

**THE TOWN OF  
FENWICK ISLAND, DELAWARE**

Audited Financial Statements  
And Supplemental Information  
For Fiscal Year Ended July 31, 2016  
(With Comparative Year Analyses 2015, 2014, 2013)

**TOWN OF FENWICK ISLAND, DELAWARE**  
**FISCAL YEAR ENDED JULY 31, 2016**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
Management Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	11 - 12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Reconciliation of the Governmental Fund Balance Sheet to Statement of Net Assets	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Notes to Financial Statements	18 - 25
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	26 - 30
Supplemental Information:	
Combining Balance Sheet - General Fund	31-32

TOWN OF FENWICK ISLAND, DELAWARE  
FISCAL YEAR ENDED JULY 31, 2016

TABLE OF CONTENTS

	<u>Page</u>
Supplemental Information: (Continued)	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	33 - 37
Combining Balance Sheet - Special Revenue Funds	38
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds	39-40
Combining Balance Sheet - Fiduciary Funds	41

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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, 2016, with comparative totals as of July 31, 2015, 2014 and 2013, 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 qualified audit opinion.

### Basis for Qualified Opinion on Government Wide Statement of Net Position

The Town has not implemented the provisions of GASB 68, Accounting and Financial Reporting for Pensions, for the year ended July 31, 2016 and 2015. GASB 68 requires the liability of employers and non-employer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current and inactive employees that is attributed to those employees past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Government Wide Statement of Net Position" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, special revenue funds, and the fiduciary fund as of July 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

### 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 26-30 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 31 through 41 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 28, 2016  
Georgetown, Delaware

## MANAGEMENT DISCUSSION AND ANALYSIS

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2016**

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, 2016. 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 \$ 4,281,352 (Net position) as compare to \$ 4,404,195 in the prior year. Unrestricted net position has a balance of \$ 148,291 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 \$ 1,731,318, a decrease of \$ 177,337 in comparison with the prior year. \$ 150,546 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 \$ 150,546, a increase of \$ 28,416.

**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 Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position 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, 2016**

The Statement of Activities presents information showing how the Town's net position changed during the fiscal year. All changes in net position 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 - 25 of this report.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2016**

**Other Information** – In additional 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 26 - 30 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 31 - 41 of this report.

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position 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 \$ 4,281,352 as of July 31, 2016.

A large portion of the Town’s net position (62%) 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 POSITION**

	Governmental Activities July 31, 2016	Governmental Activities July 31, 2015	Amount Change
Current and other assets	\$ 1,846,021	\$ 2,029,995	\$ (183,974)
Capital Assets	2,686,471	2,629,800	56,671
<u>Total Assets</u>	<u>4,532,492</u>	<u>4,659,795</u>	<u>(127,303)</u>
Long term liabilities	143,285	135,399	7,886
Other liabilities	107,855	120,201	(12,346)
<u>Total Liabilities</u>	<u>251,140</u>	<u>255,600</u>	<u>(4,460)</u>
Net Assets:			
Net Investment in Capital Assets	2,686,471	2,684,943	1,528
Restricted	1,446,590	1,693,057	(246,467)
Unrestricted	148,291	26,195	122,096
<u>Total Net Assets</u>	<u>\$ 4,281,352</u>	<u>\$ 4,404,195</u>	<u>\$ (122,843)</u>

The balance of net position, net of non-spendable balances is \$ 1,594,881 which may be used to meet the government’s ongoing obligation to citizens and creditors. As of July 31, 2016, the Town is able to report positive balances in governmental activities net position balances.

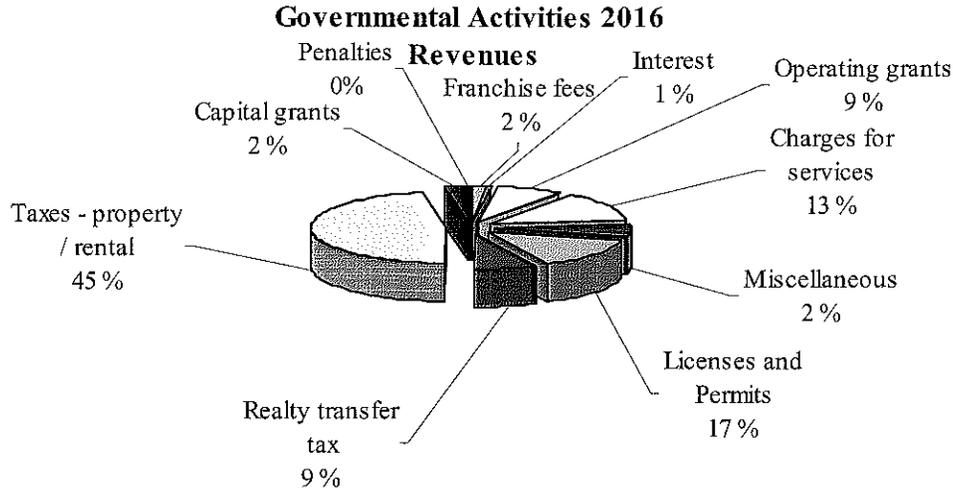
**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2016**

**Analysis of the Town's Operations** – The following table provides a summary of the Town's operations for the year ended July 31, 2016, along with comparable data. Government Wide activities decreased the Town of Fenwick Island's net position by \$ 122,843.

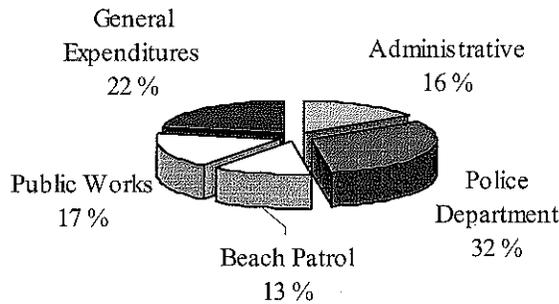
**TOWN OF FENWICK ISLAND'S CHANGES IN NET POSITION**

	<u>Governmental Activities July 31, 2016</u>	<u>Governmental Activities July 31, 2015</u>	<u>Amount of Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 287,825	\$ 286,761	\$ 1,064
Capital Grants	52,266	52,562	(296)
Operating grants and contributions	165,869	139,826	26,043
General Revenues:			
Taxes - property / rental	1,003,374	966,746	36,628
Realty transfer tax	157,310	384,668	(227,358)
Franchise fees	33,005	33,259	(254)
Licenses and Permits	300,656	313,080	(12,424)
Penalties	3,954	4,140	(186)
Interest	11,795	11,450	345
Miscellaneous	110,869	81,125	29,744
<u>Total Revenues</u>	<u>2,126,923</u>	<u>2,273,617</u>	<u>(146,694)</u>
Expenses:			
Administrative	357,148	355,865	1,283
Police Department	713,072	662,803	50,269
Beach Patrol	294,671	280,446	14,225
Public Works (includes MSA expenses)	387,779	334,049	53,730
General Expenditures	497,095	439,810	57,285
<u>Total Expenses</u>	<u>2,249,765</u>	<u>2,072,973</u>	<u>176,793</u>
<u>Change in Net Position</u>	<u>(122,843)</u>	<u>200,644</u>	<u>(323,486)</u>
<u>Net Position - August 1st</u>	<u>4,404,195</u>	<u>4,203,551</u>	<u>200,644</u>
<u>Net Position - July 31st</u>	<u>\$ 4,281,352</u>	<u>\$ 4,404,195</u>	<u>\$ (122,842)</u>

