

**THE TOWN OF
FENWICK ISLAND, DELAWARE**

Audited Financial Statements
And Supplemental Information
For Fiscal Year Ended July 31, 2017
(With Comparative Year Analyses 2016, 2015, and 2014)

TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR ENDED JULY 31, 2017

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TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR ENDED JULY 31, 2017

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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, 2017, with comparative totals as of July 31, 2016, 2015 and 2014, 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, 2017 and 2016. 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, 2017, 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.

Sembar & Company, CPAs, P.A.

Certified Public Accountants

October 31, 2017

Georgetown, Delaware

MANAGEMENT DISCUSSION AND ANALYSIS

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2017

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, 2017. 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 \$ 4,339,240 (Net position) as compare to \$ 4,281,352 in the prior year. Unrestricted net position has a balance of \$ 387,443 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 \$ 1,874,411, a increase of \$ 143,093 in comparison with the prior year. \$ 333,507 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 \$ 333,507, an increase of \$ 182,961.

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, 2017

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, 2017

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 \$ 4,339,240 as of July 31, 2017.

A large portion of the Town's net position (60%) 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 <u>July 31, 2017</u>	Governmental Activities <u>July 31, 2016</u>	Amount Change <u></u>
Current and other assets	\$ 2,028,090	\$ 1,846,021	\$ 182,069
Capital Assets	<u>2,615,058</u>	<u>2,686,472</u>	<u>(71,414)</u>
<u>Total Assets</u>	<u>4,643,148</u>	<u>4,532,493</u>	<u>110,655</u>
Long term liabilities	150,226	143,285	6,941
Other liabilities	<u>153,682</u>	<u>107,856</u>	<u>45,826</u>
<u>Total Liabilities</u>	<u>303,908</u>	<u>251,141</u>	<u>52,767</u>
Net Position:			
Net Investment in Capital Assets	2,615,058	2,686,471	(71,413)
Restricted	1,336,739	1,446,590	(109,851)
Unrestricted	<u>387,443</u>	<u>148,291</u>	<u>239,152</u>
<u>Total Net Position</u>	<u>\$ 4,339,240</u>	<u>\$ 4,281,352</u>	<u>\$ 57,888</u>

The balance of net position, net of restricted balances is \$ 387,443 which may be used to meet the government's ongoing obligation to citizens and creditors. As of July 31, 2017, the Town is able to report positive balances in governmental activities net position balances.

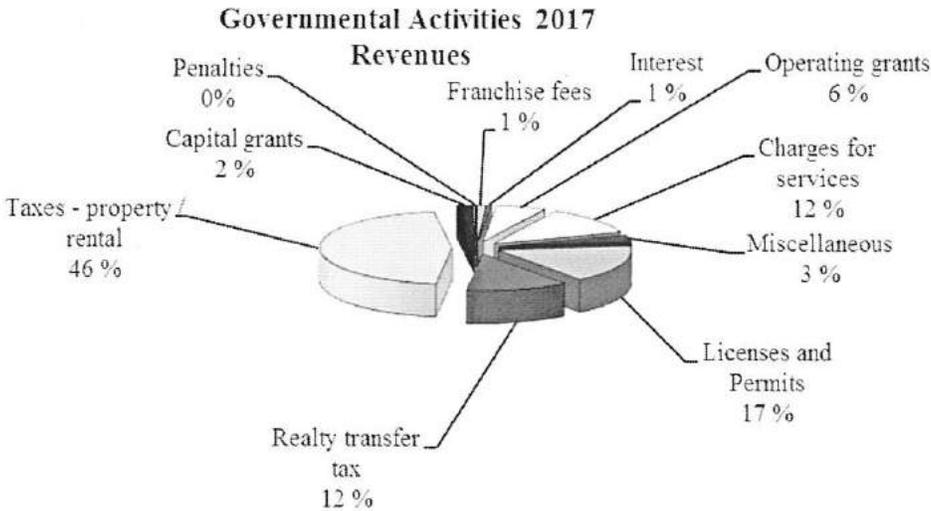
TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2017

Analysis of the Town's Operations – The following table provides a summary of the Town's operations for the year ended July 31, 2017, along with comparable data. Government Wide activities decreased the Town of Fenwick Island's net position increased \$ 57,888.

