

<u>Accounts</u>	<u>Deposit</u>	FDIC	
		<u>Insured</u>	<u>Uninsured</u>
PNC	\$ 333,234	\$ 250,000	\$ 83,234
Bank of Delmarva - Checking	126,574	126,574	-
Bank of Ocean City	272,437	250,000	22,437
Bank of Ocean City - Certified Deposit	1,183,113	1,183,113	-
Total	<u>\$ 1,915,358</u>	<u>\$ 1,809,687</u>	<u>\$ 105,671</u>

The town has total deposit in the amount of \$ 1,915,358 held in three different banks. The amount of \$ 105,671 is not collateralized or insured by the FDIC.

\$ 1,183,113 in Certificates of Deposits through the Bank of Ocean City are held by seven different banks and fully 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 1<sup>st</sup>. Taxes unpaid at October 30<sup>th</sup> are subject to a penalty of 5% per month until paid. The total assessed value of property amounted to \$ 33,300,051 for a real property tax yield of \$ 639,361.

(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, 2013**

(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:

	General Fund	1 1/2 % Realty Transfer Tax	Dedicated Streets	Total
Transfers (to) from General Fund	\$ -	\$ (102,321)	\$ -	\$ (102,321)
Transfers (to) from Special Revenue	\$ 102,321	\$ (23,607)	\$ 23,607	\$ 102,321
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 102,321</u>	<u>\$ (125,928)</u>	<u>\$ 23,607</u>	<u>\$ -</u>

(18) Prior Period Adjustment

In the General Fund statements, it was determined that the Life Guard Grant receivable assets had been overstated incorrectly in the prior year. An adjustment of \$ 27,000 is made to record the grant revenues in fiscal year 2013.

(18) Subsequent Events

In August, 2013, the town made a payment of \$ 114,836 toward the note payable.

## **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, 2013**

	<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>Revenues:</u>			
<u>Taxes And Assessments:</u>			
Gross rental tax	\$ 250,000	\$ 262,085	\$ 12,085
Real estate	646,364	639,361	(7,003)
	<u>896,364</u>	<u>901,446</u>	<u>5,082</u>
 <u>Licenses And Permits:</u>			
Building and sign permits	130,000	163,164	33,164
Mercantile licenses	86,000	89,760	3,760
Parking & Bonfire permits	20,000	23,190	3,190
	<u>236,000</u>	<u>276,114</u>	<u>40,114</u>
 <u>Total Intergovernmental Grants</u>	<u>90,500</u>	<u>241,756</u>	<u>151,256</u>
 <u>Charges For Services:</u>			
Trash collection	188,300	182,189	(6,111)
Ambulance fees	36,000	33,046	(2,954)
	<u>224,300</u>	<u>215,235</u>	<u>(9,065)</u>
 <u>Fines And Forfeits:</u>			
Traffic and parking fines	42,100	53,735	11,635
 <u>Other Revenue:</u>			
Cable franchise fee	26,000	33,289	7,289
Beach concession service	-	24,712	24,712
LG sponsor revenue	-	12,400	12,400
Interest	3,000	3,103	103
Miscellaneous	6,025	10,982	4,957
Penalties	4,100	4,695	595
	<u>39,125</u>	<u>89,181</u>	<u>50,056</u>
 <u>Total Revenue</u>	<u>\$ 1,528,389</u>	<u>\$ 1,777,467</u>	<u>\$ 249,078</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, 2013**