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2016**



**Governmental Activities 2016 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.

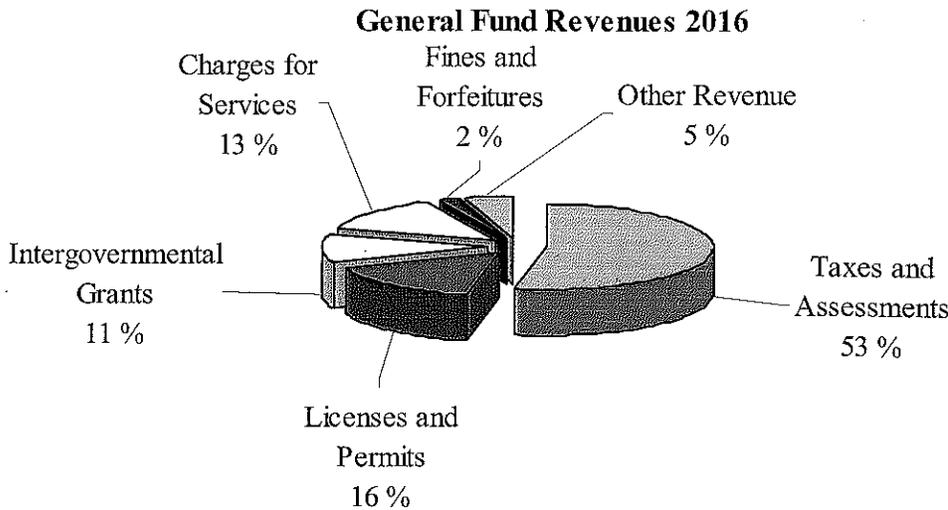
At the end of the current fiscal year, the Town of Fenwick Island’s governmental funds reported combined ending fund balances of \$ 1,731,318. \$ 150,546 of this total amount constitutes unassigned fund balance.

**General Fund Budgetary Highlights** – Revenues for the general fund operations were above original budgeted revenues estimates by \$ 91,691. Additional grant revenue was the primary reason for a favorable variance. Departmental expenditures were higher than original budgeted expenditures by \$417,284, primarily due to the increases in insurance costs and increases in capital expenditures.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JULY 31, 2016**

The following schedule presents a comparative summary of General Fund revenues and transfers in for the fiscal years ended July 31, 2016 and 2015, along with the percentage of that revenue to total revenue.

<b>Revenues</b>	<b>July 31, 2016 Totals</b>	<b>Percentage of Total</b>	<b>July 31, 2015 Totals</b>	<b>Percentage of Total</b>
Taxes and Assessments	\$ 1,003,374	53%	\$ 966,746	51%
Licenses and Permits	300,656	16%	313,080	15%
Intergovernmental Grants	210,406	11%	170,207	14%
Charges for Services	249,483	13%	247,133	12%
Fines and Forfeitures	38,342	2%	39,628	3%
Other Revenue	89,328	5%	74,401	5%
	<b>\$ 1,891,588</b>	<b>100%</b>	<b>\$ 1,811,195</b>	<b>100%</b>



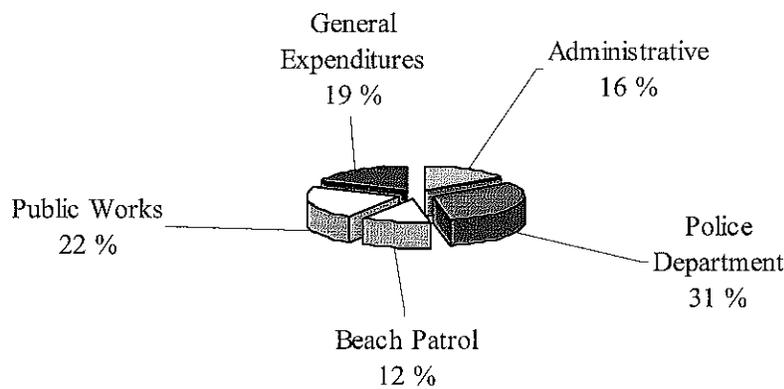
Current and prior year's property taxes continue to represent the largest revenue source, with \$ 691,580 or 37% of all General Fund revenues. The increase in revenues from 2015 of \$ 80,393 was due primarily to increase in intergovernmental grants and gross rental tax.

The following schedule represents a comparative summary of General Fund expenditures for the fiscal years ended July 31, 2016 and 2015, 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, 2016**

<u>Expenditures</u>	<u>July 31, 2016</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>	<u>July 31, 2015</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>
Administrative	\$ 351,210	16%	\$ 341,368	17%
Police Department	688,664	31%	637,453	30%
Beach Patrol	273,900	12%	258,454	14%
Public Works	482,697	22%	216,691	14%
General Expenditures	424,167	19%	399,201	25%
	<u>\$ 2,220,638</u>	<u>100%</u>	<u>\$ 1,853,167</u>	<u>100%</u>

**General Fund Expenditures 2016**



The Town's actual expenditures were above budget expectations by \$ 417,297. This unfavorable variance was due to increase for insurance costs and increases in capital expenditures.

**CAPITAL ASSETS**

The Town of Fenwick Island's investment in capital assets for its governmental activities as of July 31, 2016, amounts to \$ 2,686,471 (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, 2016**

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

	<b>Governmental Activities <u>July 31, 2016</u></b>		<b>Governmental Activities <u>July 31, 2015</u></b>		<b>Amount Change</b>
Buildings	\$ 980,685	\$	975,823	\$	4,862
Vehicles	340,381		336,256		4,125
Office equipment	84,810		84,810		-
Police equipment	195,088		173,252		21,836
Street signs and fixtures	62,487		62,487		-
Machinery and equipment	245,110		245,110		-
Beach and lifeguard equipment	126,826		126,826		-
Recreation equipment	41,156		41,156		-
Land improvements	1,989,865		1,763,853		226,012
Accumulated Depreciation	<u>(1,379,937)</u>		<u>(1,179,773)</u>		<u>(200,164)</u>
<b>Total</b>	<b>\$ <u>2,686,471</u></b>	<b>\$</b>	<b><u>2,629,800</u></b>	<b>\$</b>	<b><u>56,671</u></b>

**DEBT ADMINISTRATION**

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

**REQUEST FOR INFORMATION**

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

# BASIC FINANCIAL STATEMENTS

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NET POSITION**  
**JULY 31, 2016**

(With Comparative Totals for July 31, 2015)

	<u>Primary Government</u>	<u>Primary Government</u>
	Total	Total
	2016	2015
<b>ASSETS</b>		
Cash and cash investments	\$ 1,738,272	\$ 1,972,970
Receivables (net of allowance for doubtful accounts):		
Interest and other	-	-
Taxes	48,678	-
Traffic fines	1,809	1,883
Inventories	11,165	11,165
Prepaid items	46,097	43,977
Capital assets:		
Buildings	980,685	975,823
Vehicles	340,381	336,256
Office equipment	84,811	84,810
Police equipment	195,088	173,252
Street signs and fixtures	62,487	62,487
Machinery and equipment	245,110	245,110
Beach and lifeguard equipment	126,825	126,826
Recreation equipment	41,156	41,156
Land and improvements	1,989,865	1,763,853
Accumulated depreciation	(1,379,937)	(1,179,773)
	<u>\$ 4,532,492</u>	<u>\$ 4,659,795</u>
<u>Total Assets</u>		