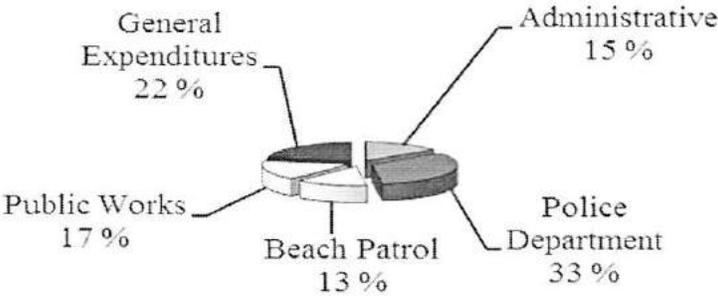
TOWN OF FENWICK ISLAND'S CHANGES IN NET POSITION

	Governmental Activities <u>July 31, 2017</u>	Governmental Activities <u>July 31, 2016</u>	Amount of Change
Revenues:			
Program Revenues:			
Charges for services	\$ 275,174	\$ 287,825	\$ (12,651)
Capital Grants	46,971	52,266	(5,295)
Operating grants and contributions	135,205	165,869	(30,664)
General Revenues:			
Taxes - property / rental	1,033,375	1,003,374	30,001
Realty transfer tax	280,633	157,310	123,323
Franchise fees	24,922	33,005	(8,083)
Licenses and Permits	372,417	300,656	71,761
Penalties	2,964	3,954	(990)
Interest	11,857	11,795	62
Miscellaneous	71,233	110,869	(39,636)
<u>Total Revenues</u>	<u>2,254,751</u>	<u>2,126,923</u>	<u>127,828</u>
Expenses:			
Administrative	320,660	357,148	(36,488)
Police Department	733,905	713,072	20,833
Beach Patrol	293,012	294,671	(1,659)
Public Works (includes MSA expenses)	364,661	387,779	(23,118)
General Expenditures	484,625	497,095	(12,470)
<u>Total Expenses</u>	<u>2,196,863</u>	<u>2,249,765</u>	<u>(52,903)</u>
<u>Change in Net Position</u>	<u>57,888</u>	<u>(122,843)</u>	<u>180,731</u>
<u>Net Position - August 1st</u>	<u>4,281,352</u>	<u>4,404,195</u>	<u>(122,843)</u>
<u>Net Position - July 31st</u>	<u>\$ 4,339,240</u>	<u>\$ 4,281,352</u>	<u>\$ 57,888</u>

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2017



Governmental Activities 2017 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 \$ 1,874,411. \$ 333,507 of this total amount constitutes unassigned fund balance.

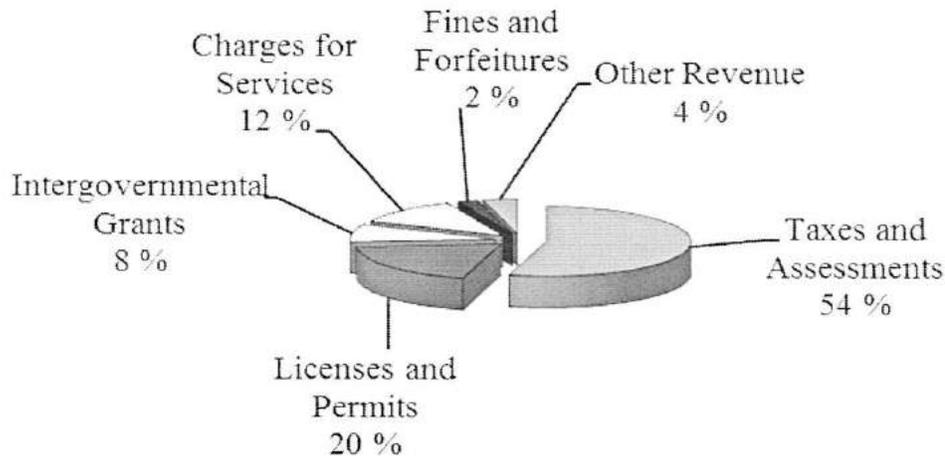
General Fund Budgetary Highlights – Revenues for the general fund operations were above original budgeted revenues estimates by \$ 186,884. Additional tax and permit revenue was the primary reason for a favorable variance. Departmental expenditures were higher than original budgeted expenditures by \$6,009, primarily due to the higher than expected costs for restricted purpose expenses.

TOWN OF FENWICK ISLAND, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2017

The following schedule presents a comparative summary of General Fund revenues and transfers in for the fiscal years ended July 31, 2017 and 2016, along with the percentage of that revenue to total revenue.

