

**THE TOWN OF
FENWICK ISLAND, DELAWARE**

Audited Financial Statements
And Supplemental Information
For Fiscal Year Ended July 31, 2014
(With Comparative Year Analyses 2013, 2012, 2011)

TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR ENDED JULY 31, 2014

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TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR ENDED JULY 31, 2014

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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, 2014, with comparative totals as of July 31, 2013, 2012 and 2011, 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, 2014, 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.

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

October 3, 2014
Georgetown, Delaware

MANAGEMENT DISCUSSION AND ANALYSIS

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2014

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, 2014. 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 \$ 4,203,551 (Net assets) as compare to \$ 4,051,211 in the prior year. Unassigned net assets have a balance of \$ 28,538 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 \$ 1,866,588, an increase of \$ 32,819 in comparison with the prior year. \$ 158,748 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 \$ 158,748, an increase of \$ 91,349.

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, 2014

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, 2014

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 \$ 4,203,551 as of July 31, 2014.

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, 2014</u>	Governmental Activities <u>July 31, 2013</u>	Amount Change
Current and other assets	\$ 1,931,217	\$ 1,956,294	\$ (25,077)
Capital Assets	<u>2,648,879</u>	<u>2,622,252</u>	<u>26,627</u>
<u>Total Assets</u>	<u>4,580,096</u>	<u>4,578,546</u>	<u>1,550</u>
Long term liabilities	120,805	122,524	(1,719)
Other liabilities	<u>255,740</u>	<u>404,811</u>	<u>(149,071)</u>
<u>Total Liabilities</u>	<u>376,545</u>	<u>527,335</u>	<u>(150,790)</u>
Net Assets:			
Non-spendable	2,701,398	2,656,217	45,181
Restricted by other governments	1,421,953	1,312,619	109,334
Commit by council	13,262	11,738	1,524
Assigned	38,400	39,684	(1,284)
Unassigned	<u>28,538</u>	<u>30,953</u>	<u>(2,415)</u>
<u>Total Net Assets</u>	<u>\$ 4,203,551</u>	<u>\$ 4,051,211</u>	<u>\$ 152,340</u>

The balance of net assets, net of non-spendable balances is \$ 1,502,153 which may be used to meet the government’s ongoing obligation to citizens and creditors. As of July 31, 2014, 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, 2014

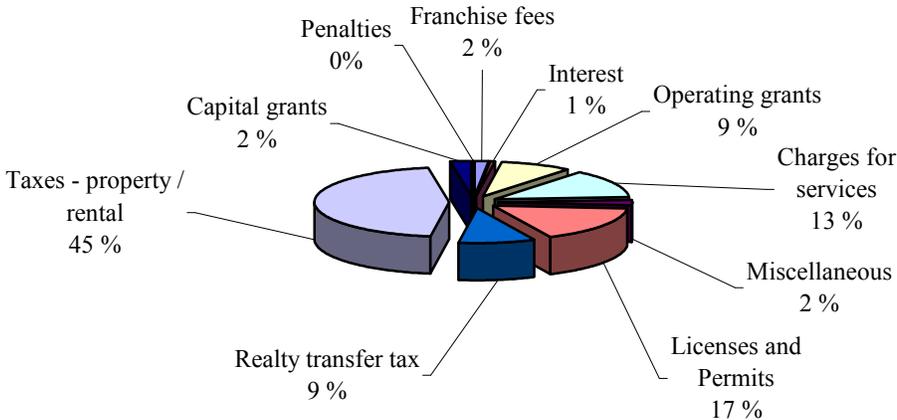
Analysis of the Town's Operations – The following table provides a summary of the Town's operations for the year ended July 31, 2014, along with comparable data. Governmental activities increased the Town of Fenwick Island's net assets by \$ 152,340.

TOWN OF FENWICK ISLAND'S CHANGES IN NET ASSETS

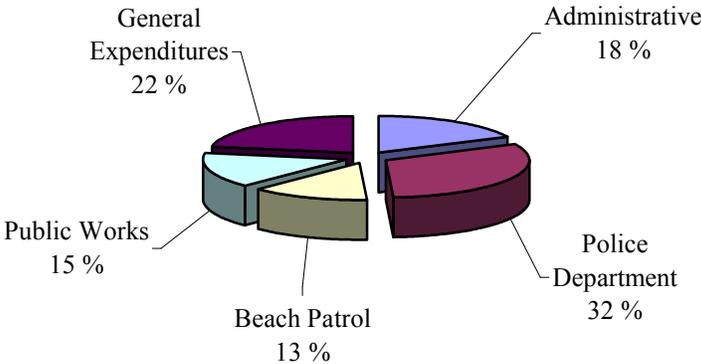
	Governmental Activities <u>July 31, 2014</u>	Governmental Activities <u>July 31, 2013</u>	Amount of Change
Revenues:			
Program Revenues:			
Charges for services	\$ 269,146	\$ 268,970	\$ 176
Capital Grants	52,511	133,057	(80,546)
Operating grants and contributions	181,015	166,956	14,059
General Revenues:			
Taxes - property / rental	931,758	901,446	30,312
Realty transfer tax	185,910	199,986	(14,076)
Franchise fees	33,244	33,289	(45)
Licenses and Permits	347,988	276,114	71,874
Penalties	1,666	4,695	(3,029)
Interest	11,558	15,495	(3,937)
Miscellaneous	<u>47,159</u>	<u>49,672</u>	<u>(2,513)</u>
<u>Total Revenues</u>	<u>2,061,955</u>	<u>2,049,680</u>	<u>12,275</u>
Expenses:			
Administrative	348,051	313,561	34,490
Police Department	618,151	631,981	(13,830)
Beach Patrol	262,457	271,723	(9,266)
Public Works (includes MSA expenses)	300,537	380,019	(79,482)
General Expenditures	<u>438,608</u>	<u>539,307</u>	<u>(100,699)</u>
<u>Total Expenses</u>	<u>1,967,804</u>	<u>2,136,591</u>	<u>(168,787)</u>
<u>Increase (Decrease) in net assets</u>	94,151	(86,911)	181,062
<u>Net assets - August 1st</u>	4,051,211	4,165,122	(113,911)
<u>Prior period adjustment</u>	<u>58,189</u>	<u>(27,000)</u>	<u>85,189</u>
<u>Net assets - July 31st</u>	<u>\$ 4,203,551</u>	<u>\$ 4,051,211</u>	<u>\$ 152,340</u>

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2014

Governmental Activities 2014 Revenues



Governmental Activities 2014 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 \$ 1,866,588. \$ 158,748 of this total amount constitutes unassigned fund balance.