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

TOWN OF FENWICK ISLAND, DELAWARENET POSITIONJULY 31, 2016(With Comparative Totals for July 31, 2015)

	<u>Primary Government Total 2016</u>	<u>Primary Government Total 2015</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 9,544	\$ 36,529
House elevation- Resident liabilities	26,930	31,542
Accrued liabilities	51,229	39,866
Accrued compensated absences	143,285	134,260
Deferred revenue	20,151	13,403
	<u>251,140</u>	<u>255,600</u>
<b>NET ASSETS</b>		
Net Investment in Capital Assets	2,686,471	2,684,943
Restricted	1,446,590	1,693,057
Unrestricted	148,291	26,195
	<u>4,281,352</u>	<u>4,404,195</u>
	<u>\$ 4,532,492</u>	<u>\$ 4,659,795</u>

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

**TOWN OF FENWICK ISLAND, DELAWARE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JULY 31, 2016**

(With Comparative Totals for July 31, 2015)

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Administrative	\$ 357,148	\$ -	\$ -	\$ -
Police Department	713,072	38,342	98,774	18,385
Beach Patrol	294,671	-	67,095	-
Public Works	387,779	-	-	33,881
General Government	497,096	249,483	-	-
<u>Total Governmental Activities</u>	<u>2,249,766</u>	<u>287,825</u>	<u>165,869</u>	<u>52,266</u>
 <u>Total Government</u>	 <u>2,249,766</u>	 <u>287,825</u>	 <u>165,869</u>	 <u>52,266</u>

General revenues:

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

Total General revenues and transfers

Change in net position

Net position - August 1

Net position - July 31

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

Net (Expenses) Revenues and Changes in Net Position	
Governmental Activities	
Totals	
2016	2015
\$ (357,148)	\$ (355,865)
(557,571)	(531,196)
(227,576)	(213,581)
(353,898)	(300,505)
(247,613)	(192,677)
<u>(1,743,806)</u>	<u>(1,593,824)</u>
<u>(1,743,806)</u>	<u>(1,593,824)</u>
1,160,684	1,351,414
33,005	33,259
300,656	313,080
3,954	4,140
11,795	11,450
<u>110,869</u>	<u>81,125</u>
<u>1,620,963</u>	<u>1,794,468</u>
(122,843)	200,644
<u>4,404,195</u>	<u>4,203,551</u>
<u>\$ 4,281,352</u>	<u>\$ 4,404,195</u>

**TOWN OF FENWICK ISLAND, DELAWARE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JULY 31, 2016**

(With Comparative Totals for July 31, 2015)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
<b>ASSETS</b>		
Cash and cash investments	\$ 256,661	\$ 1,355,827
Receivables (net of allowance for doubtful accounts):		
Accounts	-	-
Other	1,809	-
Taxes	-	48,678
Inventory	-	-
Prepaid items	46,097	-
	<hr/>	<hr/>
<u>Total Assets</u>	304,567	1,404,505
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	9,546	-
Dema House Payable	26,930	-
Accrued liabilities	58,076	-
Deferred revenue	13,372	-
	<hr/>	<hr/>
<u>Total Liabilities</u>	107,924	-
Fund Balances:		
Non-spendable	46,097	48,678
Restricted by other governments	-	1,355,827
Committed by council	-	-
Assigned	-	-
Unassigned	150,546	-
	<hr/>	<hr/>
<u>Total Fund Balances</u>	196,643	1,404,505
	<hr/>	<hr/>
<u>Total Liabilities and Fund Balances</u>	\$ 304,567	\$ 1,404,505

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

Municipal Street Aid	Other Governmental Funds	Total Governmental Funds 2016	Total Governmental Funds 2015
\$ 33,502	\$ 92,282	\$ 1,738,272	\$ 1,972,970
-	-	-	-
-	-	1,809	1,883
-	-	48,678	-
11,165	-	11,165	11,165
-	-	46,097	43,977
<u>44,667</u>	<u>92,282</u>	<u>1,846,021</u>	<u>2,029,995</u>
-	-	9,546	35,290
-	-	26,930	31,542
-	-	58,076	41,031
-	6,779	20,151	13,477
<u>-</u>	<u>6,779</u>	<u>114,703</u>	<u>121,340</u>
11,165	-	105,940	55,162
33,502	-	1,389,329	1,635,711
-	45,821	45,821	51,722
-	39,682	39,682	43,930
-	-	150,546	122,130
<u>44,667</u>	<u>85,503</u>	<u>1,731,318</u>	<u>1,908,655</u>
<u>\$ 44,667</u>	<u>\$ 92,282</u>	<u>\$ 1,846,021</u>	<u>\$ 2,029,995</u>

**TOWN OF FENWICK ISLAND, DELAWARE**  
**RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND BALANCES TO**  
**TO THE STATEMENT NET POSITION**  
**FOR THE YEAR ENDED JULY 31, 2016**

**Total Fund Balances for Government Funds** \$ 1,731,318

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

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 Position

Total Capital Assets	4,091,230	
Accumulated Depreciation	<u>(1,404,760)</u>	2,686,470

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>(136,436)</u>
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**Total Net Position of Governmental Activities** \$ 4,281,352

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, 2016**

(With Comparative Totals for July 31, 2015)

	General	1 1/2% Realty Transfer Tax
<u>Revenues:</u>		
Taxes and Assessments	\$ 1,003,374	\$ 157,310
Licenses and Permits	300,656	-
Intergovernmental Grants	210,406	-
Charges for Services	249,483	-
Fines and Forfeitures	38,342	-
Other Revenue	89,327	8,895
	<u>1,891,588</u>	<u>166,205</u>
<u>Expenditures:</u>		
Administrative	351,210	-
Police Department	688,664	-
Beach Patrol	273,900	-
Public Works	482,697	355
General Expenditures	424,167	811
	<u>2,220,638</u>	<u>1,166</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	<u>(329,050)</u>	<u>165,039</u>
<u>Other Financing Sources (Uses):</u>		
Proceeds (payments) from borrowings	-	-
Transfers from (to) other funds	359,566	(375,739)
<u>Total Other Financing Sources (Uses)</u>	<u>359,566</u>	<u>(375,739)</u>
<u>Net Change in Fund Balances</u>	30,516	(210,700)
<u>Fund balance - August 1, 2015</u>	<u>166,127</u>	<u>1,615,205</u>
<u>Fund balance - July 31, 2016</u>	<u>\$ 196,643</u>	<u>\$ 1,404,505</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 2016</u>	<u>Total Governmental Funds 2015</u>
\$ -	\$ -	\$ 1,160,684	\$ 1,351,414
-	-	300,656	313,080
32,131	35,104	277,641	238,439
-	-	249,483	247,133
-	-	38,342	39,628
-	1,821	100,043	84,509
<u>32,131</u>	<u>36,925</u>	<u>2,126,849</u>	<u>2,274,203</u>
-	-	351,210	347,569
-	34,806	723,470	673,785
-	-	273,900	261,374
19,135	28,441	530,628	347,532
-	-	424,978	410,766
<u>19,135</u>	<u>63,247</u>	<u>2,304,186</u>	<u>2,041,026</u>
<u>12,996</u>	<u>(26,322)</u>	<u>(177,337)</u>	<u>233,177</u>
-	-	-	(191,110)
-	16,173	-	0
-	16,173	-	(191,110)
12,996	(10,149)	(177,337)	42,067
<u>31,671</u>	<u>95,652</u>	<u>1,908,655</u>	<u>1,866,588</u>
<u>\$ 44,667</u>	<u>\$ 85,503</u>	<u>\$ 1,731,318</u>	<u>\$ 1,908,655</u>

- 177 337



**NOTES TO FINANCIAL STATEMENTS**

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2016**

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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.