<u>Revenues</u>	<u>July 31, 2017</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>	<u>July 31, 2016</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>
Taxes and Assessments	\$ 1,033,375	54%	\$ 1,003,374	53%
Licenses and Permits	372,417	20%	300,656	16%
Intergovernmental Grants	152,946	8%	210,406	11%
Charges for Services	231,142	12%	249,483	13%
Fines and Forfeitures	44,032	2%	38,342	2%
Other Revenue	73,659	4%	89,327	5%
	<u>\$ 1,907,571</u>	<u>100%</u>	<u>\$ 1,891,588</u>	<u>100%</u>

General Fund Revenues 2017



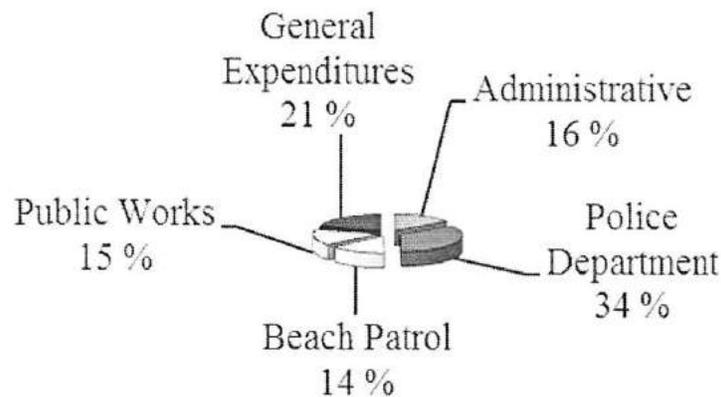
Current and prior year's property taxes continue to represent the largest revenue source, with \$ 707,771 or 37% of all General Fund revenues. The increase in revenues from 2016 of \$ 15,983 was due primarily to increase in building permits and gross rental tax.

The following schedule represents a comparative summary of General Fund expenditures for the fiscal years ended July 31, 2017 and 2016, 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, 2017

<u>Expenditures</u>	<u>July 31, 2017</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>	<u>July 31, 2016</u> <u>Totals</u>	<u>Percentage</u> <u>of Total</u>
Administrative	\$ 315,459	16%	\$ 351,210	16%
Police Department	694,549	34%	688,664	31%
Beach Patrol	286,938	14%	273,900	12%
Public Works	307,714	15%	482,697	22%
General Expenditures	428,126	21%	424,167	19%
	<u>\$ 2,032,786</u>	<u>100%</u>	<u>\$ 2,220,638</u>	<u>100%</u>

General Fund Expenditures 2017



The Town's actual expenditures were above budget expectations by \$ 6,009. This unfavorable variance was due to higher than expected restricted purpose ALA costs.

CAPITAL ASSETS

The Town of Fenwick Island's investment in capital assets for its governmental activities as of July 31, 2017, amounts to \$ 2,615,058 (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, 2017

Capital Assets at Year-End
Net of Accumulated Depreciation

	Governmental Activities July 31, 2017	Governmental Activities July 31, 2016	Amount Change
Buildings	\$ 987,290	\$ 980,685	\$ 6,605
Vehicles	332,870	340,381	(7,511)
Office equipment	84,810	84,810	-
Police equipment	201,361	195,089	6,272
Street signs and fixtures	62,487	62,487	-
Machinery and equipment	257,910	245,110	12,800
Beach and lifeguard equipment	131,550	126,826	4,724
Recreation equipment	41,156	41,156	-
Land improvements	2,050,632	1,989,865	60,767
Accumulated Depreciation	<u>(1,535,008)</u>	<u>(1,379,937)</u>	<u>(155,071)</u>
<u>Total</u>	<u>\$ 2,615,058</u>	<u>\$ 2,686,472</u>	<u>\$ (71,414)</u>

DEBT ADMINISTRATION

The Town's long term debt consists of accrued compensated absences. This information can be found in note 9 on page 25 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, 2017

(With Comparative Totals for July 31, 2016)

	<u>Primary Government</u>	<u>Primary Government</u>
	<u>Total 2017</u>	<u>Total 2016</u>
ASSETS		
Cash and cash investments	\$ 1,944,437	\$ 1,738,272
Receivables (net of allowance for doubtful accounts):		
Interest and other	-	-
Taxes	28,238	48,678
Traffic fines	2,471	1,809
Inventories	11,090	11,165
Prepaid items	41,853	46,097
Capital assets:		
Buildings	987,290	980,685
Vehicles	332,870	340,381
Office equipment	84,811	84,811
Police equipment	201,358	195,089
Street signs and fixtures	62,487	62,487
Machinery and equipment	257,910	245,110
Beach and lifeguard equipment	131,550	126,825
Recreation equipment	41,156	41,156
Land and improvements	2,050,632	1,989,865
Accumulated depreciation	<u>(1,535,008)</u>	<u>(1,379,937)</u>
<u>Total Assets</u>	<u>\$ 4,643,148</u>	<u>\$ 4,532,493</u>