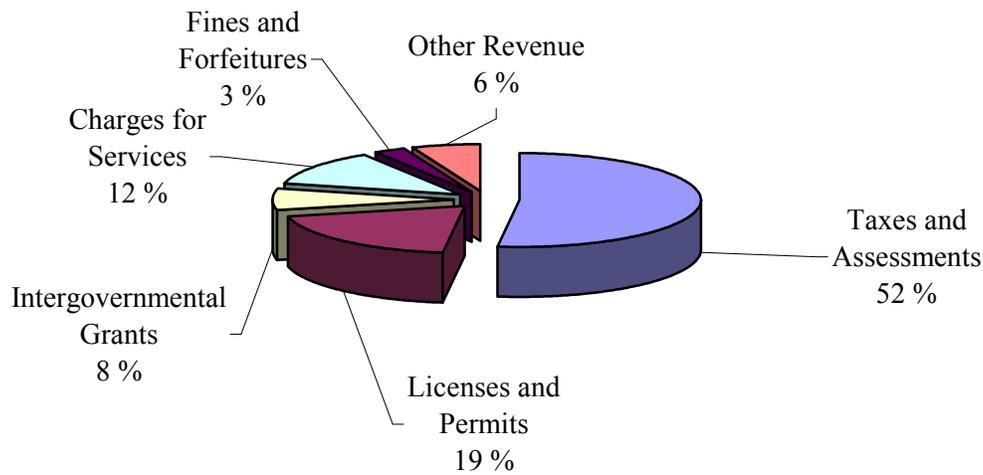
General Fund Budgetary Highlights – Revenues for the general fund operations were above original budgeted revenues estimates by \$ 138,489. Increases in licenses and permits and taxes were the primary reason for a favorable variance. Insurance reimbursement of \$ 31,090 is also contributed to this favorable variance. Departmental expenditures were higher than original budgeted expenditures by \$44,986, primarily due to unbudgeted vehicle acquisition in police department. This acquisition was funded by insurance reimbursement.

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2014

The following schedule presents a comparative summary of General Fund revenues and transfers in for the fiscal years ended July 31, 2014 and 2013, along with the percentage of that revenue to total revenue.

<u>Revenues</u>	<u>July 31, 2014</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>	<u>July 31, 2013</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>
Taxes and Assessments \$	931,758	52%	\$ 901,446	51%
Licenses and Permits	347,988	19%	276,114	15%
Intergovernmental Grants	134,609	8%	241,756	14%
Charges for Services	218,964	12%	215,235	12%
Fines and Forfeitures	50,182	3%	53,735	3%
Other Revenue	109,293	6%	89,181	5%
	<u>\$ 1,792,794</u>	<u>100%</u>	<u>\$ 1,777,467</u>	<u>100%</u>

General Fund Revenues 2014



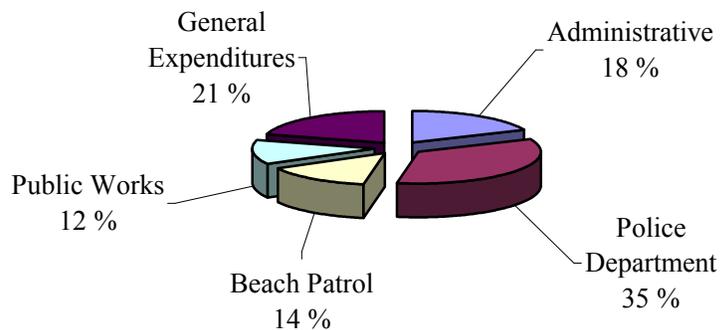
Current and prior year's property taxes continue to represent the largest revenue source, with \$ 660,993 or 37% of all General Fund revenues. The increase in revenues from 2013 of \$ 15,327 was due primarily to increase in permits.

The following schedule represents a comparative summary of General Fund expenditures for the fiscal years ended July 31, 2014 and 2013, 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, 2014

Expenditures	July 31, 2014 Totals	Percentage of Total	July 31, 2013 Totals	Percentage of Total
Administrative	\$ 309,601	18%	\$ 303,639	17%
Police Department	581,048	35%	546,717	30%
Beach Patrol	240,908	14%	249,327	14%
Public Works	209,031	12%	250,629	14%
General Expenditures	347,684	21%	457,675	25%
	\$ 1,688,272	100%	\$ 1,807,987	100%

General Fund Expenditures 2014



The Town’s actual expenditures were above budget expectations by \$ 44,986. This unfavorable variance was due to unbudgeted police vehicle acquisition. This vehicle was acquired using insurance reimbursement.

CAPITAL ASSETS

The Town of Fenwick Island’s investment in capital assets for its governmental activities as of July 31, 2014, amounts to \$ 2,648,879 (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, 2014

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

	Governmental Activities July 31, 2014	Governmental Activities July 31, 2013	Amount Change
Buildings	\$ 975,823	\$ 977,656	\$ (1,833)
Vehicles	289,719	344,065	(54,346)
Office equipment	75,149	117,116	(41,967)
Police equipment	139,627	209,813	(70,186)
Street signs and fixtures	62,487	62,487	-
Machinery and equipment	242,289	244,462	(2,173)
Beach and lifeguard equipment	126,826	139,148	(12,322)
Recreation equipment	28,008	33,579	(5,571)
Land improvements	1,692,690	1,628,633	64,057
Accumulated Depreciation	<u>(983,739)</u>	<u>(1,134,707)</u>	<u>150,968</u>
Total	\$ <u>2,648,879</u>	\$ <u>2,622,252</u>	\$ <u>26,627</u>

DEBT ADMINISTRATION

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

PRIOR PERIOD ADJUSTMENT

The Town determined that the amount of \$ 58,189 was incorrectly expensed during the fiscal year 2013 in Government-Wide Statement of Activities. Prior period adjustment is made to capitalize this amount in 2014.

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, 2014

(With Comparative Totals for July 31, 2013)

	<u>Primary Government</u>	<u>Primary Government</u>
	Total	Total
	2014	2013
ASSETS		
Cash and cash investments	\$ 1,848,715	\$ 1,907,544
Receivables (net of allowance for doubtful accounts):		
Interest and other	15,233	-
State of Delaware	-	-
Taxes	11,769	-
Traffic fines	2,981	4,895
Inventories	12,530	9,890
Prepaid items	39,989	33,965
Capital assets:		
Buildings	975,823	977,656
Vehicles	289,719	344,065
Office equipment	75,149	117,116
Police equipment	139,627	209,813
Street signs and fixtures	62,487	62,487
Machinery and equipment	242,289	244,462
Beach and lifeguard equipment	126,826	139,148
Recreation equipment	28,008	33,579
Land and improvements	1,692,690	1,628,633
Accumulated depreciation	<u>(983,739)</u>	<u>(1,134,707)</u>
<u>Total Assets</u>	<u>\$ 4,580,096</u>	<u>\$ 4,578,546</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, 2014

(With Comparative Totals for July 31, 2013)