B. General Statement

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance. The most significant of the Town's accounting policies are described below.

C. Financial Reporting Entity

The accompanying financial statements include the various departments and offices that are legally controlled by or dependent on the Town Council (primary government). The Town's major operations include general government, public safety, and public works. The Town's financial reporting entity is required to consist of all organizations for which the Town is financially accountable or for which there is a significant relationship. The Town has no component units in its reporting entity.

D. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of changes in net position) 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, 2016**

(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:

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.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town's special revenue funds are: Municipal Street Aid and Realty Transfer Tax.

Proprietary Funds-Proprietary funds focus on the determination of changes in net position, financial position, and cash flows, and are classified as enterprise funds. The Town does not have any proprietary funds.

Fiduciary Funds- Fiduciary fund reporting focuses on net position and changes in net position. The Town has one fiduciary fund.

E. 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, 2016

(1) Summary of Significant Accounting Policies (Continued)

E. 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 position 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, 2016**

(1) Summary of Significant Accounting Policies (Continued)

E. 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.

F. Net Position

Net position represents the difference between assets and liabilities. Government-wide net position is divided into three components:

Net investment in capital assets-consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction, or improvement of those assets.

Restricted net position-consists of net position that is restricted due to limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by grantors, creditors, or laws, or regulations of other governments.

Unrestricted net position-all other remaining net position.

The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions is available.

G. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – Amounts that cannot be spent because they are either not in a spendable form (such as fixed assets and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spend only for a specific purpose because of the City Charter, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be spend only for specific purposes determined by a formal action of the City Council ordinance or resolution.

TOWN OF FENWICK ISLAND, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JULY 31, 2016

(1) Summary of Significant Accounting Policies (Continued)

G. Governmental Fund Balances (Continued)

Assigned – Amounts that are designated by the Mayor and Council for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval by the City Council.

Unassigned – All amounts not included in other spendable classifications.

H. Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. In addition, all certificates of deposits are considered highly liquid investments, regardless of maturity date.

I. 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.

J. 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.

K. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Infrastructure consists of streets and drainage projects. The Town has elected to not capitalize infrastructure acquired prior to May 1, 2004.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	5-40 years
Equipment	3-20 years
Vehicles	5 years

TOWN OF FENWICK ISLAND, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JULY 31, 2016

(1) Summary of Significant Accounting Policies (Continued)

K. Capital Assets (Continued)

Infrastructure 30 years

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows and outflows of resources. These separate financial statement elements represent acquisition or use of net position that applies to a future period and so will not be recognized as an inflow or outflow of resources (revenue or expense/expenditures) until that time. The town did not have any items to report in this category.

M. Property Taxes

Taxes are levied on August 1 of each year and are due by October 31st. The Town bills and collects its own property taxes.

N. Compensated Absences

Full-time permanent employees of the Town accrue vacation leave based on their tenure, to a maximum of thirty (30) days, as specified in the employee handbook. Upon termination or retirement, employees in good standing are entitled to their leave accruals to the maximums specified in the employee handbook.

O. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans are reported as interfund receivables and payable as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide financial statements.

P. Budgetary Activity

The Town charter established the fiscal year as the twelve-month period beginning <sup>August</sup> July 1st. 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.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2016**

Q. Use of Estimates (Continued)

contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates

(2) Cash and Cash Equivalents

Custodial Credit Risk-Custodial credit risk is the risk that, in the event of failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

All deposits are carried at cost. Transactions are made directly with the banks; services of brokers or securities dealers are not used. At June 30, 2016, the carrying amount of the Town's deposits was \$1,738,272 and the bank balance was \$1,763,077.

As of July 31, 2016, none of the Town's bank balances of \$ 1,763,077 was exposed to custodial risk.

(3) Capital Assets

Capital asset activity for the year ended July 31, 2016, was as follows:

	Balances July 31, 2015	Additions	Deletions	Balances July 31, 2016
Buildings	\$ 975,823	\$ 4,862	\$ -	\$ 980,685
Vehicles	336,256	28,948	24,823	340,381
Office equipment	84,810	-	-	84,810
Police equipment	173,252	21,836	-	195,089
Street signs and fixtures	62,487	-	-	62,487
Machinery and equipment	245,111	-	-	245,111
Beach and Lifeguard equipment	126,826	-	-	126,826
Recreation equipment	41,156	-	-	41,156
Land and improvements	1,763,853	226,012	-	1,989,865
Total	3,809,573	281,658	(24,823)	4,066,408
Less: accumulated depreciation	(1,179,773)	(224,987)	24,823	(1,379,937)
Total capital assets	\$ 2,629,800	\$ 56,671	\$ -	\$ 2,686,471

(4) Property Taxes

The tax rate for the year ended June 30, 2016 was \$2.62 per \$100 of assessed valuation with a total assessed valuation of approximately \$ 26,400,000.

**TOWN OF FENWICK ISLAND, DELAWARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2016**

(5) Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town's risk financing techniques include the purchase of commercial insurance.

The Town is fully insured for workers' compensation through commercial insurance, and council members are bonded to limit the loss to the Town in the event of council members committing acts of embezzlement or theft. There has been no significant reduction in insurance coverage from the prior year by major categories of risk, and amounts of settlements have not exceeded insurance coverage for each of the past three fiscal years.

(6) Commitments and Contingencies

In the normal course of business, there are outstanding various commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The Town does not anticipate losses as a result of these transactions.

In the normal course of operations, the Town receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

(7) 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.

(8) 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.

(9) Subsequent Events

Events and transactions subsequent to year end have been evaluated for potential recognition in the financial statements or disclosure in the notes to financial statements. All events and transactions have been evaluated through October 28, 2016 which is the date the financial statements were available to be issued.