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

TOWN OF FENWICK ISLAND, DELAWARE**NET POSITION****JULY 31, 2017**(With Comparative Totals for July 31, 2016)

	<u>Primary Government Total 2017</u>	<u>Primary Government Total 2016</u>
LIABILITIES		
Accounts payable	\$ 8,921	\$ 9,544
House elevation- Resident liabilities	48,365	26,930
Accrued liabilities	65,046	51,229
Accrued compensated absences	155,095	143,285
Deferred revenue	<u>26,481</u>	<u>20,153</u>
<u>Total Liabilities</u>	<u>303,908</u>	<u>251,141</u>
NET POSITION		
Net Investment in Capital Assets	2,615,058	2,686,471
Restricted	1,336,739	1,446,590
Unrestricted	<u>387,442</u>	<u>148,291</u>
<u>Total Net Position</u>	<u>4,339,239</u>	<u>4,281,352</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 4,643,148</u>	<u>\$ 4,532,493</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, 2017

(With Comparative Totals for July 31, 2016)

<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	\$ 320,660	\$ -	\$ -	-
Police Department	733,905	44,032	68,395	14,995
Beach Patrol	293,012	-	66,810	-
Public Works	364,661	-	-	31,976
General Government	484,625	231,142	-	-
<u>Total Governmental Activities</u>	<u>2,196,863</u>	<u>275,174</u>	<u>135,205</u>	<u>46,971</u>
 <u>Total Government</u>	 <u>2,196,863</u>	 <u>275,174</u>	 <u>135,205</u>	 <u>46,971</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	
2017	2016
\$ (320,660)	\$ (357,148)
(606,483)	(557,571)
(226,202)	(227,576)
(332,685)	(353,898)
(253,483)	(247,613)
<u>(1,739,513)</u>	<u>(1,743,806)</u>
<u>(1,739,513)</u>	<u>(1,743,806)</u>
1,314,008	1,160,684
24,922	33,005
372,417	300,656
2,964	3,954
11,857	11,795
71,233	110,869
<u>1,797,401</u>	<u>1,620,963</u>
57,888	(122,843)
<u>4,281,352</u>	<u>4,404,195</u>
\$ <u>4,339,240</u>	\$ <u>4,281,352</u>

TOWN OF FENWICK ISLAND, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2017

(With Comparative Totals for July 31, 2016)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
ASSETS		
Cash and cash investments	\$ 472,191	\$ 1,318,300
Receivables (net of allowance for doubtful accounts):		
Accounts	-	-
Other	2,471	-
Taxes	-	28,238
Inventory	-	-
Prepaid items	<u>41,853</u>	<u>-</u>
<u>Total Assets</u>	<u>516,515</u>	<u>1,346,538</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	8,920	-
Dema House Payable	48,365	-
Accrued liabilities	69,915	-
Deferred revenue	<u>13,955</u>	<u>-</u>
<u>Total Liabilities</u>	<u>141,155</u>	<u>-</u>
Fund Balances:		
Non-spendable	41,853	28,238
Restricted by other governments	-	1,318,300
Committed by council	-	-
Assigned	-	-
Unassigned	<u>333,507</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>375,360</u>	<u>1,346,538</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 516,515</u>	<u>\$ 1,346,538</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 2017</u>	<u>Total Governmental Funds 2016</u>
\$ 18,439	\$ 135,510	\$ 1,944,440	\$ 1,738,272
-	-	-	-
-	-	2,471	1,809
-	-	28,238	48,678
11,090	-	11,090	11,165
-	-	41,853	46,097
<u>29,529</u>	<u>135,510</u>	<u>2,028,092</u>	<u>1,846,021</u>
-	-	8,920	9,546
-	-	48,365	26,930
-	-	69,915	58,076
-	12,526	26,481	20,151
<u>-</u>	<u>12,526</u>	<u>153,681</u>	<u>114,703</u>
11,090	-	81,181	105,940
18,439	-	1,336,739	1,389,329
-	74,853	74,853	45,821
-	48,131	48,131	39,682
-	-	333,507	150,546
<u>29,529</u>	<u>122,984</u>	<u>1,874,411</u>	<u>1,731,318</u>
<u>\$ 29,529</u>	<u>\$ 135,510</u>	<u>\$ 2,028,092</u>	<u>\$ 1,846,021</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, 2017

Total Fund Balances for Government Funds \$ 1,874,411

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	4,150,065	
Accumulated Depreciation	<u>(1,535,008)</u>	2,615,057