	<u>Primary Government</u>	<u>Primary Government</u>
	Total	Total
	2014	2013
LIABILITIES		
Accounts payable	\$ 15,283	\$ 75,779
Accrued liabilities	33,643	29,054
Accrued compensated absences	123,641	102,370
Deferred revenue	12,868	14,186
Line of Credit - Bank of Ocean City	-	-
Note payable - Bank of Ocean City	191,110	305,946
	<u>376,545</u>	<u>527,335</u>
NET ASSETS		
Non-spendable	2,701,398	2,656,217
Restricted by other governments	1,421,953	1,312,619
Committed by council	13,262	11,738
Assigned	38,400	39,684
Unassigned	28,538	30,953
	<u>4,203,551</u>	<u>4,051,211</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 4,580,096</u>	<u>\$ 4,578,546</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, 2014

(With Comparative Totals for July 31, 2013)

<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	\$ 348,051	\$ -	\$ -	\$ -
Police Department	618,151	50,182	114,450	18,947
Beach Patrol	262,457	-	66,565	-
Public Works	300,537	-	-	33,564
General Government	438,608	218,964	-	-
<u>Total Governmental Activities</u>	<u>1,967,804</u>	<u>269,146</u>	<u>181,015</u>	<u>52,511</u>
 <u>Total Government</u>	 <u>1,967,804</u>	 <u>269,146</u>	 <u>181,015</u>	 <u>52,511</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	
2014	2013
\$ (348,051)	\$ (313,561)
(434,572)	(492,586)
(195,892)	(232,723)
(266,973)	(297,337)
<u>(219,644)</u>	<u>(231,401)</u>
<u>(1,465,132)</u>	<u>(1,567,608)</u>
<u>(1,465,132)</u>	<u>(1,567,608)</u>
1,117,668	1,101,432
33,244	33,289
347,988	276,114
1,666	4,695
11,558	15,495
47,159	49,672
<u>1,559,283</u>	<u>1,480,697</u>
94,151	(86,911)
4,051,211	4,165,122
<u>58,189</u>	<u>(27,000)</u>
<u>\$ 4,203,551</u>	<u>\$ 4,051,211</u>

TOWN OF FENWICK ISLAND, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2014

(With Comparative Totals for July 31, 2013)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
ASSETS		
Cash and cash investments	\$ 220,236	\$ 1,575,329
Receivables (net of allowance for doubtful accounts):		
Accounts	-	-
Other	2,981	8,184
Taxes		11,769
Inventory	-	-
Prepaid items	<u>39,989</u>	<u>-</u>
<u>Total Assets</u>	<u>263,206</u>	<u>1,595,282</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	15,283	-
Accrued liabilities	36,479	-
Deferred revenue	<u>12,707</u>	<u>-</u>
<u>Total Liabilities</u>	<u>64,469</u>	<u>-</u>
Fund Balances:		
Non-spendable	39,989	-
Restricted by other governments	-	1,595,282
Committed by council	-	-
Assigned	-	-
Unassigned	<u>158,748</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>198,737</u>	<u>1,595,282</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 263,206</u>	<u>\$ 1,595,282</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 2014</u>	<u>Total Governmental Funds 2013</u>
\$ 1,327	\$ 51,823	\$ 1,848,715	\$ 1,907,544
-	-	-	-
-	7,050	18,215	4,895
-	-	11,769	-
12,530	-	12,530	9,890
-	-	39,989	33,965
<u>13,857</u>	<u>58,873</u>	<u>1,931,218</u>	<u>1,956,294</u>
-	-	15,283	75,779
-	-	36,479	32,561
-	161	12,868	14,185
<u>-</u>	<u>161</u>	<u>64,630</u>	<u>122,525</u>
12,530	-	52,519	43,855
1,327	-	1,596,609	1,671,093
-	20,312	20,312	11,738
-	38,400	38,400	39,684
-	-	158,748	67,399
<u>13,857</u>	<u>58,712</u>	<u>1,866,588</u>	<u>1,833,769</u>
<u>\$ 13,857</u>	<u>\$ 58,873</u>	<u>\$ 1,931,218</u>	<u>\$ 1,956,294</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, 2014

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

Total Fund Balances for Government Funds	\$ 1,866,588
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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.	(191,110)
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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	3,632,618	
Accumulated Depreciation	<u>(983,739)</u>	2,648,879

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>(120,806)</u>
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Total Net Assets of Governmental Activities	\$ <u>4,203,551</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, 2014

(With Comparative Totals for July 31, 2013)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
<u>Revenues:</u>		
Taxes and Assessments	\$ 931,758	\$ 185,910
Licenses and Permits	347,988	-
Intergovernmental Grants	134,609	-
Charges for Services	218,964	-
Fines and Forfeitures	50,182	-
Other Revenue	109,293	46,648
	<u>1,792,794</u>	<u>232,558</u>
<u>Total Revenues</u>		
<u>Expenditures:</u>		
Administrative	309,601	36,740
Police Department	581,048	8,455
Beach Patrol	240,908	-
Public Works	209,031	58,658
General Expenditures	347,684	52,111
	<u>1,688,272</u>	<u>155,964</u>
<u>Total Expenditures</u>		
<u>Excess Of Revenues Over (Under) Expenditures</u>	<u>104,522</u>	<u>76,594</u>
<u>Other Financing Sources (Uses):</u>		
Proceeds (payments) from borrowings	(114,836)	-
Transfers from (to) other funds	107,687	(133,960)
	<u>(7,149)</u>	<u>(133,960)</u>
<u>Total Other Financing Sources (Uses)</u>		
<u>Net Change in Fund Balances</u>	97,373	(57,366)
<u>Fund balance - August 1, 2013</u>	101,364	1,652,648
<u>Prior Period Adjustment</u>	<u>-</u>	<u>-</u>
<u>Fund balance - July 31, 2014</u>	<u>\$ 198,737</u>	<u>\$ 1,595,282</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 2014</u>	<u>Total Governmental Funds 2013</u>
\$ -	\$ -	\$ 1,117,668	\$ 1,101,431
-	-	347,988	276,114
32,429	27,232	194,270	300,012
-	-	218,964	215,235
-	-	50,182	53,735
-	1,382	157,323	103,150
<u>32,429</u>	<u>28,614</u>	<u>2,086,395</u>	<u>2,049,677</u>
-	-	346,341	326,430
-	27,232	616,735	636,739
-	-	240,908	263,891
46,890	17,723	332,302	422,447
17	2,642	402,454	503,691
<u>46,907</u>	<u>47,597</u>	<u>1,938,740</u>	<u>2,153,198</u>
<u>(14,478)</u>	<u>(18,983)</u>	<u>147,655</u>	<u>(103,521)</u>
-	-	(114,836)	(100,000)
-	26,273	-	-
<u>-</u>	<u>26,273</u>	<u>(114,836)</u>	<u>(100,000)</u>
(14,478)	7,290	32,819	(203,521)
28,335	51,422	1,833,769	2,064,290
-	-	-	(27,000)
<u>\$ 13,857</u>	<u>\$ 58,712</u>	<u>\$ 1,866,588</u>	<u>\$ 1,833,769</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, 2014

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

Net Change in Fund Balances - Total Governmental Funds	\$	32,819
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.		
Capital outlay	251,521	
Depreciation expenses	<u>(200,457)</u>	51,064
Governmental funds report changes in long-term liabilities as a reduction or increase of the liability.		114,836
Increase in Compensated Absences liabilities		(21,941)
Prior year adjustment		
Capitalized items which were expensed in prior year.		(58,189)
Decrease in sale of equipments		<u>(24,438)</u>
Change in net assets of governmental activities	\$	<u><u>94,151</u></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, 2014

(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, 2014

(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, 2014

(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, 2014

(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, 2014

(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, 2014

(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.