**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, 2016**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 689,483	\$ 689,483	\$ 311,794	\$ (377,689)
Real estate	260,000	260,000	691,580	431,580
<u>Total Taxes And Assessments</u>	<u>949,483</u>	<u>949,483</u>	<u>1,003,374</u>	<u>53,891</u>
<u>Licenses And Permits:</u>				
Building and sign permits	175,000	175,000	165,061	(9,939)
Mercantile licenses	105,820	105,820	104,975	(845)
Parking & Bonfire permits	26,500	26,500	30,620	4,120
<u>Total Licenses And Permits</u>	<u>307,320</u>	<u>307,320</u>	<u>300,656</u>	<u>(6,664)</u>
<u>Total Intergovernmental Grants</u>	<u>119,750</u>	<u>119,750</u>	<u>210,406</u>	<u>90,656</u>
<u>Charges For Services:</u>				
Trash collection	204,815	204,815	204,486	(329)
Ambulance fees	45,686	45,686	44,997	(689)
<u>Total Charges For Services</u>	<u>250,501</u>	<u>250,501</u>	<u>249,483</u>	<u>(1,018)</u>
<u>Fines And Forfeits:</u>				
Traffic and parking fines	48,500	48,500	38,342	(10,158)
<u>Other Revenue:</u>				
Cable franchise fee	33,000	33,000	33,005	5
Gain on sale of asset	-	-	5,000	5,000
Beach concession service	15,712	15,712	15,712	-
LG sponsor revenue	16,000	16,000	7,095	(8,905)
Interest	3,000	3,000	2,679	(321)
Miscellaneous	53,131	53,131	21,614	(31,517)
Penalties	4,500	4,500	3,954	(546)
Insurance reimbursement	-	-	268	268
<u>Total Other Revenue</u>	<u>125,343</u>	<u>125,343</u>	<u>89,327</u>	<u>(36,016)</u>
<u>Total Revenue</u>	<u>\$ 1,800,897</u>	<u>\$ 1,800,897</u>	<u>\$ 1,891,588</u>	<u>\$ 90,691</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, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Expenditures:</b>				
<b>Administrative:</b>				
Health / Life/Dental / WC insurance	\$ 59,202	\$ 59,202	\$ 64,712	\$ (5,510)
Office equipment maintenance	2,500	2,500	9,075	(6,575)
Office supplies	3,000	3,000	5,645	(2,645)
Payroll taxes	17,734	17,734	17,322	412
Pension costs	17,137	17,137	17,191	(54)
Personal services	3,007	3,007	4,527	(1,520)
Printing and advertising	3,007	3,007	3,751	(744)
Salaries	204,727	204,727	214,162	(9,435)
Vehicle Acquisition/Maintenance	4,600	4,600	3,768	832
Vehicle lease	4,140	4,140	3,794	346
Training	2,300	2,300	4,786	(2,486)
Travel	700	700	2,341	(1,641)
Miscellaneous	400	400	136	264
<b><u>Total Administrative</u></b>	<b><u>322,454</u></b>	<b><u>322,454</u></b>	<b><u>351,210</u></b>	<b><u>(28,756)</u></b>
<b>Police Department:</b>				
Computer expenses	2,930	2,930	2,484	446
Gas and oil	19,800	19,800	10,401	9,399
Health /Dental/ Life / WC insurance	89,249	89,249	139,872	(50,623)
Supplies	4,500	4,500	16,682	(12,182)
Payroll taxes	31,930	31,930	31,993	(63)
Pension costs	45,715	45,715	45,877	(162)
Printing and advertising	600	600	188	412
Office equipment	3,600	3,600	1,144	2,456
Salaries	376,756	376,756	394,845	(18,089)
Training	5,000	5,000	2,803	2,197
Uniforms	6,000	6,000	2,671	3,329
Vehicle acquisition	-	-	28,948	(28,948)
Vehicle maintenance	6,500	6,500	10,756	(4,256)
Police Safety Building	10,150	10,150	-	10,150
<b><u>Total Police Department</u></b>	<b><u>\$ 602,730</u></b>	<b><u>\$ 602,730</u></b>	<b><u>\$ 688,664</u></b>	<b><u>\$ (85,936)</u></b>

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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures: (Continued)</u>				
<u>Beach Patrol:</u>				
Workers compensation	\$ -	\$ -	\$ 24,174	\$ (24,174)
Miscellaneous	4,400	4,400	2,578	1,822
Payroll taxes	20,664	20,664	19,866	798
Salaries	204,760	204,760	212,186	(7,426)
Supplies and equipment	9,000	9,000	8,824	176
Training	2,200	2,200	934	1,266
Uniforms	6,000	6,000	5,338	662
	<u>247,024</u>	<u>247,024</u>	<u>273,900</u>	<u>(26,876)</u>
<u>Public Works:</u>				
Workers compensation	-	-	14,358	(14,358)
Gasoline and oil	4,500	4,500	2,682	1,818
Health dental & life insurance	39,567	39,567	43,031	(3,464)
Miscellaneous	116	116	115	1
Office supplies	100	100	90	10
Payroll taxes	10,822	10,822	10,666	156
Pension costs	5,957	5,957	8,390	(2,433)
Printing and advertising	100	100	-	100
Uniforms	1,000	1,000	1,088	(88)
Utilities	6,115	6,115	8,225	(2,110)
Repairs - vehicles and equipment	7,400	7,400	9,976	(2,576)
Salaries	121,149	121,149	122,838	(1,689)
Shop supplies	3,500	3,500	9,239	(5,739)
Testing	750	750	614	136
Town Hall maintenance	1,500	1,500	1,482	18
Capital Expenditures	-	-	249,795	(249,795)
Training	500	500	108	392
	<u>\$ 203,076</u>	<u>\$ 203,076</u>	<u>\$ 482,697</u>	<u>\$ (279,621)</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures: (Continued)</u>				
<u>General Expenditures:</u>				
Appraisal	4,250	4,250	4,250	-
Auditing	9,000	9,000	8,820	180
Ambulance service	45,580	45,580	45,474	106
Codification	4,195	4,195	3,632	563
Community projects	2,500	2,500	12,657	(10,157)
Dues	2,324	2,324	2,474	(150)
Contract services	2,880	2,880	2,908	(28)
Emergency Management	500	500	-	500
Median highway landscaping	7,762	7,762	4,575	3,187
Employee relations	2,700	2,700	4,472	(1,772)
Government liaison	1,500	1,500	1,330	170
Insurance - general	151,984	151,984	72,936	79,048
Legal	15,000	15,000	44,939	(29,939)
Miscellaneous	11,876	11,876	10,431	1,445
Trash & recycling	135,859	135,859	131,607	4,252
Postage	2,660	2,660	4,237	(1,577)
Printing and advertising	1,500	1,500	2,034	(534)
Sewer	1,000	1,000	767	233
Telephone	9,000	9,000	8,843	157
Utilities	9,700	9,700	6,089	3,611
Building maintenance	3,500	3,500	21,133	(17,633)
Website	2,800	2,800	2,423	377
Capital Expenditures	-	-	10,358	(10,358)
Grant Expenses	-	-	17,525	(17,525)
Restrict purpose-ALA	-	-	253	(253)
<u>Total General Expenditures</u>	<u>428,070</u>	<u>428,070</u>	<u>424,167</u>	<u>3,904</u>
<u>Total Expenditures</u>	<u>\$ 1,803,354</u>	<u>\$ 1,803,354</u>	<u>\$ 2,220,638</u>	<u>\$ (417,284)</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, 2016**

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual Amounts	
<u>Excess Of Revenues Over (Under) Expenditures</u>	\$ (2,457)	\$ (2,457)	\$ (329,050)	\$ (326,593)
<u>Other Financing Sources (Uses):</u>				
Loan payment	-	-	-	-
Transfer from (to) other funds	-	-	359,566	359,566
<u>    Total Other Financing Sources (Uses)</u>	-	-	359,566	359,566
<u>Excess Of Revenues And Over Financing Sources Over (Under) Expenditures And Other Financing Uses</u>	<u>(2,457)</u>	<u>(2,457)</u>	30,516	<u>32,973</u>
<u>Fund Balance - August 1, 2015</u>			166,127	
<u>Fund Balance - July 31, 2016</u>			\$ <u>196,643</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, 2016**