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>(150,228)</u>
----------------------	------------------

Total Net Position of Governmental Activities \$ 4,339,240

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, 2017

(With Comparative Totals for July 31, 2016)

	<u>General</u>	<u>1 1/2% Realty Transfer Tax</u>
<u>Revenues:</u>		
Taxes and Assessments	\$ 1,033,375	\$ 280,633
Licenses and Permits	372,417	-
Intergovernmental Grants	152,946	-
Charges for Services	231,142	-
Fines and Forfeitures	44,032	-
Other Revenue	<u>73,659</u>	<u>8,244</u>
<u>Total Revenues</u>	<u>1,907,571</u>	<u>288,877</u>
<u>Expenditures:</u>		
Administrative	315,459	-
Police Department	694,549	-
Beach Patrol	286,938	-
Public Works	307,714	46,187
General Expenditures	<u>428,126</u>	<u>3,011</u>
<u>Total Expenditures</u>	<u>2,032,786</u>	<u>49,198</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	<u>(125,215)</u>	<u>239,679</u>
<u>Other Financing Sources (Uses):</u>		
Proceeds (payments) from borrowings	-	-
Transfers from (to) other funds	<u>303,932</u>	<u>(297,646)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>303,932</u>	<u>(297,646)</u>
<u>Net Change in Fund Balances</u>	178,717	(57,967)
<u>Fund balance - August 1, 2016</u>	<u>196,643</u>	<u>1,404,505</u>
<u>Fund balance - July 31, 2017</u>	<u>\$ 375,360</u>	<u>\$ 1,346,538</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 2017</u>	<u>Total Governmental Funds 2016</u>
\$ -	\$ -	\$ 1,314,008	\$ 1,160,684
-	-	372,417	300,656
31,976	22,647	207,569	277,641
-	-	231,142	249,483
-	-	44,032	38,342
<u>190</u>	<u>3,488</u>	<u>85,581</u>	<u>100,043</u>
<u>32,166</u>	<u>26,135</u>	<u>2,254,749</u>	<u>2,126,849</u>
-	-	315,459	351,210
-	19,087	713,636	723,470
-	-	286,938	273,900
2,884	7,650	364,435	530,628
<u>46</u>	<u>5</u>	<u>431,188</u>	<u>424,978</u>
<u>2,930</u>	<u>26,742</u>	<u>2,111,656</u>	<u>2,304,186</u>
<u>29,236</u>	<u>(607)</u>	<u>143,093</u>	<u>(177,337)</u>
-	-	-	-
<u>(44,374)</u>	<u>38,088</u>	<u>-</u>	<u>-</u>
<u>(44,374)</u>	<u>38,088</u>	<u>-</u>	<u>-</u>
(15,138)	37,481	143,093	(177,337)
<u>44,667</u>	<u>85,503</u>	<u>1,731,318</u>	<u>1,908,655</u>
\$ <u>29,529</u>	\$ <u>122,984</u>	\$ <u>1,874,411</u>	\$ <u>1,731,318</u>

NOTES TO FINANCIAL STATEMENTS

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2017

(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, 2017

(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, 2017

(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, 2017

(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, 2017

(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, 2017

(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 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, 2017

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 July 31, 2017, the carrying amount of the Town's deposits was \$1,963,178 and the bank balance was \$1,944,437.

As of July 31, 2017, none of the Town's bank balances of \$ 1,944,437 was exposed to custodial risk.

(3) Capital Assets

Capital asset activity for the year ended July 31, 2017, was as follows:

	Balances July 31, 2016	Additions	Deletions	Balances July 31, 2017
Buildings	\$ 980,685	\$ 6,605	\$ -	\$ 987,290
Vehicles	340,381	31,936	39,447	332,870
Office equipment	84,810	-	-	84,810
Police equipment	195,089	6,272	-	201,361
Street signs and fixtures	62,487	-	-	62,487
Machinery and equipment	245,110	12,800	-	257,910
Beach and Lifeguard equipment	126,826	4,724	-	131,550
Recreation equipment	41,156	-	-	41,156
Land and improvements	1,989,865	60,767	-	2,050,632
Total	4,066,409	123,104	(39,447)	4,150,066
Less: accumulated depreciation	(1,379,937)	(194,517)	39,447	(1,535,008)
Total capital assets	\$ 2,686,472	\$ (71,413)	\$ -	\$ 2,615,058

(4) Property Taxes

The tax rate for the year ended July 31, 2017 was \$1.92 per \$100 of assessed valuation with a total assessed valuation of approximately \$ 38,863,080.