	<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	\$ 58,130	\$ 58,711	\$ (581)
Office equipment maintenance	500	2,292	(1,792)
Office supplies	3,500	5,117	(1,617)
Payroll taxes	15,666	16,590	(924)
Pension costs	12,190	13,252	(1,062)
Personal services	1,920	3,376	(1,456)
Printing and advertising	1,210	1,685	(475)
Salaries	187,771	195,491	(7,720)
Vehicle Acquisition/Maintenance	600	1,262	(662)
Vehicle lease	4,164	4,494	(330)
Training	500	239	261
Travel	900	632	268
Miscellaneous	292	498	(206)
<u>Total Administrative</u>	<u>287,343</u>	<u>303,639</u>	<u>(16,296)</u>
<u>Police Department:</u>			
Computer expenses	3,920	3,492	428
Gas and oil	16,000	23,953	(7,953)
Health / Life / WC insurance	79,975	87,054	(7,079)
Supplies	4,500	3,770	730
Payroll taxes	24,744	29,090	(4,346)
Pension costs	27,977	42,338	(14,361)
Printing and advertising	800	1,521	(721)
Office equipment	1,500	935	565
Salaries	297,923	338,785	(40,862)
Training	5,000	3,527	1,473
Uniforms	7,700	5,460	2,240
Vehicle maintenance	4,400	6,792	(2,392)
<u>Total Police Department</u>	<u>\$ 474,439</u>	<u>\$ 546,717</u>	<u>\$ (72,278)</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, 2013**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original And Final</u>	<u>Actual Amounts</u>	
<u>Expenditures: (Continued)</u>			
<u>Beach Patrol:</u>			
Workers compensation	\$ 11,945	\$ 16,101	\$ (4,156)
Miscellaneous	2,150	5,747	(3,597)
Payroll taxes	29,371	19,152	10,219
Salaries	184,989	196,642	(11,653)
Supplies and equipment	3,500	4,494	(994)
Training	1,400	1,276	124
Uniforms	6,000	5,915	85
	<u>239,355</u>	<u>249,327</u>	<u>(9,972)</u>
 <u>Public Works:</u>			
Workers compensation	10,415	10,195	220
Capital expenses	-	51,862	(51,862)
Gasoline and oil	3,500	3,943	(443)
Health and life insurance	34,475	35,209	(734)
Miscellaneous	404	434	(30)
Office supplies	150	16	134
Payroll taxes	9,410	9,387	23
Pension costs	5,288	6,872	(1,584)
Printing and advertising	100	-	100
Uniforms	500	886	(386)
Utilities	3,420	8,838	(5,418)
Repairs - vehicles and equipment	3,000	4,699	(1,699)
Salaries	110,240	114,963	(4,723)
Shop supplies	1,000	1,706	(706)
Testing	200	322	(122)
Town Hall maintenance	400	779	(379)
Training	300	518	(218)
	<u>\$ 182,802</u>	<u>\$ 250,629</u>	<u>\$ (67,827)</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, 2013**

	<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	4,000	4,000	-
Auditing	8,500	8,650	(150)
Capital expenditures	-	27,360	(27,360)
Ambulance service	33,200	35,640	(2,440)
Codification	4,000	4,662	(662)
Community projects	3,600	3,897	(297)
Dues	2,089	2,419	(330)
Contract services	4,843	5,549	(706)
Emergency Management	500	428	72
Median highway landscaping	8,800	9,000	(200)
Employee relations	2,654	2,919	(265)
Government liaison	1,600	1,066	534
Insurance - general	67,742	67,188	554
Legal	12,000	16,422	(4,422)
Miscellaneous	6,380	5,722	658
Trash & recycling	151,341	160,047	(8,706)
Postage	2,600	2,614	(14)
Printing and advertising	1,500	1,306	194
Sewer	1,200	844	356
Telephone	8,000	7,691	309
Utilities	15,900	11,893	4,007
Building maintenance	1,500	2,918	(1,418)
Website	2,500	2,367	133
Hurricane Sandy	-	55,199	(55,199)
Restrict purpose-ALA	-	10,098	(10,098)
Interest Expense	-	7,776	(7,776)
<u>Total General Expenditures</u>	<u>344,449</u>	<u>457,675</u>	<u>(113,226)</u>
<u>Total Expenditures</u>	<u>\$ 1,528,388</u>	<u>\$ 1,807,987</u>	<u>\$ (279,599)</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, 2013**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original And</u>	<u>Actual</u>	Final Budget
	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	\$ 1	\$ (30,520)	\$ (30,521)
<u>Other Financing Sources (Uses):</u>			
Loan payment	-	(100,000)	(100,000)
Transfer from (to) other funds	-	102,321	102,321
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>2,321</u>	<u>2,321</u>
<u>Excess Of Revenues And Over Financing Sources Over (Under) Expenditures And Other Financing Uses</u>	<u>1</u>	<u>(28,199)</u>	<u>(28,200)</u>
<u>Fund Balance - August 1, 2012</u>		156,563	
<u>Prior Period Adjustment</u>		<u>(27,000)</u>	
<u>Fund Balance - July 31, 2013</u>		<u>\$ 101,364</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, 2013**

(With Comparative Amounts As Of July 31, 2012, 2011, 2010)