(With Comparative Amounts As Of July 31, 2015, 2014, 2013)

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Cash And Cash Equivalents:</u>				
Cash	\$ 256,662	\$ 241,395	\$ 220,236	\$ 131,791
Investments	-	-	-	-
<u>Total Cash And Cash Equivalents</u>	<u>256,662</u>	<u>241,395</u>	<u>220,236</u>	<u>131,791</u>
<u>Accounts Receivable:</u>				
Franchise fees receivable	-	-	-	-
DE grant receivables	-	-	-	-
Traffic fines receivable	1,809	1,883	2,981	4,895
<u>Total Accounts Receivable</u>	<u>1,809</u>	<u>1,883</u>	<u>2,981</u>	<u>4,895</u>
<u>Prepaid Expenses:</u>				
Prepaid insurance	46,097	43,977	39,989	33,965
<u>Total Prepaid Expenses</u>	<u>46,097</u>	<u>43,977</u>	<u>39,989</u>	<u>33,965</u>
<u>TOTAL ASSETS</u>	<u>\$ 304,567</u>	<u>\$ 287,255</u>	<u>\$ 263,206</u>	<u>\$ 170,651</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, 2016**

(With Comparative Amounts As Of July 31, 2014, 2013, 2012)

**LIABILITIES AND FUND EQUITY**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$ 9,546	\$ 35,290	\$ 15,283	\$ 23,251
Dema House Elev. Resident Pay	\$ 26,930	31,542	-	-
<b><u>Accrued Liabilities:</u></b>				
Accrued pension	5,432	5,255	4,794	4,889
Accrued compensated absences	6,848	1,884	2,836	3,505
Accrued payroll taxes	8,539	7,924	5,120	1,634
Accrued salaries and wages	37,257	25,968	23,729	22,533
<b><u>Total Accrued Liabilities</u></b>	<b>58,076</b>	<b>41,031</b>	<b>36,479</b>	<b>32,561</b>
<b><u>Deferred revenue</u></b>	<b>13,372</b>	<b>13,265</b>	<b>12,707</b>	<b>13,475</b>
<b><u>Total Liabilities</u></b>	<b>107,924</b>	<b>121,128</b>	<b>64,469</b>	<b>69,287</b>
<b><u>Fund Equity:</u></b>				
Non-spendable	46,097	43,997	39,989	33,965
Restricted by other governments	-	-	-	-
Committed by council	-	-	-	-
Assigned	-	-	-	-
Unassigned	150,546	122,130	158,748	67,399
<b><u>Total Fund Equity</u></b>	<b>196,643</b>	<b>166,127</b>	<b>198,737</b>	<b>101,364</b>
<b><u>TOTAL LIABILITIES AND FUND EQUITY</u></b>	<b>\$ 304,567</b>	<b>\$ 287,255</b>	<b>\$ 263,206</b>	<b>\$ 170,651</b>

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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

	2016	2015	2014	2013
<u>Revenues:</u>				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 311,794 ✓	\$ 288,645	\$ 270,765	\$ 262,085
Real estate	691,580 ✓	678,101	660,993	639,361
<u>Total Taxes And Assessments</u>	<u>1,003,374</u>	<u>966,746</u>	<u>931,758</u>	<u>901,446</u>
<u>Licenses And Permits:</u>				
Building and sign permits	165,061 ✓	188,972	234,864	163,164
Mercantile licenses	104,975 ✓	98,353	86,979	89,760
Parking permits	22,635 ✓	19,150	18,845	16,300
Bonfire permits	7,985 ✓	6,605	7,300	6,890
<u>Total Licenses And Permits</u>	<u>300,656</u>	<u>313,080</u>	<u>347,988</u>	<u>276,114</u>
<u>Intergovernmental Grants</u>	<u>210,406</u>	<u>170,207</u>	<u>134,609</u>	<u>241,756</u>
<u>Charges For Services:</u>				
Trash collection	204,486 ✓	202,990	181,558	182,189
Ambulance fees	44,997 ✓	44,143	37,406	33,046
<u>Total charges for services</u>	<u>249,483</u>	<u>247,133</u>	<u>218,964</u>	<u>215,235</u>
<u>Fines and Forfeits:</u>				
Traffic and parking fines	38,342 ✓	39,628	50,182	53,735
<u>Other Revenue:</u>				
Cable franchise fee	33,005 ✓	33,259	33,244	33,289
Gain on sale of asset	5,000 ✓	2,050	6,193	-
Beach concession service	15,712 ✓	15,712	14,712	24,712
LG sponsor revenue	7,095 ✓	4,592	7,800	12,400
Interest	2,679 ✓	2,494	2,787	3,103
Miscellaneous	21,614 ✓	12,154	11,801	10,982
Penalties	3,954 ✓	4,140	1,666	4,695
Insurance reimbursement	268 ✓	-	31,090	-
<u>Total Other Revenue</u>	<u>89,327</u>	<u>74,401</u>	<u>109,293</u>	<u>89,181</u>
<u>Total Revenue</u>	<u>1,891,588</u>	<u>1,811,195</u>	<u>1,792,794</u>	<u>1,777,467</u>
<u>Expenditures:</u>				
<u>Administrative:</u>				
Vehicle Fuel / maintenance	3,768	4,418	5,071	1,262
Vehicle lease	3,794	4,139	3,370	4,494
Health / Life / WC / Dental insurance	\$ 64,712	\$ 62,430	\$ 54,955	\$ 58,711

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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

	2016	2015	2014	2013
<u>Expenditures: (Continued)</u>				
<u>Administrative: (Continued)</u>				
Miscellaneous	\$ 136	\$ 574	\$ 303	\$ 498
Office equipment maintenance	9,075	2,773	2,481	2,292
Office supplies	5,645	4,126	3,615	5,117
Payroll taxes	17,322	18,170	17,762	16,590
Pension costs	17,191	19,476	16,016	13,252
Personal services	4,527	4,214	4,536	3,376
Printing and advertising	3,751	5,968	2,173	1,685
Salaries	214,162	211,847	198,610	195,491
Training	4,786	1,510	209	239
Travel	2,341	1,723	500	632
<u>Total Administrative</u>	<u>351,210</u>	<u>341,368</u>	<u>317,192</u>	<u>302,568</u>
<u>Police Department:</u>				
Capital expenses	-	-	-	-
Gas and oil	10,401	15,361	22,871	23,953
Computer expenses	2,484	2,081	1,635	3,492
Health / Life / Dental / WC insurance	139,871	103,121	87,136	87,054
Miscellaneous	9,371	8,143	1,172	-
Other supplies	6,287	1,326	2,562	2,022
Payroll taxes	31,993	31,230	30,028	29,090
Pension costs	45,877	55,784	44,869	42,338
Printing and advertising	188	680	544	1,521
Vehicle acquisition	28,948	32,939	29,554	-
Supplies	1,024	1,774	1,615	1,748
Office equipment	1,144	563	1,441	935
Salaries	394,845	372,783	338,278	338,785
Training	2,803	2,963	8,112	3,527
Uniforms	2,671	4,330	3,272	5,460
Vehicle maintenance	10,756	4,375	7,959	6,792
<u>Total Police Department</u>	<u>\$ 688,664</u>	<u>\$ 637,453</u>	<u>\$ 581,048</u>	<u>\$ 546,717</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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