During the fiscal year 2014, the Town performed physical inventory of capital assets. Out of total deletions of \$ 375,861, capital assets amount of \$ 339,153 was determined on longer in service and deleted. \$ 36,708 was actual deletions during the fiscal year 2014.

	Balances July 31, 2013	Additions	Deletions	Balances July 31, 2014
Buildings	\$ 977,656	\$ -	\$ 1,833	\$ 975,823
Vehicles	344,065	55,235	109,581	289,719
Office equipment	117,116	-	41,967	75,149
Police equipment	209,813	22,111	92,297	139,627
Street signs and fixtures	62,487	-	-	62,487
Machinery and equipment	244,462	99,629	101,802	242,289
Beach and Lifeguard equipment	139,148	-	12,322	126,826
Recreation equipment	33,579	-	5,571	28,008
Land and improvements	<u>1,628,633</u>	<u>74,545</u>	<u>10,488</u>	<u>1,692,690</u>
Total	3,756,959	251,520	375,861	3,632,618
Less: accumulated depreciation	<u>(1,134,707)</u>	<u>(200,455)</u>	<u>351,423</u>	<u>(983,739)</u>
Total capital assets	<u>\$ 2,622,252</u>	<u>\$ 51,065</u>	<u>\$ 24,438</u>	<u>\$ 2,648,879</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, 2014, the Town owed \$ 191,110.

In July of 2013, the Town entered into a 3 year operating lease agreement with Toyota Financial Services for the lease of a 2013 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, 2014

(9) Long-Term Debt (Continued)

The following is a summary of long-term debt for the year ended July 31, 2014:

	Beginning Balance 8/01/13	Additions	Subtractions	Ending Balance 7/31/14
Note payable - BOC	\$ 305,946	\$ -	\$ 114,836	\$ 191,110
Long-term portion of accrued compensated absences	<u>98,865</u>	<u>21,940</u>	<u>-</u>	<u>120,805</u>
Total	<u>\$ 404,811</u>	<u>\$ 21,940</u>	<u>\$ 114,836</u>	<u>\$ 311,915</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 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	\$ 2,016	\$ 12,338	\$ 14,354
Police Department	-	42,567	42,567
Public Works Department	<u>226</u>	<u>10,903</u>	<u>11,129</u>
Total	<u>\$ 2,242</u>	<u>\$ 65,808</u>	<u>\$ 68,050</u>

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2014

B. 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, 2014.

The liability recorded in the financial statements for vacation pay and payroll taxes at July 31, 2014, is as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ -	\$ 9,868	\$ 9,868
Police Department	-	35,942	35,942
Public Works Department	<u>594</u>	<u>9,186</u>	<u>9,780</u>
Total	<u>\$ 594</u>	<u>\$ 54,996</u>	<u>\$ 55,590</u>

C. Total Accrual

Total accrued compensated absences recorded in the financial statements as of July 31, 2014 are as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Administrative Department	\$ 2,016	\$ 22,206	\$ 24,222
Police Department	-	78,508	78,508
Public Works Department	<u>820</u>	<u>20,090</u>	<u>20,910</u>
Total	<u>\$ 2,836</u>	<u>\$ 120,804</u>	<u>\$ 123,640</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, 2014, the Town contributed \$ 17,918, 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, 2014

(12) Secured Deposits

At July 31, 2014, the Town had \$1,886,196 on deposit with the banks as follows:

Accounts	Deposit	FDIC	
		Insured	Uninsured
PNC	\$ 332,805	\$ 250,000	\$ 82,805
Bank of Delmarva - Checking	13,262	13,262	-
Bank of Ocean City	357,016	250,000	107,016
Bank of Ocean City - Certified Deposit	1,183,113	1,183,113	-
Total	\$ 1,886,196	\$ 1,696,375	\$ 189,821

The Town has deposit held in three different banks. The amount of \$ 189,821 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 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 \$ 35,019,065 for a real property tax yield of \$ 672,366.

(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, 2014

(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:

	<u>General Fund</u>	<u>1 1/2 % Realty Transfer Tax</u>	<u>Dedicated Streets</u>	<u>Long Term Debt</u>	<u>Total</u>
Transfers (to) from General Fund	\$ -	\$ (107,687)	\$ -	\$ -	\$ (107,687)
Transfers (to) from Special Revenue	\$ 107,687	\$ (141,109)	\$ 26,273	\$ 114,836	\$ 107,687
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 107,687</u>	<u>\$ (248,796)</u>	<u>\$ 26,273</u>	<u>\$ 114,836</u>	<u>\$ -</u>

(18) Prior Period Adjustment

In the Government-Wide Statement of Activities, it was determined that the capital expense had been overstated incorrectly in the prior year. An adjustment of \$ 58,189 is made to record the capital assets in fiscal year 2014.

(18) Subsequent Events

The Town has evaluated subsequent events as of October 3, 2014.