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Cash And Cash Equivalents:</u>				
Cash	\$ 131,791	\$ 148,027	\$ 348,102	\$ 108,744
Investments	-	-	-	300,000
<u>Total Cash And Cash Equivalents</u>	<u>131,791</u>	<u>148,027</u>	<u>348,102</u>	<u>408,744</u>
<u>Accounts Receivable:</u>				
Franchise fees receivable	-	-	6,585	6,043
DE grant receivables	-	27,000	47,362	215,000
Traffic fines receivable	4,895	4,242	3,375	-
<u>Total Accounts Receivable</u>	<u>4,895</u>	<u>31,242</u>	<u>57,322</u>	<u>221,043</u>
<u>Prepaid Expenses:</u>				
Prepaid insurance	33,965	34,718	39,829	28,754
<u>Total Prepaid Expenses</u>	<u>33,965</u>	<u>34,718</u>	<u>39,829</u>	<u>28,754</u>
<u>TOTAL ASSETS</u>	<u>\$ 170,651</u>	<u>\$ 213,987</u>	<u>\$ 445,253</u>	<u>\$ 658,541</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, 2013**

(With Comparative Amounts As Of July 31, 2012, 2011, 2010)

**LIABILITIES AND FUND EQUITY**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Liabilities:</u></b>				
<u>Accounts Payable</u>	\$ 23,251	\$ 22,099	\$ 16,638	\$ 9,074
<u>Accrued Liabilities:</u>				
Accrued pension	4,889	4,727	6,624	5,397
Accrued compensated absences	3,505	1,074	4,982	2,494
Accrued payroll taxes	1,634	1,728	347	334
Accrued salaries and wages	22,533	10,529	4,540	4,372
<u>Total Accrued Liabilities</u>	32,561	18,058	16,493	12,597
<u>Deferred revenue</u>	13,476	17,267	17,953	16,495
<u>Total Liabilities</u>	69,288	57,424	51,084	38,166
<b><u>Fund Equity:</u></b>				
Non-spendable	33,965	34,718	39,829	28,754
Restricted by other governments	-	-	-	-
Committed by council	-	-	-	-
Assigned	-	-	-	-
Unassigned	67,399	121,845	354,340	591,621
<u>Total Fund Equity</u>	101,364	156,563	394,169	620,375
<b><u>TOTAL LIABILITIES AND FUND EQUITY</u></b>	<u>\$ 170,652</u>	<u>\$ 213,987</u>	<u>\$ 445,253</u>	<u>\$ 658,541</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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

	2013	2012	2011	2010
<b>Revenues:</b>				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 262,085	\$ 273,800	\$ 229,268	\$ 250,653
Real estate	639,361	639,729	630,992	621,812
<u>Total Taxes And Assessments</u>	901,446	913,529	860,260	872,465
<u>Licenses And Permits:</u>				
Building and sign permits	163,164	196,857	81,374	114,410
Mercantile licenses	89,760	92,871	85,437	91,834
Parking permits	16,300	15,720	16,015	20,265
Bonfire permits	6,890	4,175	4,800	6,170
<u>Total Licenses And Permits</u>	276,114	309,623	187,626	232,679
<u>Intergovernmental Grants</u>	241,756	133,172	205,788	327,771
<u>Charges For Services:</u>				
Trash collection	182,189	200,793	203,823	179,671
Ambulance fees	33,046	36,458	26,466	26,862
<u>Total charges for services</u>	215,235	237,251	230,289	206,533
<u>Fines and Forfeits:</u>				
Traffic and parking fines	53,735	45,622	38,635	46,328
<u>Other Revenue:</u>				
Cable franchise fee	33,289	19,074	21,875	28,062
Gain on sale of asset	-	10	385	15,045
Beach concession service	24,712	-	-	-
LG sponsor revenue	12,400	-	-	-
Interest	3,103	1,305	3,611	2,659
Miscellaneous	10,982	6,519	9,685	15,933
Penalties	4,695	11,101	3,107	3,677
Insurance reimbursement	-	8,356	-	11,390
<u>Total Other Revenue</u>	89,181	46,365	38,663	76,766
<u>Total Revenue</u>	1,777,467	1,685,562	1,561,261	1,762,542
<b>Expenditures:</b>				
<u>Administrative:</u>				
Vehicle Fuel / maintenance	1,262	597	1,055	975
Vehicle lease	4,494	4,151	3,957	-
Health / Life / WC insurance	\$ 58,711	\$ 49,042	\$ 44,945	\$ 41,144