<u>Expenditures: (Continued)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Beach Patrol:</u>				
Workers Compensation	\$ 24,174	\$ 20,751	\$ 16,445	\$ 16,101
Miscellaneous	2,578	10,538	4,528	5,747
Payroll taxes	19,866	19,863	20,005	19,152
Salaries	212,186	195,476	188,558	196,642
Supplies and equipment	8,824	4,741	5,867	4,494
Training	934	591	638	1,276
Uniforms	5,338	6,494	4,867	5,915
<u>Total Beach Patrol</u>	<u>273,900</u>	<u>258,454</u>	<u>240,908</u>	<u>249,327</u>
<u>Public Works:</u>				
Capital expenditures	249,793	1,170	-	51,862
Gasoline and oil	2,682	3,605	6,996	3,943
Health Dental and life insurance	43,031	37,326	36,149	35,209
Miscellaneous	115	115	115	434
Office supplies	90	52	177	16
Workers compensation	14,358	12,479	10,327	10,195
Payroll taxes	10,666	10,428	10,888	9,387
Pension costs	8,390	8,308	8,155	6,872
Repairs - vehicles and equipment	9,976	11,323	5,214	4,699
Salaries	122,838	120,508	119,328	114,963
Shop supplies	9,239	3,738	3,011	1,706
Testing	614	40	731	322
Town Hall maintenance	1,482	902	1,404	779
Training	107	231	184	518
Uniforms	1,088	1,290	542	886
Utilities	8,225	5,176	5,810	8,838
<u>Total Public Works</u>	<u>\$ 482,697</u>	<u>\$ 216,691</u>	<u>\$ 209,031</u>	<u>\$ 250,629</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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

	2016	2015	2014	2013
<u>Expenditures: (Continued)</u>				
<u>General Expenditures:</u>				
Appraisal	\$ 4,250	\$ 4,250	\$ 4,200	\$ 4,000
Auditing	8,820	8,817	8,750	8,650
Capital expenditures	10,358	2,025	-	27,360
Codification	3,632	3,313	1,765	4,662
Community Projects	12,657	2,394	3,272	3,897
Grant Expenses	17,525	39,268	-	-
Contract services	2,908	3,228	4,953	5,549
Dues	2,474	3,129	1,399	2,419
Emergency management	-	-	467	428
Employee relations	4,472	3,406	3,882	2,919
Government Liaison	1,330	970	1,146	1,066
Insurance - general	72,936	66,142	67,237	67,188
Building maintenance	21,133	4,340	3,953	2,918
Legal	44,939	14,393	9,749	16,422
Miscellaneous	10,431	5,573	8,197	5,722
Cell phones	4,385	5,007	3,649	3,533
Median highway landscaping	4,575	6,693	7,697	9,000
Recycling	19,114	48,627	51,495	56,024
Trash Collection	112,493	105,861	88,019	104,023
Postage	4,237	3,664	2,714	2,614
Printing and advertising	2,034	3,344	1,108	1,306
Ambulance service	45,474	44,798	41,260	35,640
Sewer	767	1,221	869	844
Telephone	4,458	4,818	4,015	4,158
Utilities	6,089	5,853	12,805	11,893
Website	2,423	2,267	2,267	2,367
Hurricane Sandy	-	-	-	55,199
Restrict purpose-ALA	253	2,329	6,167	10,098
Interest Payments	-	3,471	6,649	7,776
<u>Total General Expenditures</u>	<u>424,167</u>	<u>399,201</u>	<u>347,684</u>	<u>457,675</u>
<u>Total Expenditures</u>	<u>\$ 2,220,638</u>	<u>\$ 1,853,167</u>	<u>\$ 1,801,651</u>	<u>\$ 1,807,987</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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	(329,050)	(41,972)	104,522	(30,520)
<u>Other Financing Sources (Uses):</u>				
Proceeds from borrowings	-	-	-	-
Loan payment	-	(191,110)	(114,836)	(100,000)
Transfer from (to) other funds	359,566	200,472	107,687	102,321
<u>Total Other Financing Sources (Uses)</u>	<u>359,566</u>	<u>9,362</u>	<u>(7,149)</u>	<u>2,321</u>
<u>Excess Of Revenues And Other Financing Sources Over (Under) Expenditures</u>	30,516	(32,610)	97,373	(28,199)
<u>Fund Balance - August 1</u>	166,127	198,737	101,364	156,563
<u>Prior Period Adjustment</u>	-	-	-	(27,000)
<u>Fund Balance - July 31</u>	<u>\$ 196,643</u>	<u>\$ 166,127</u>	<u>\$ 198,737</u>	<u>\$ 101,364</u>

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

**TOWN OF FENWICK ISLAND, DELAWARE**  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
**AS OF JULY 31, 2016**

(With Comparative Amounts As Of July 31, 2015, 2014, 2013)

<u>ASSETS</u>	Municipal Street Aid	State Aid To Local Enforcement	Emergency Illegal Drug Enforcement	Criminal Justice	Beach Replenishment	1 1/2% Realty Transfer Tax
<u>Cash And Cash Equivalents:</u>						
Cash	\$ 33,502	\$ 1	\$ 1	\$ 127	\$ 37,150	\$ 235,490
Investments	-	-	-	-	-	1,120,337
<u>Total Cash &amp; Cash Equivalents</u>	<u>33,502</u>	<u>1</u>	<u>1</u>	<u>127</u>	<u>37,150</u>	<u>1,355,827</u>
<u>Inventory</u>	<u>11,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other Receivable:</u>						
Transfer tax receivable	-	-	-	-	-	48,678
Interest and other receivable	-	-	-	-	-	-
<u>Total Accounts Receivable</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,678</u>
<u>TOTAL ASSETS</u>	<u>44,667</u>	<u>1</u>	<u>1</u>	<u>127</u>	<u>37,150</u>	<u>1,404,505</u>
 <u>LIABILITIES AND FUND EQUITY</u>						
<u>Liabilities:</u>						
Accounts payable	-	-	-	-	-	-
Deferred revenue	-	1	1	127	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>127</u>	<u>-</u>	<u>-</u>
<u>Fund Equity:</u>						
Non-Spendable	11,165	-	-	-	-	48,678
Restricted by other governments	33,502	-	-	-	-	1,355,827
Committed by council	-	-	-	-	-	-
Assigned	-	-	-	-	37,150	-
Unassigned	-	-	-	-	-	-
<u>Total Fund Equity</u>	<u>44,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,150</u>	<u>1,404,505</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 44,667</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 127</u>	<u>\$ 37,150</u>	<u>\$ 1,404,505</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2016	2015	2014	2013
\$ 2,532	\$ 1	\$ 45,821	\$ 6,649	\$ 361,274	\$ 444,021	\$ 592,640	\$ 717,221
-	-	-	-	1,120,337	1,184,458	1,183,113	1,181,078
<u>2,532</u>	<u>1</u>	<u>45,821</u>	<u>6,649</u>	<u>1,481,611</u>	<u>1,628,479</u>	<u>1,775,753</u>	<u>1,898,299</u>
-	-	-	-	11,165	12,530	9,890	8,914
-	-	-	-	48,678	11,769	-	6,831
-	-	-	-	-	15,234	-	436
-	-	-	-	48,678	27,003	-	7,267
<u>2,532</u>	<u>1</u>	<u>45,821</u>	<u>6,649</u>	<u>1,541,454</u>	<u>1,668,012</u>	<u>1,785,643</u>	<u>1,914,480</u>
-	-	-	-	-	-	52,528	6,046
-	1	-	6,649	6,779	161	710	707
-	1	-	6,649	6,779	161	53,238	6,753
-	-	-	-	59,843	12,530	9,890	8,914
-	-	-	-	1,389,329	1,596,609	1,671,093	1,803,615
-	-	45,821	-	45,821	20,312	11,738	56,053
2,532	-	-	-	39,682	38,400	39,684	39,145
-	-	-	-	-	-	-	-
<u>2,532</u>	<u>-</u>	<u>45,821</u>	<u>-</u>	<u>1,534,675</u>	<u>1,667,851</u>	<u>1,732,405</u>	<u>1,907,727</u>
<u>\$ 2,532</u>	<u>\$ 1</u>	<u>\$ 45,821</u>	<u>\$ 6,649</u>	<u>\$ 1,541,454</u>	<u>\$ 1,668,012</u>	<u>\$ 1,785,643</u>	<u>\$ 1,914,480</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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