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
<u>Revenues:</u>				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 260,000	\$ 255,000	\$ 270,765	\$ 15,765
Real estate	640,000	651,000	660,993	9,993
<u>Total Taxes And Assessments</u>	900,000	906,000	931,758	25,758
<u>Licenses And Permits:</u>				
Building and sign permits	130,000	150,000	234,864	84,864
Mercantile licenses	86,000	86,000	86,979	979
Parking & Bonfire permits	20,000	20,000	26,145	6,145
<u>Total Licenses And Permits</u>	236,000	256,000	347,988	91,988
<u>Total Intergovernmental Grants</u>	108,400	142,900	134,609	(8,291)
<u>Charges For Services:</u>				
Trash collection	183,189	183,189	181,558	(1,631)
Ambulance fees	38,211	38,211	37,406	(805)
<u>Total Charges For Services</u>	221,400	221,400	218,964	(2,436)
<u>Fines And Forfeits:</u>				
Traffic and parking fines	42,500	42,500	50,182	7,682
<u>Other Revenue:</u>				
Cable franchise fee	31,000	31,000	33,244	2,244
Gain on sale of asset	14,750	6,325	6,193	(132)
Beach concession service	25,000	14,500	14,712	212
LG sponsor revenue	15,000	15,000	7,800	(7,200)
Interest	3,000	3,000	2,787	(213)
Miscellaneous	10,350	11,580	11,801	221
Penalties	4,100	4,100	1,666	(2,434)
Insurance reimbursement	-	-	31,090	31,090
<u>Total Other Revenue</u>	103,200	85,505	109,293	23,788
<u>Total Revenue</u>	\$ 1,611,500	\$ 1,654,305	\$ 1,792,794	\$ 138,489

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, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget Favorable (Unfavorable)
<u>Expenditures:</u>				
<u>Administrative:</u>				
Health / Life / WC insurance	\$ 55,099	\$ 55,099	\$ 54,955	\$ 144
Office equipment maintenance	-	2,000	2,481	(481)
Office supplies	4,000	4,000	3,615	385
Payroll taxes	15,549	15,549	17,762	(2,213)
Pension costs	17,958	17,958	16,016	1,942
Personal services	3,500	3,500	4,536	(1,036)
Printing and advertising	2,200	2,200	2,173	27
Salaries	199,585	202,085	198,610	3,475
Vehicle Acquisition/Maintenance	1,600	4,800	5,071	(271)
Vehicle lease	4,200	4,200	3,370	830
Training	1,000	1,000	209	791
Travel	600	600	500	100
Miscellaneous	400	400	303	97
<u>Total Administrative</u>	<u>305,691</u>	<u>313,391</u>	<u>309,601</u>	<u>3,790</u>
<u>Police Department:</u>				
Computer expenses	2,920	2,920	1,635	1,285
Gas and oil	19,800	21,800	22,871	(1,071)
Health / Life / WC insurance	83,515	83,515	87,136	(3,621)
Supplies	7,000	7,183	5,349	1,834
Payroll taxes	25,438	25,438	30,028	(4,590)
Pension costs	19,726	45,000	44,869	131
Printing and advertising	600	600	544	56
Office equipment	1,600	1,600	1,441	159
Salaries	309,470	309,470	338,278	(28,808)
Training	5,000	7,500	8,112	(612)
Uniforms	8,800	6,300	3,272	3,028
Vehicle acquisition	-	-	29,554	(29,554)
Vehicle maintenance	6,500	6,500	7,959	(1,459)
<u>Total Police Department</u>	<u>\$ 490,369</u>	<u>\$ 517,826</u>	<u>\$ 581,048</u>	<u>\$ (63,222)</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>Expenditures: (Continued)</u>				
<u>Beach Patrol:</u>				
Workers compensation	\$ 15,000	\$ 15,000	\$ 16,445	\$ (1,445)
Miscellaneous	2,800	3,200	4,528	(1,328)
Payroll taxes	19,279	19,279	20,005	(726)
Salaries	184,489	184,489	188,558	(4,069)
Supplies and equipment	6,500	6,042	5,867	175
Training	1,575	933	638	295
Uniforms	4,500	5,200	4,867	333
<u>Total Beach Patrol</u>	<u>234,143</u>	<u>234,143</u>	<u>240,908</u>	<u>(6,765)</u>
<u>Public Works:</u>				
Workers compensation	12,000	12,000	10,327	1,673
Gasoline and oil	5,000	5,000	6,996	(1,996)
Health and life insurance	36,475	36,475	36,149	326
Miscellaneous	150	150	115	35
Office supplies	200	200	177	23
Payroll taxes	9,317	9,317	10,888	(1,571)
Pension costs	8,171	8,171	8,155	16
Printing and advertising	150	150	-	150
Uniforms	1,000	1,000	542	458
Utilities	5,200	5,200	5,810	(610)
Repairs - vehicles and equipment	6,600	6,600	5,214	1,386
Salaries	115,154	115,154	119,328	(4,174)
Shop supplies	2,500	3,200	3,011	189
Testing	400	1,000	731	269
Town Hall maintenance	1,500	1,500	1,404	96
Training	500	500	184	316
<u>Total Public Works</u>	<u>\$ 204,317</u>	<u>\$ 205,617</u>	<u>\$ 209,031</u>	<u>\$ (3,414)</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Expenditures: (Continued)</u>				
<u>General Expenditures:</u>				
Appraisal	4,500	4,500	4,200	300
Auditing	9,000	8,750	8,750	-
Ambulance service	38,211	38,211	41,260	(3,049)
Codification	5,200	5,200	1,765	3,435
Community projects	2,500	2,500	3,272	(772)
Dues	2,914	2,914	1,399	1,515
Contract services	5,343	5,343	4,953	390
Emergency Management	500	500	467	33
Median highway landscaping	9,500	9,500	7,697	1,803
Employee relations	3,400	3,400	3,882	(482)
Government liaison	1,500	1,500	1,146	354
Insurance - general	65,359	65,309	67,237	(1,928)
Legal	13,000	13,000	9,749	3,251
Miscellaneous	7,380	9,581	8,197	1,384
Trash & recycling	152,601	152,601	139,514	13,087
Postage	2,800	2,800	2,714	86
Printing and advertising	1,000	2,500	1,108	1,392
Sewer	1,200	1,200	869	331
Telephone	8,400	9,000	7,664	1,336
Utilities	16,300	16,300	12,805	3,495
Building maintenance	5,000	5,000	3,953	1,047
Website	3,500	3,500	2,267	1,233
Restrict purpose-ALA	-	-	6,167	(6,167)
Interest Expense	9,200	9,200	6,649	2,551
<u>Total General Expenditures</u>	<u>368,308</u>	<u>372,309</u>	<u>347,684</u>	<u>24,625</u>
<u>Total Expenditures</u>	<u>\$ 1,602,828</u>	<u>\$ 1,643,286</u>	<u>\$ 1,688,272</u>	<u>\$ (44,986)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Excess Of Revenues Over (Under) Expenditt</u> \$	8,672	\$ 11,019	\$ 104,522	\$ 93,503
<u>Other Financing Sources (Uses):</u>				
Loan payment		-	(114,836)	(114,836)
Transfer from (to) other funds	<u>-</u>	<u>-</u>	<u>107,687</u>	<u>107,687</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(7,149)</u>	<u>(7,149)</u>
<u>Excess Of Revenues And Over Financing Sources Over (Under) Expenditures And Other Financing Uses</u>	<u>8,672</u>	<u>11,019</u>	97,373	<u>86,354</u>
<u>Fund Balance - August 1, 2013</u>			<u>101,364</u>	
<u>Fund Balance - July 31, 2014</u>			\$ <u>198,737</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, 2014