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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

	2013	2012	2011	2010
<u>Expenditures: (Continued)</u>				
<u>Administrative: (Continued)</u>				
Miscellaneous	\$ 498	\$ 298	\$ 96	\$ 346
Office equipment maintenance	2,292	6,042	5,643	7,463
Office supplies	5,117	4,427	2,489	3,312
Parking permits	-	-	-	1,480
Payroll taxes	16,590	15,530	14,982	13,787
Pension costs	13,252	15,220	15,985	13,838
Personal services	3,376	9,228	5,894	4,536
Printing and advertising	1,685	1,383	1,397	87
Salaries	195,491	169,973	165,906	156,924
Training	239	943	5,019	3,616
Travel	632	476	770	246
<u>Total Administrative</u>	<u>303,639</u>	<u>277,310</u>	<u>268,138</u>	<u>247,754</u>
<u>Police Department:</u>				
Capital expenses	-	34,768	12,228	16,088
Gas and oil	23,953	20,238	16,727	12,222
Computer expenses	3,492	2,664	5,340	5,637
Health / Life / WC insurance	87,054	81,356	61,899	59,310
Miscellaneous	-	-	770	442
Other supplies	2,022	3,010	1,591	2,999
Payroll taxes	29,090	22,624	24,511	22,868
Pension costs	42,338	35,229	31,851	31,432
Printing and advertising	1,521	880	835	320
Vehicle acquisition	-	-	-	33,822
Supplies	1,748	4,001	3,418	4,451
Office equipment	935	420	914	783
Salaries	338,785	272,911	272,347	260,390
Training	3,527	2,530	3,103	2,281
Uniforms	5,460	4,244	7,223	2,728
Vehicle maintenance	6,792	5,630	2,404	4,116
<u>Total Police Department</u>	<u>\$ 546,717</u>	<u>\$ 490,505</u>	<u>\$ 445,161</u>	<u>\$ 459,889</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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

	2013	2012	2011	2010
<u>Expenditures: (Continued)</u>				
<u>Beach Patrol:</u>				
Workers Compensation	\$ 16,101	\$ 10,613	\$ 9,306	\$ 6,292
Miscellaneous	5,747	4,499	1,481	3,297
Payroll taxes	19,152	19,045	16,100	14,972
Salaries	196,642	179,181	174,584	168,554
Supplies and equipment	4,494	2,471	3,383	2,853
Training	1,276	1,253	1,215	1,380
Uniforms	5,915	5,565	6,652	3,957
	<u>249,327</u>	<u>222,627</u>	<u>212,721</u>	<u>201,305</u>
 <u>Public Works:</u>				
Capital expenditures	51,862	94,999	-	11,385
Gasoline and oil	3,943	4,192	3,311	3,548
Health and life insurance	35,209	28,252	17,325	33,447
Landfill charges	-	-	-	300
Miscellaneous	434	141	192	388
Office supplies	16	277	106	91
Workers compensation	10,195	8,785	8,164	5,487
Payroll taxes	9,387	11,311	10,972	14,275
Pension costs	6,872	8,339	9,791	16,026
Repairs - vehicles and equipment	4,699	1,624	3,962	1,995
Salaries	114,963	115,520	114,882	162,064
Shop supplies	1,706	1,672	1,230	964
Testing	322	718	561	749
Town Hall maintenance	779	627	407	123
Training	518	99	51	80
Uniforms	886	1,165	336	416
Utilities	8,838	1,962	4,911	4,277
	<u>\$ 250,629</u>	<u>\$ 279,683</u>	<u>\$ 176,201</u>	<u>\$ 255,615</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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