	Municipal Street Aid	State Aid To Local Law Enforcement	Emergency Illegal Drug Enforcement	Beach Replenishment	1 1/2 Realty Transfer Tax
<u>Revenues:</u>					
Interest	\$ -	\$ -	\$ -	\$ 222	\$ 8,894
Intergovernmental grants	32,131	4,098	3,563	-	-
Other	-	-	-	-	-
Transfer tax	-	-	-	-	157,310
<u>Total Revenues</u>	<u>32,131</u>	<u>4,098</u>	<u>3,563</u>	<u>222</u>	<u>166,204</u>
<u>Expenditures:</u>					
<u>Police Department:</u>					
Equipment	-	298	-	-	-
Vehicle Expenses	-	3,800	-	-	-
Supplies	-	-	-	-	-
Service Charges	-	-	-	-	-
Salaries and overtime	-	-	3,563	-	-
<u>Total Police Department</u>	<u>-</u>	<u>4,098</u>	<u>3,563</u>	<u>-</u>	<u>-</u>
<u>Life Guard Department:</u>					
Capital expenditures	-	-	-	-	-
<u>Admin Department:</u>					
Capital expenditures	-	-	-	-	-
<u>Public Works:</u>					
Capital expenditures	-	-	-	-	355
Equipment repairs	1,424	-	-	-	-
Street lights	14,533	-	-	-	-
Street repairs	3,178	-	-	-	-
<u>Total Public Works</u>	<u>19,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355</u>
<u>General Expenditures:</u>					
Bank charges	-	-	-	-	-
Capital	-	-	-	-	-
Collection fee	-	-	-	-	810
Parks and recreation	-	-	-	-	-
<u>Total General Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810</u>
<u>Total Expenditures</u>	<u>19,135</u>	<u>4,098</u>	<u>3,563</u>	<u>-</u>	<u>1,165</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2016	2015	2014	2013
\$ -	\$ -	\$ -	\$ -	\$ 9,116	\$ 8,956	8,771	12,391
-	8,836	-	18,385	67,013	68,262	59,661	58,256
1,750	-	73	-	1,823	1,196	39,259	1,578
-	-	-	-	157,310	384,668	185,910	199,985
<u>1,750</u>	<u>8,836</u>	<u>73</u>	<u>18,385</u>	<u>235,262</u>	<u>463,081</u>	<u>293,601</u>	<u>272,210</u>
-	8,836	-	-	9,134	9,624	13,147	68,795
-	-	-	-	3,800	4,118	-	-
-	-	-	-	-	18,969	18,947	17,527
-	-	-	18,385	18,385	49	-	-
-	-	-	-	3,563	3,572	3,593	3,700
-	<u>8,836</u>	<u>-</u>	<u>18,385</u>	<u>34,882</u>	<u>36,332</u>	<u>35,687</u>	<u>90,022</u>
-	-	-	-	-	2,920	-	14,564
-	-	-	-	-	6,201	36,740	22,791
11,684	-	16,681	-	28,720	118,517	84,954	89,493
-	-	-	-	1,424	744	413	636
-	-	75	-	14,608	11,580	18,828	12,077
-	-	-	-	3,178	-	19,076	69,612
<u>11,684</u>	<u>-</u>	<u>16,756</u>	<u>-</u>	<u>47,930</u>	<u>130,841</u>	<u>123,271</u>	<u>171,818</u>
-	-	-	-	-	117	17	25
-	-	-	-	-	3,338	-	-
-	-	-	-	810	3,847	1,859	2,068
-	-	-	-	-	4,268	52,894	43,923
-	-	-	-	810	11,570	54,770	46,016
<u>11,684</u>	<u>8,836</u>	<u>16,756</u>	<u>18,385</u>	<u>83,622</u>	<u>187,864</u>	<u>250,468</u>	<u>345,211</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, 2016**

(With Comparative Amounts For The Years Ended July 31, 2015, 2014, 2013)

	<u>Municipal Street Aid</u>	<u>State Aid To Local Law Enforcement</u>	<u>Emergency Illegal Drug Enforcement</u>	<u>Beach Replenishment</u>	<u>1 1/2 Realty Transfer Tax</u>
<u>Excess Of Revenues Over Expenditures</u>	12,996	-	-	222	165,039
<u>Other Financing Sources (Uses):</u>					
Transfers (to) from other funds	-	-	-	-	(375,739)
<u>Excess Of Revenues And Other Sources Over (Under) Expenditures And Other Financing Sources (Uses)</u>	12,996	-	-	222	(210,700)
<u>Fund Balance - August 1, 2015</u>	31,671	-	-	36,928	1,615,205
<u>Fund Balance - July 31, 2016</u>	\$ 44,667	\$ -	\$ -	\$ 37,150	\$ 1,404,505

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2016	2015	2014	2013
(9,934)	-	(16,683)	-	151,640	275,217	43,133	(73,001)
5,391	-	10,782	-	(359,567)	(200,466)	(107,687)	(102,321)
<u>(4,543)</u>	<u>-</u>	<u>(5,901)</u>	<u>-</u>	<u>(207,927)</u>	<u>74,751</u>	<u>(64,554)</u>	<u>(175,322)</u>
<u>7,075</u>	<u>-</u>	<u>51,722</u>	<u>-</u>	<u>1,742,602</u>	<u>1,667,851</u>	<u>1,732,405</u>	<u>1,907,727</u>
<u>\$ 2,532</u>	<u>\$ -</u>	<u>\$ 45,821</u>	<u>\$ -</u>	<u>\$ 1,534,675</u>	<u>\$ 1,742,602</u>	<u>\$ 1,667,851</u>	<u>\$ 1,732,405</u>

TOWN OF FENWICK ISLAND, DELAWARE  
COMBINING BALANCE SHEET - FIDUCIARY FUND  
AS OF JULY 31, 2016

	Beach Committee Fund 2016
<u>ASSETS</u>	
<u>Cash And Cash Equivalents:</u>	\$ <u>7,622</u>
<u>TOTAL ASSETS</u>	<u>7,622</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
<u>Liabilities:</u>	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>
<u>Fund Equity:</u>	<u>7,622</u>
<u>Total Fund Equity</u>	<u>7,622</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	\$ <u>7,622</u>

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