(With Comparative Amounts As Of July 31, 2013, 2012, 2011)

<u>ASSETS</u>	2014	2013	2012	2011
<u>Cash And Cash Equivalents:</u>				
Cash	\$ 220,236	\$ 131,791	\$ 148,027	\$ 348,102
Investments	-	-	-	-
<u>Total Cash And Cash Equivalents</u>	220,236	131,791	148,027	348,102
<u>Accounts Receivable:</u>				
Franchise fees receivable	-	-	-	6,585
DE grant receivables	-	-	27,000	47,362
Traffic fines receivable	2,981	4,895	4,242	3,375
<u>Total Accounts Receivable</u>	2,981	4,895	31,242	57,322
<u>Prepaid Expenses:</u>				
Prepaid insurance	39,989	33,965	34,718	39,829
<u>Total Prepaid Expenses</u>	39,989	33,965	34,718	39,829
<u>TOTAL ASSETS</u>	\$ 263,206	\$ 170,651	\$ 213,987	\$ 445,253

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, 2014

(With Comparative Amounts As Of July 31, 2013, 2012, 2011)

LIABILITIES AND FUND EQUITY

	2014	2013	2012	2011
<u>Liabilities:</u>				
<u>Accounts Payable</u>	\$ 15,283	\$ 23,251	\$ 22,099	\$ 16,638
<u>Accrued Liabilities:</u>				
Accrued pension	4,794	4,889	4,727	6,624
Accrued compensated absences	2,836	3,505	1,074	4,982
Accrued payroll taxes	5,120	1,634	1,728	347
Accrued salaries and wages	23,729	22,533	10,529	4,540
<u>Total Accrued Liabilities</u>	36,479	32,561	18,058	16,493
<u>Deferred revenue</u>	12,707	13,475	17,267	17,953
<u>Total Liabilities</u>	64,469	69,287	57,424	51,084
<u>Fund Equity:</u>				
Non-spendable	39,989	33,965	34,718	39,829
Restricted by other governments	-	-	-	-
Committed by council	-	-	-	-
Assigned	-	-	-	-
Unassigned	158,748	67,399	121,845	354,340
<u>Total Fund Equity</u>	198,737	101,364	156,563	394,169
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	\$ 263,206	\$ 170,651	\$ 213,987	\$ 445,253

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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

	2014	2013	2012	2011
Revenues:				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 270,765	\$ 262,085	\$ 273,800	\$ 229,268
Real estate	660,993	639,361	639,729	630,992
<u>Total Taxes And Assessments</u>	931,758	901,446	913,529	860,260
<u>Licenses And Permits:</u>				
Building and sign permits	234,864	163,164	196,857	81,374
Mercantile licenses	86,979	89,760	92,871	85,437
Parking permits	18,845	16,300	15,720	16,015
Bonfire permits	7,300	6,890	4,175	4,800
<u>Total Licenses And Permits</u>	347,988	276,114	309,623	187,626
<u>Intergovernmental Grants</u>	134,609	241,756	133,172	205,788
<u>Charges For Services:</u>				
Trash collection	181,558	182,189	200,793	203,823
Ambulance fees	37,406	33,046	36,458	26,466
<u>Total charges for services</u>	218,964	215,235	237,251	230,289
<u>Fines and Forfeits:</u>				
Traffic and parking fines	50,182	53,735	45,622	38,635
<u>Other Revenue:</u>				
Cable franchise fee	33,244	33,289	19,074	21,875
Gain on sale of asset	6,193	-	10	385
Beach concession service	14,712	24,712	-	-
LG sponsor revenue	7,800	12,400	-	-
Interest	2,787	3,103	1,305	3,611
Miscellaneous	11,801	10,982	6,519	9,685
Penalties	1,666	4,695	11,101	3,107
Insurance reimbursement	31,090	-	8,356	-
<u>Total Other Revenue</u>	109,293	89,181	46,365	38,663
<u>Total Revenue</u>	1,792,794	1,777,467	1,685,562	1,561,261
Expenditures:				
<u>Administrative:</u>				
Vehicle Fuel / maintenance	5,071	1,262	597	1,055
Vehicle lease	3,370	4,494	4,151	3,957
Health / Life / WC insurance	\$ 54,955	\$ 58,711	\$ 49,042	\$ 44,945

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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

	2014	2013	2012	2011
<u>Expenditures: (Continued)</u>				
<u>Administrative: (Continued)</u>				
Miscellaneous	\$ 303	\$ 498	\$ 298	\$ 96
Office equipment maintenance	2,481	2,292	6,042	5,643
Office supplies	3,615	5,117	4,427	2,489
Payroll taxes	17,762	16,590	15,530	14,982
Pension costs	16,016	13,252	15,220	15,985
Personal services	4,536	3,376	9,228	5,894
Printing and advertising	2,173	1,685	1,383	1,397
Salaries	198,610	195,491	169,973	165,906
Training	209	239	943	5,019
Travel	500	632	476	770
<u>Total Administrative</u>	<u>309,601</u>	<u>303,639</u>	<u>277,310</u>	<u>268,138</u>
<u>Police Department:</u>				
Capital expenses	-	-	34,768	12,228
Gas and oil	22,871	23,953	20,238	16,727
Computer expenses	1,635	3,492	2,664	5,340
Health / Life / WC insurance	87,136	87,054	81,356	61,899
Miscellaneous	1,172	-	-	770
Other supplies	2,562	2,022	3,010	1,591
Payroll taxes	30,028	29,090	22,624	24,511
Pension costs	44,869	42,338	35,229	31,851
Printing and advertising	544	1,521	880	835
Vehicle acquisition	29,554	-	-	-
Supplies	1,615	1,748	4,001	3,418
Office equipment	1,441	935	420	914
Salaries	338,278	338,785	272,911	272,347
Training	8,112	3,527	2,530	3,103
Uniforms	3,272	5,460	4,244	7,223
Vehicle maintenance	7,959	6,792	5,630	2,404
<u>Total Police Department</u>	<u>\$ 581,048</u>	<u>\$ 546,717</u>	<u>\$ 490,505</u>	<u>\$ 445,161</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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