<u>Expenditures: (Continued)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>General Expenditures:</u>				
Appraisal	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Auditing	8,650	8,232	8,232	8,600
Capital expenditures	27,360	739,221	268,610	461,609
Codification	4,662	2,740	2,883	4,163
Community Projects	3,897	4,231	1,450	2,309
MSA expenses	-	1,361	23,026	14,903
Contract services	5,549	4,584	2,874	3,657
County tax billing	-	-	759	759
Donations	-	-	-	2,000
Dues	2,419	1,909	1,254	1,474
Emergency management	428	5	476	70
Employee relations	2,919	9,668	3,332	3,567
Government Liaison	1,066	1,173	1,730	1,354
Insurance - general	67,188	71,473	59,435	67,294
Building maintenance	2,918	5,220	5,074	3,044
Legal	16,422	15,842	11,494	9,527
Miscellaneous	5,722	489	2,727	1,790
Cell phones	3,533	5,150	5,181	4,171
Median highway landscaping	9,000	13,439	13,439	331
Recycling	56,024	73,101	41,110	30,185
Trash Collection	104,023	114,471	135,077	124,370
Postage	2,614	3,522	2,620	3,135
Printing and advertising	1,306	2,005	2,848	2,431
Ambulance service	35,640	33,210	30,983	24,300
Sewer	844	692	492	457
Telephone	4,158	8,788	7,976	8,384
Utilities	11,893	9,471	11,796	11,665
Website	2,367	2,266	672	207
Hurricane Sandy	55,199	-	-	-
Restrict purpose-ALA	10,098	-	-	-
Interest Payments	7,776	7,779	-	294
<u>Total General Expenditures</u>	<u>457,675</u>	<u>1,144,042</u>	<u>649,550</u>	<u>800,050</u>
<u>Total Expenditures</u>	<u>\$ 1,807,987</u>	<u>\$ 2,414,167</u>	<u>\$ 1,751,771</u>	<u>\$ 1,964,613</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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	(30,520)	(728,605)	(190,510)	(202,071)
<u>Other Financing Sources (Uses):</u>				
Proceeds from borrowings	-	405,946	-	-
Loan payment	(100,000)	-	-	-
Transfer from (to) other funds	102,321	85,053	(35,696)	440,258
<u>Total Other Financing Sources (Uses)</u>	<u>2,321</u>	<u>490,999</u>	<u>(35,696)</u>	<u>440,258</u>
<u>Excess Of Revenues And Other Financing Sources Over (Under) Expenditures</u>	(28,199)	(237,606)	(226,206)	238,187
<u>Fund Balance - August 1</u>	156,563	394,169	620,375	382,188
<u>Prior Period Adjustment</u>	(27,000)	-	-	-
<u>Fund Balance - July 31</u>	<u>\$ 101,364</u>	<u>\$ 156,563</u>	<u>\$ 394,169</u>	<u>\$ 620,375</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, 2013**

(With Comparative Amounts As Of July 31, 2012, 2011, 2010)

<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>1 1/2% Realty Transfer Tax</u>
<u>Cash And Cash Equivalents:</u>						
Cash	\$ 18,445	\$ 551	\$ 1	\$ 127	\$ 36,488	\$ 522,063
Investments	-	-	-	-	-	1,183,113
<u>Total Cash And Cash Equivalents</u>	<u>18,445</u>	<u>551</u>	<u>1</u>	<u>127</u>	<u>36,488</u>	<u>1,705,176</u>
<u>Inventory</u>	<u>9,890</u>	<u>-</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>-</u>
<u>TOTAL ASSETS</u>	<u>28,335</u>	<u>551</u>	<u>1</u>	<u>127</u>	<u>36,488</u>	<u>1,705,176</u>
 <u>LIABILITIES AND FUND EQUITY</u>						
<u>Liabilities:</u>						
Accounts payable	-	-	-	-	-	52,528
Deferred revenue	-	551	1	127	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>551</u>	<u>1</u>	<u>127</u>	<u>-</u>	<u>52,528</u>
<u>Fund Equity:</u>						
Non-Spendable	9,890	-	-	-	-	-
Restricted by other governments	18,445	-	-	-	-	1,652,648
Committed by council	-	-	-	-	-	-
Assigned	-	-	-	-	36,488	-
Unassigned	-	-	-	-	-	-
<u>Total Fund Equity</u>	<u>28,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,488</u>	<u>1,652,648</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 28,335</u>	<u>\$ 551</u>	<u>\$ 1</u>	<u>\$ 127</u>	<u>\$ 36,488</u>	<u>\$ 1,705,176</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2013	2012	2011	2010
\$ 3,196	\$ 30	\$ 11,738	\$ 1	\$ 592,640	\$ 717,221	\$ 544,383	\$ 282,054
-	-	-	-	1,183,113	1,181,078	1,177,859	1,111,331
<u>3,196</u>	<u>30</u>	<u>11,738</u>	<u>1</u>	<u>1,775,753</u>	<u>1,898,299</u>	<u>1,722,242</u>	<u>1,393,385</u>
-	-	-	-	9,890	8,914	8,914	8,777
-	-	-	-	-	6,831	46,125	6,225
-	-	-	-	-	436	575	487
-	-	-	-	-	7,267	46,700	6,712
<u>3,196</u>	<u>30</u>	<u>11,738</u>	<u>1</u>	<u>1,785,643</u>	<u>1,914,480</u>	<u>1,777,856</u>	<u>1,408,874</u>
-	-	-	-	52,528	6,046	-	-
-	30	-	1	710	707	1,250	3,544
-	30	-	1	53,238	6,753	1,250	3,544
-	-	-	-	9,890	8,914	8,914	8,777
-	-	-	-	1,671,093	1,803,615	1,694,036	1,361,172
-	-	11,738	-	11,738	56,053	35,287	-
3,196	-	-	-	39,684	39,145	38,369	35,381
-	-	-	-	-	-	-	-
<u>3,196</u>	<u>-</u>	<u>11,738</u>	<u>-</u>	<u>1,732,405</u>	<u>1,907,727</u>	<u>1,776,606</u>	<u>1,405,330</u>
<u>\$ 3,196</u>	<u>\$ 30</u>	<u>\$ 11,738</u>	<u>\$ 1</u>	<u>\$ 1,785,643</u>	<u>\$ 1,914,480</u>	<u>\$ 1,777,856</u>	<u>\$ 1,408,874</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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