TOWN OF FENWICK ISLAND, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2017

(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) Compensated Absences

At July 31, 2017, accrued compensated absences for governmental activities totaled \$155,095.

(10) 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 the financial statements. All events and transactions have been evaluated through October 31, 2017, 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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 275,000	\$ 275,000	\$ 325,604	\$ 50,604
Real estate	<u>682,153</u>	<u>682,153</u>	<u>707,771</u>	<u>25,618</u>
<u>Total Taxes And Assessments</u>	<u>957,153</u>	<u>957,153</u>	<u>1,033,375</u>	<u>76,222</u>
<u>Licenses And Permits:</u>				
Building and sign permits	175,000	175,000	231,770	56,770
Mercantile licenses	104,360	104,360	107,437	3,077
Parking & Bonfire permits	<u>26,500</u>	<u>26,500</u>	<u>33,210</u>	<u>6,710</u>
<u>Total Licenses And Permits</u>	<u>305,860</u>	<u>305,860</u>	<u>372,417</u>	<u>66,557</u>
<u>Total Intergovernmental Grants</u>	<u>114,000</u>	<u>114,000</u>	<u>152,946</u>	<u>38,946</u>
<u>Charges For Services:</u>				
Trash collection	182,382	182,382	186,148	3,766
Ambulance fees	<u>45,580</u>	<u>45,580</u>	<u>44,994</u>	<u>(586)</u>
<u>Total Charges For Services</u>	<u>227,962</u>	<u>227,962</u>	<u>231,142</u>	<u>3,180</u>
<u>Fines And Forfeits:</u>				
Traffic and parking fines	<u>32,500</u>	<u>32,500</u>	<u>44,032</u>	<u>11,532</u>
<u>Other Revenue:</u>				
Cable franchise fee	34,000	34,000	24,922	(9,078)
Gain on sale of asset	-	-	4,132	4,132
Beach concession service	15,712	15,712	15,712	-
LG sponsor revenue	8,000	8,000	6,810	(1,190)
Interest	2,500	2,500	3,388	888
Miscellaneous	18,500	18,500	15,731	(2,769)
Penalties	<u>4,500</u>	<u>4,500</u>	<u>2,964</u>	<u>(1,536)</u>
<u>Total Other Revenue</u>	<u>83,212</u>	<u>83,212</u>	<u>73,659</u>	<u>(9,553)</u>
<u>Total Revenue</u>	<u>\$ 1,720,687</u>	<u>\$ 1,720,687</u>	<u>\$ 1,907,571</u>	<u>\$ 186,884</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, 2017

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
<u>Administrative:</u>				
Health / Life/Dental insurance	\$ 63,395	\$ 63,395	\$ 51,226	\$ 12,169
Office equipment maintenance	3,000	3,000	4,818	(1,818)
Office supplies	3,000	3,000	5,229	(2,229)
Payroll taxes	18,947	18,947	16,597	2,350
Pension costs	20,458	20,458	11,806	8,652
Personal services	2,258	2,258	2,090	168
Printing and advertising	3,050	3,050	2,001	1,049
Salaries	220,583	220,583	210,989	9,594
Vehicle Acquisition/Maintenance	4,600	4,600	859	3,741
Vehicle lease	4,140	4,140	3,408	732
Training	3,000	3,000	1,525	1,475
Travel	1,000	1,000	2,414	(1,414)
Miscellaneous	400	400	419	(19)
<u>Total Administrative</u>	<u>347,831</u>	<u>347,831</u>	<u>313,381</u>	<u>34,450</u>
<u>Police Department:</u>				
Computer expenses	2,930	2,930	1,711	1,219
Gas and oil	15,000	15,000	9,924	5,076
Health /Dental/ Life insurance	95,694	95,694	85,722	9,972
Supplies	3,000	3,000	20,411	(17,411)
Payroll taxes	32,862	32,862	35,876	(3,014)
Pension costs	46,815	46,815	50,038	(3,223)
Printing and advertising	600	600	-	600
Office equipment	3,500	3,500	-	3,500
Salaries	382,174	382,174	413,573	(31,399)
Training	4,000	4,000	2,784	1,216
Uniforms	5,000	5,000	2,631	2,369
Vehicle acquisition	-	-	27,842	(27,842)
Vehicle maintenance	6,500	6,500	3,381	3,119
Police Safety Building	11,150	11,150	-	11,150
<u>Total Police Department</u>	<u>\$ 609,225</u>	<u>\$ 609,225</u>	<u>\$ 653,892</u>	<u>\$ (44,667)</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, 2017