	2014	2013	2012	2011
<u>Expenditures: (Continued)</u>				
<u>Beach Patrol:</u>				
Workers Compensation	\$ 16,445	\$ 16,101	\$ 10,613	\$ 9,306
Miscellaneous	4,528	5,747	4,499	1,481
Payroll taxes	20,005	19,152	19,045	16,100
Salaries	188,558	196,642	179,181	174,584
Supplies and equipment	5,867	4,494	2,471	3,383
Training	638	1,276	1,253	1,215
Uniforms	4,867	5,915	5,565	6,652
	<u>240,908</u>	<u>249,327</u>	<u>222,627</u>	<u>212,721</u>
 <u>Public Works:</u>				
Capital expenditures	-	51,862	94,999	-
Gasoline and oil	6,996	3,943	4,192	3,311
Health and life insurance	36,149	35,209	28,252	17,325
Miscellaneous	115	434	141	192
Office supplies	177	16	277	106
Workers compensation	10,327	10,195	8,785	8,164
Payroll taxes	10,888	9,387	11,311	10,972
Pension costs	8,155	6,872	8,339	9,791
Repairs - vehicles and equipment	5,214	4,699	1,624	3,962
Salaries	119,328	114,963	115,520	114,882
Shop supplies	3,011	1,706	1,672	1,230
Testing	731	322	718	561
Town Hall maintenance	1,404	779	627	407
Training	184	518	99	51
Uniforms	542	886	1,165	336
Utilities	5,810	8,838	1,962	4,911
	<u>\$ 209,031</u>	<u>\$ 250,629</u>	<u>\$ 279,683</u>	<u>\$ 176,201</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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

<u>Expenditures: (Continued)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>General Expenditures:</u>				
Appraisal	\$ 4,200	\$ 4,000	\$ 4,000	\$ 4,000
Auditing	8,750	8,650	8,232	8,232
Capital expenditures	-	27,360	739,221	268,610
Codification	1,765	4,662	2,740	2,883
Community Projects	3,272	3,897	4,231	1,450
MSA expenses	-	-	1,361	23,026
Contract services	4,953	5,549	4,584	2,874
County tax billing	-	-	-	759
Donations	-	-	-	-
Dues	1,399	2,419	1,909	1,254
Emergency management	467	428	5	476
Employee relations	3,882	2,919	9,668	3,332
Government Liaison	1,146	1,066	1,173	1,730
Insurance - general	67,237	67,188	71,473	59,435
Building maintenance	3,953	2,918	5,220	5,074
Legal	9,749	16,422	15,842	11,494
Miscellaneous	8,197	5,722	489	2,727
Cell phones	3,649	3,533	5,150	5,181
Median highway landscaping	7,697	9,000	13,439	13,439
Recycling	51,495	56,024	73,101	41,110
Trash Collection	88,019	104,023	114,471	135,077
Postage	2,714	2,614	3,522	2,620
Printing and advertising	1,108	1,306	2,005	2,848
Ambulance service	41,260	35,640	33,210	30,983
Sewer	869	844	692	492
Telephone	4,015	4,158	8,788	7,976
Utilities	12,805	11,893	9,471	11,796
Website	2,267	2,367	2,266	672
Hurricane Sandy	-	55,199	-	-
Restrict purpose-ALA	6,167	10,098	-	-
Interest Payments	6,649	7,776	7,779	-
<u>Total General Expenditures</u>	<u>347,684</u>	<u>457,675</u>	<u>1,144,042</u>	<u>649,550</u>
<u>Total Expenditures</u>	<u>\$ 1,688,272</u>	<u>\$ 1,807,987</u>	<u>\$ 2,414,167</u>	<u>\$ 1,751,771</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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	104,522	(30,520)	(728,605)	(190,510)
<u>Other Financing Sources (Uses):</u>				
Proceeds from borrowings	-	-	405,946	-
Loan payment	(114,836)	(100,000)	-	-
Transfer from (to) other funds	107,687	102,321	85,053	(35,696)
<u>Total Other Financing Sources (Uses)</u>	<u>(7,149)</u>	<u>2,321</u>	<u>490,999</u>	<u>(35,696)</u>
<u>Excess Of Revenues And Other Financing Sources Over (Under) Expenditures</u>	97,373	(28,199)	(237,606)	(226,206)
<u>Fund Balance - August 1</u>	101,364	156,563	394,169	620,375
<u>Prior Period Adjustment</u>	<u>-</u>	<u>(27,000)</u>	<u>-</u>	<u>-</u>
<u>Fund Balance - July 31</u>	<u>\$ 198,737</u>	<u>\$ 101,364</u>	<u>\$ 156,563</u>	<u>\$ 394,169</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, 2014

(With Comparative Amounts As Of July 31, 2013, 2012, 2011)

<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	\$ 1,327	\$ 2	\$ 1	\$ 127	\$ 36,708	\$ 390,871
Investments	-	-	-	-	-	1,184,458
<u>Total Cash And Cash Equivalents</u>	<u>1,327</u>	<u>2</u>	<u>1</u>	<u>127</u>	<u>36,708</u>	<u>1,575,329</u>
<u>Inventory</u>	<u>12,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other Receivable:</u>						
Transfer tax receivable	-	-	-	-	-	11,769
Interest and other receivable	-	-	-	-	-	8,183
<u>Total Accounts Receivable</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,952</u>
<u>TOTAL ASSETS</u>	<u>13,857</u>	<u>2</u>	<u>1</u>	<u>127</u>	<u>36,708</u>	<u>1,595,281</u>
 <u>LIABILITIES AND FUND EQUITY</u>						
<u>Liabilities:</u>						
Accounts payable	-	-	-	-	-	-
Deferred revenue	-	2	1	127	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>127</u>	<u>-</u>	<u>-</u>
<u>Fund Equity:</u>						
Non-Spendable	12,530	-	-	-	-	-
Restricted by other governments	1,327	-	-	-	-	1,595,281
Committed by council	-	-	-	-	-	-
Assigned	-	-	-	-	36,708	-
Unassigned	-	-	-	-	-	-
<u>Total Fund Equity</u>	<u>13,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,708</u>	<u>1,595,281</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 13,857</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 127</u>	<u>\$ 36,708</u>	<u>\$ 1,595,281</u>

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

	Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
					2014	2013	2012	2011
\$	1,692	\$ 30	\$ 13,262	\$ 1	\$ 444,021	\$ 592,640	\$ 717,221	\$ 544,383
	-	-	-	-	1,184,458	1,183,113	1,181,078	1,177,859
	<u>1,692</u>	<u>30</u>	<u>13,262</u>	<u>1</u>	<u>1,628,479</u>	<u>1,775,753</u>	<u>1,898,299</u>	<u>1,722,242</u>
	-	-	-	-	12,530	9,890	8,914	8,914
	-	-	-	-	11,769	-	6,831	46,125
	-	-	7,050	-	15,233	-	436	575
	-	-	<u>7,050</u>	-	<u>27,002</u>	-	<u>7,267</u>	<u>46,700</u>
	<u>1,692</u>	<u>30</u>	<u>20,312</u>	<u>1</u>	<u>1,668,011</u>	<u>1,785,643</u>	<u>1,914,480</u>	<u>1,777,856</u>
	-	-	-	-	-	52,528	6,046	-
	-	30	-	1	161	710	707	1,250
	-	<u>30</u>	-	<u>1</u>	<u>161</u>	<u>53,238</u>	<u>6,753</u>	<u>1,250</u>
	-	-	-	-	12,530	9,890	8,914	8,914
	-	-	-	-	1,596,608	1,671,093	1,803,615	1,694,036
	-	-	20,312	-	20,312	11,738	56,053	35,287
	1,692	-	-	-	38,400	39,684	39,145	38,369
	-	-	-	-	-	-	-	-
	<u>1,692</u>	<u>-</u>	<u>20,312</u>	<u>-</u>	<u>1,667,850</u>	<u>1,732,405</u>	<u>1,907,727</u>	<u>1,776,606</u>
\$	<u>1,692</u>	\$ <u>30</u>	\$ <u>20,312</u>	\$ <u>1</u>	\$ <u>1,668,011</u>	\$ <u>1,785,643</u>	\$ <u>1,914,480</u>	\$ <u>1,777,856</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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