	<u>Municipal</u> <u>Street</u> <u>Aid</u>	<u>State Aid</u> <u>To Local Law</u> <u>Enforcement</u>	<u>Emergency</u> <u>Illegal Drug</u> <u>Enforcement</u>	<u>Criminal</u> <u>Justice</u>	<u>Beach</u> <u>Replenishment</u>	<u>1 1/2 Realty</u> <u>Transfer Tax</u>
<b>Revenues:</b>						
Interest	\$ -	\$ -	\$ -	\$ -	\$ 289	\$ 12,024
Intergovernmental grants	32,682	4,347	3,700	-	-	-
Other	-	-	-	-	-	-
Transfer tax	-	-	-	-	-	199,985
<b><u>Total Revenues</u></b>	<b><u>32,682</u></b>	<b><u>4,347</u></b>	<b><u>3,700</u></b>	<b><u>-</u></b>	<b><u>289</u></b>	<b><u>212,009</u></b>
<b>Expenditures:</b>						
<b><u>Police Department:</u></b>						
Equipment	-	4,347	-	-	-	64,448
Supplies	-	-	-	-	-	-
Salaries and overtime	-	-	3,700	-	-	-
<b><u>Total Police Department</u></b>	<b><u>-</u></b>	<b><u>4,347</u></b>	<b><u>3,700</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>64,448</u></b>
<b><u>Life Guard Department:</u></b>						
Capital expenditures	-	-	-	-	-	14,564
<b><u>Admin Department:</u></b>						
Capital expenditures	-	-	-	-	-	22,791
<b><u>Public Works:</u></b>						
Capital expenditures	10,686	-	-	-	-	78,807
Equipment repairs	636	-	-	-	-	-
Equipment acquisition	-	-	-	-	-	-
Street lights	12,077	-	-	-	-	-
Street repairs	1,612	-	-	-	-	-
<b><u>Total Public Works</u></b>	<b><u>25,011</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>78,807</u></b>
<b><u>General Expenditures:</u></b>						
Bank charges	-	-	-	-	-	25
Collection fee	-	-	-	-	-	2,068
Parks and recreation	-	-	-	-	-	42,595
<b><u>Total General Expenditures</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>44,688</u></b>
<b><u>Total Expenditures</u></b>	<b><u>25,011</u></b>	<b><u>4,347</u></b>	<b><u>3,700</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>225,298</u></b>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2013	2012	2011	2010
\$ -	\$ -	\$ 78	\$ -	\$ 12,391	\$ 21,803	\$ 24,296	\$ 22,087
-	-	-	17,527	58,256	41,336	35,979	6,325
1,578	-	-	-	1,578	1,110	950	775
-	-	-	-	199,985	196,419	301,065	108,900
<u>1,578</u>	<u>-</u>	<u>78</u>	<u>17,527</u>	<u>272,210</u>	<u>260,668</u>	<u>362,290</u>	<u>138,087</u>
-	-	-	-	68,795	7,446	4,400	3,806
-	-	-	17,527	17,527	-	-	-
-	-	-	-	3,700	1,089	4,928	2,499
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,527</u>	<u>90,022</u>	<u>8,535</u>	<u>9,328</u>	<u>6,305</u>
-	-	-	-	14,564	-	-	-
-	-	-	-	22,791	-	-	-
-	-	-	-	89,493	9,045	3,781	-
-	-	-	-	636	191	35	1,491
-	-	-	-	-	-	-	-
-	-	-	-	12,077	14,640	11,258	6,190
-	-	68,000	-	69,612	11,211	1,519	1,378
<u>-</u>	<u>-</u>	<u>68,000</u>	<u>-</u>	<u>171,818</u>	<u>35,087</u>	<u>16,593</u>	<u>9,059</u>
-	-	-	-	25	20	15	32
-	-	-	-	2,068	-	-	-
1,328	-	-	-	43,923	852	774	658
<u>1,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,016</u>	<u>872</u>	<u>789</u>	<u>690</u>
<u>1,328</u>	<u>-</u>	<u>68,000</u>	<u>17,527</u>	<u>345,211</u>	<u>44,494</u>	<u>26,710</u>	<u>16,054</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, 2013**