	<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>				
Miscellaneous	4,450	4,450	9,491	(5,041)
Payroll taxes	22,492	22,492	19,996	2,496
Salaries	235,195	235,195	217,600	17,595
Supplies and equipment	8,940	8,940	11,295	(2,355)
Training	2,200	2,200	780	1,420
Uniforms	6,000	6,000	6,243	(243)
	<u>279,277</u>	<u>279,277</u>	<u>265,405</u>	<u>13,872</u>
 <u>Public Works:</u>				
Gasoline and oil	4,500	4,500	4,119	381
Health dental & life insurance	44,227	44,227	45,987	(1,760)
Miscellaneous	115	115	139	(24)
Office supplies	-	-	16	(16)
Payroll taxes	10,947	10,947	10,764	183
Pension costs	8,465	8,465	8,628	(163)
Uniforms	1,500	1,500	939	561
Utilities	5,615	5,615	17,745	(12,130)
Repairs - vehicles and equipment	7,600	7,600	9,707	(2,107)
Salaries	122,785	122,785	126,379	(3,594)
Shop supplies	4,000	4,000	7,210	(3,210)
Testing	750	750	1,006	(256)
Town Hall maintenance	1,000	1,000	228	772
Capital Expenditures	-	-	62,031	(62,031)
Training	-	-	24	(24)
	<u>\$ 211,504</u>	<u>\$ 211,504</u>	<u>\$ 294,922</u>	<u>\$ (83,418)</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, 2017

	<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	4,250	4,250	4,300	(50)
Auditing	9,000	9,000	8,918	82
Ambulance service	45,474	45,474	45,580	(106)
Codification	4,195	4,195	2,890	1,305
Community projects	7,500	7,500	23,215	(15,715)
Dues	2,389	2,389	1,825	564
Contract services	4,200	4,200	4,097	103
Emergency Management	500	500	-	500
Median highway landscaping	7,762	7,762	5,287	2,475
Employee relations	3,200	3,200	4,817	(1,617)
Government liaison	1,200	1,200	1,581	(381)
Insurance - general	160,866	160,866	142,023	18,843
Legal	15,000	15,000	21,647	(6,647)
Miscellaneous	8,676	8,676	12,643	(3,967)
Trash & recycling	136,719	136,719	137,034	(315)
Postage	3,660	3,660	3,177	483
Printing and advertising	2,000	2,000	4,056	(2,056)
Sewer	1,200	1,200	844	356
Telephone	9,820	9,820	7,201	2,619
Utilities	9,700	9,700	6,455	3,245
Building maintenance	4,000	4,000	14,957	(10,957)
Website	3,427	3,427	-	3,427
Capital Expenditures	-	-	5,075	(5,075)
Restrict purpose-ALA	134,200	134,200	47,564	86,636
<u>Total General Expenditures</u>	<u>578,938</u>	<u>578,938</u>	<u>505,186</u>	<u>73,753</u>
<u>Total Expenditures</u>	<u>\$ 2,026,775</u>	<u>\$ 2,026,775</u>	<u>\$ 2,032,786</u>	<u>\$ (6,011)</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, 2017

	<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) Expenditures</u>	\$ (306,088)	\$ (306,088)	\$ (125,215)	\$ 180,873
<u>Other Financing Sources (Uses):</u>				
Transfer from (to) other funds	-	-	303,932	303,932
<u>Total Other Financing Sources (Uses)</u>		-	303,932	303,932
<u>Excess Of Revenues And Over Financing Sources Over (Under) Expenditures And Other Financing Uses</u>	<u>(306,088)</u>	<u>(306,088)</u>	178,717	<u>484,805</u>
<u>Fund Balance - August 1, 2016</u>			<u>196,643</u>	
<u>Fund Balance - July 31, 2017</u>			\$ <u>375,360</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, 2017

(With Comparative Amounts As Of July 31, 2016, 2015, 2014)

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Cash And Cash Equivalents:</u>				
Cash	\$ 472,191	\$ 256,661	\$ 241,395	\$ 220,236
Investments	-	-	-	-
<u> Total Cash And Cash Equivalents</u>	<u>472,191</u>	<u>256,661</u>	<u>241,395</u>	<u>220,236</u>
<u>Accounts Receivable:</u>				
Traffic fines receivable	2,471	1,809	1,883	2,981
<u> Total Accounts Receivable</u>	<u>2,471</u>	<u>1,809</u>	<u>1,883</u>	<u>2,981</u>
<u>Prepaid Expenses:</u>				
Prepaid insurance	41,853	46,097	43,977	39,989
<u> Total Prepaid Expenses</u>	<u>41,853</u>	<u>46,097</u>	<u>43,977</u>	<u>39,989</u>
<u>TOTAL ASSETS</u>	<u>\$ 516,515</u>	<u>\$ 304,567</u>	<u>\$ 287,255</u>	<u>\$ 263,206</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, 2017