	<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>Revenues:</u>						
Interest	\$ -	\$ -	\$ -	\$ -	\$ 220	\$ 8,527
Intergovernmental grants	32,429	4,692	3,593	-	-	-
Other	-	-	-	-	-	38,121
Transfer tax	-	-	-	-	-	185,910
<u>Total Revenues</u>	<u>32,429</u>	<u>4,692</u>	<u>3,593</u>	<u>-</u>	<u>220</u>	<u>232,558</u>
<u>Expenditures:</u>						
<u>Police Department:</u>						
Equipment	-	4,692	-	-	-	8,455
Supplies	-	-	-	-	-	-
Salaries and overtime	-	-	3,593	-	-	-
<u>Total Police Department</u>	<u>-</u>	<u>4,692</u>	<u>3,593</u>	<u>-</u>	<u>-</u>	<u>8,455</u>
<u>Life Guard Department:</u>						
Capital expenditures	-	-	-	-	-	-
<u>Admin Department:</u>						
Capital expenditures	-	-	-	-	-	36,740
<u>Public Works:</u>						
Capital expenditures	26,296	-	-	-	-	58,658
Equipment repairs	413	-	-	-	-	-
Equipment acquisition	-	-	-	-	-	-
Street lights	10,930	-	-	-	-	-
Street repairs	9,251	-	-	-	-	-
<u>Total Public Works</u>	<u>46,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,658</u>
<u>General Expenditures:</u>						
Bank charges	17	-	-	-	-	-
Collection fee	-	-	-	-	-	1,859
Parks and recreation	-	-	-	-	-	50,252
<u>Total General Expenditures</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,111</u>
<u>Total Expenditures</u>	<u>46,907</u>	<u>4,692</u>	<u>3,593</u>	<u>-</u>	<u>-</u>	<u>155,964</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2014	2013	2012	2011
\$ -	\$ -	\$ 24	\$ -	\$ 8,771	\$ 12,391	\$ 21,803	\$ 24,296
-	-	-	18,947	59,661	58,256	41,336	35,979
1,138	-	-	-	39,259	1,578	1,110	950
-	-	-	-	185,910	199,985	196,419	301,065
<u>1,138</u>	<u>-</u>	<u>24</u>	<u>18,947</u>	<u>293,601</u>	<u>272,210</u>	<u>260,668</u>	<u>362,290</u>
-	-	-	-	13,147	68,795	7,446	4,400
-	-	-	18,947	18,947	17,527	-	-
-	-	-	-	3,593	3,700	1,089	4,928
<u>-</u>	<u>-</u>	<u>-</u>	<u>18,947</u>	<u>35,687</u>	<u>90,022</u>	<u>8,535</u>	<u>9,328</u>
-	-	-	-	-	14,564	-	-
-	-	-	-	36,740	22,791	-	-
-	-	-	-	84,954	89,493	9,045	3,781
-	-	-	-	413	636	191	35
-	-	-	-	-	-	-	-
-	-	7,898	-	18,828	12,077	14,640	11,258
-	-	9,825	-	19,076	69,612	11,211	1,519
<u>-</u>	<u>-</u>	<u>17,723</u>	<u>-</u>	<u>123,271</u>	<u>171,818</u>	<u>35,087</u>	<u>16,593</u>
-	-	-	-	17	25	20	15
-	-	-	-	1,859	2,068	-	-
2,642	-	-	-	52,894	43,923	852	774
<u>2,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,770</u>	<u>46,016</u>	<u>872</u>	<u>789</u>
<u>2,642</u>	<u>-</u>	<u>17,723</u>	<u>18,947</u>	<u>250,468</u>	<u>345,211</u>	<u>44,494</u>	<u>26,710</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, 2014

(With Comparative Amounts For The Years Ended July 31, 2013, 2012, 2011)

	<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>	(14,478)	-	-	-	220	76,594
<u>Other Financing Sources (Uses):</u>						
Transfers (to) from other funds	-	-	-	-	-	(133,961)
<u>Excess Of Revenues And Other Sources</u> <u>Over (Under) Expenditures And</u> <u>Other Financing Sources (Uses)</u>	(14,478)	-	-	-	220	(57,367)
<u>Fund Balance - August 1, 2012</u>	28,335	-	-	-	36,488	1,652,648
<u>Fund Balance - July 31, 2013</u>	\$ 13,857	\$ -	\$ -	\$ -	\$ 36,708	\$ 1,595,281

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

<u>Parks and Recreation</u>	<u>SLEAF</u>	<u>Dedicated Streets</u>	<u>Combat Violent Crime</u>	<u>Totals (Memorandum Only)</u>			
				<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
(1,504)	-	(17,699)	-	43,133	(73,001)	216,174	335,580
-	-	26,273	-	(107,688)	(102,321)	(85,053)	35,696
<u>(1,504)</u>	<u>-</u>	<u>8,574</u>	<u>-</u>	<u>(64,555)</u>	<u>(175,322)</u>	<u>131,121</u>	<u>371,276</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>
<u>\$ 1,692</u>	<u>\$ -</u>	<u>\$ 20,312</u>	<u>\$ -</u>	<u>\$ 1,667,850</u>	<u>\$ 1,732,405</u>	<u>\$ 1,907,727</u>	<u>\$ 1,776,606</u>

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TOWN OF FENWICK ISLAND, DELAWARE
COMBINING BALANCE SHEET - FIDUCIARY FUND
AS OF JULY 31, 2014

	Beach Committee Fund 2014
<u>ASSETS</u>	<u> </u>
<u>Cash And Cash Equivalents:</u>	\$ <u> 7,619</u>
 <u>TOTAL ASSETS</u>	 <u> 7,619</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
 <u>Liabilities:</u>	 <u> -</u>
 <u>Total Liabilities</u>	 <u> -</u>
 <u>Fund Equity:</u>	 <u> 7,619</u>
 <u>Total Fund Equity</u>	 <u> 7,619</u>
 <u>TOTAL LIABILITIES AND FUND EQUITY</u>	 <u>\$ <u> 7,619</u></u>

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