(With Comparative Amounts For The Years Ended July 31, 2012, 2011, 2010)

	<u>Municipal</u> <u>Street</u> <u>Aid</u>	<u>State Aid</u> <u>To Local Law</u> <u>Enforcement</u>	<u>Emergency</u> <u>Illegal Drug</u> <u>Enforcement</u>	<u>Criminal</u> <u>Justice</u>	<u>Beach</u> <u>Replenishment</u>	<u>1 1/2 Realty</u> <u>Transfer Tax</u>
<u>Excess Of Revenues Over Expenditures</u>	7,671	-	-	-	289	(13,289)
<u>Other Financing Sources (Uses):</u>						
Transfers (to) from other funds	-	-	-	-	-	(125,928)
<u>Excess Of Revenues And Other Sources</u> <u>Over (Under) Expenditures And</u> <u>Other Financing Sources (Uses)</u>	<u>7,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289</u>	<u>(139,217)</u>
<u>Fund Balance - August 1, 2012</u>	<u>20,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,199</u>	<u>1,791,865</u>
<u>Fund Balance - July 31, 2013</u>	<u>\$ 28,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,488</u>	<u>\$ 1,652,648</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2013	2012	2011	2010
250	-	(67,922)	-	(73,001)	216,174	335,580	122,033
-	-	23,607	-	(102,321)	(85,053)	35,696	(443,550)
<u>250</u>	<u>-</u>	<u>(44,315)</u>	<u>-</u>	<u>(175,322)</u>	<u>131,121</u>	<u>371,276</u>	<u>(321,517)</u>
<u>2,946</u>	<u>-</u>	<u>56,053</u>	<u>-</u>	<u>1,907,727</u>	<u>1,776,606</u>	<u>1,405,330</u>	<u>1,726,847</u>
<u>\$ 3,196</u>	<u>\$ -</u>	<u>\$ 11,738</u>	<u>\$ -</u>	<u>\$ 1,732,405</u>	<u>\$ 1,907,727</u>	<u>\$ 1,776,606</u>	<u>\$ 1,405,330</u>

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**TOWN OF FENWICK ISLAND, DELAWARE**  
**COMBINING BALANCE SHEET - FIDUCIARY FUND**  
**AS OF JULY 31, 2013**

	Beach Committee Fund 2013
<u>ASSETS</u>	<u>                    </u>
<u>Cash And Cash Equivalents:</u>	\$ <u>          10,099</u>
<u>TOTAL ASSETS</u>	<u>                    10,099</u>
<u>LIABILITIES AND FUND EQUITY</u>	
<u>Liabilities:</u>	<u>                    -</u>
<u>Total Liabilities</u>	<u>                    -</u>
<u>Fund Equity:</u>	<u>                  10,099</u>
<u>Total Fund Equity</u>	<u>                  10,099</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	\$ <u>                  10,099</u>

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