(With Comparative Amounts As Of July 31, 2016, 2015, 2014)

LIABILITIES AND FUND EQUITY

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities:</u>				
<u>Accounts Payable</u>	\$ 8,920	\$ 9,546	\$ 35,290	\$ 15,283
<u>Dema House Elev. Resident Pay</u>	\$ 48,365	26,930	31,542	-
<u>Accrued Liabilities:</u>				
Accrued pension	5,496	5,432	5,255	4,794
Accrued compensated absences	4,869	6,848	1,884	2,836
Accrued payroll taxes	8,923	8,539	7,924	5,120
Accrued salaries and wages	50,627	37,257	25,968	23,729
<u>Total Accrued Liabilities</u>	69,915	58,076	41,031	36,479
<u>Unearned revenue</u>	13,955	13,372	13,265	12,707
<u>Total Liabilities</u>	141,155	107,924	121,128	64,469
<u>Fund Equity:</u>				
Non-spendable	41,853	46,097	43,997	39,989
Restricted by other governments	-	-	-	-
Committed by council	-	-	-	-
Assigned	-	-	-	-
Unassigned	333,507	150,546	122,130	158,748
<u>Total Fund Equity</u>	375,360	196,643	166,127	198,737
<u>TOTAL LIABILITIES AND</u>				
<u>FUND EQUITY</u>	\$ 516,515	\$ 304,567	\$ 287,255	\$ 263,206

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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	2017	2016	2015	2014
Revenues:				
<u>Taxes And Assessments:</u>				
Gross rental tax	\$ 325,604	\$ 311,794	\$ 288,645	\$ 270,765
Real estate	707,771	691,580	678,101	660,993
<u>Total Taxes And Assessments</u>	1,033,375	1,003,374	966,746	931,758
<u>Licenses And Permits:</u>				
Building and sign permits	231,770	165,061	188,972	234,864
Mercantile licenses	107,437	104,975	98,353	86,979
Parking permits	26,510	22,635	19,150	18,845
Bonfire permits	6,700	7,985	6,605	7,300
<u>Total Licenses And Permits</u>	372,417	300,656	313,080	347,988
<u>Intergovernmental Grants</u>	152,946	210,406	170,207	134,609
<u>Charges For Services:</u>				
Trash collection	186,148	204,486	202,990	181,558
Ambulance fees	44,994	44,997	44,143	37,406
<u>Total charges for services</u>	231,142	249,483	247,133	218,964
<u>Fines and Forfeits:</u>				
Traffic and parking fines	44,032	38,342	39,628	50,182
<u>Other Revenue:</u>				
Cable franchise fee	24,922	33,005	33,259	33,244
Gain on sale of asset	4,132	5,000	2,050	6,193
Beach concession service	15,712	15,712	15,712	14,712
LG sponsor revenue	6,810	7,095	4,592	7,800
Interest	3,388	2,679	2,494	2,787
Miscellaneous	15,731	21,614	12,154	11,801
Penalties	2,964	3,954	4,140	1,666
Insurance reimbursement	-	268	-	31,090
<u>Total Other Revenue</u>	73,659	89,327	74,401	109,293
<u>Total Revenue</u>	1,907,571	1,891,588	1,811,195	1,792,794
Expenditures:				
<u>Administrative:</u>				
Vehicle Fuel / maintenance	859	3,768	4,418	5,071
Vehicle lease	3,408	3,794	4,139	3,370
Health / Life / WC / Dental insurance	\$ 53,304	\$ 64,712	\$ 62,430	\$ 54,955

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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Expenditures: (Continued)</u>				
<u>Administrative: (Continued)</u>				
Miscellaneous	\$ 419	\$ 136	\$ 574	\$ 303
Office equipment maintenance	4,818	9,075	2,773	2,481
Office supplies	5,229	5,645	4,126	3,615
Payroll taxes	16,597	17,322	18,170	17,762
Pension costs	11,806	17,191	19,476	16,016
Personal services	2,090	4,527	4,214	4,536
Printing and advertising	2,001	3,751	5,968	2,173
Salaries	210,989	214,162	211,847	198,610
Training	1,525	4,786	1,510	209
Travel	2,414	2,341	1,723	500
<u>Total Administrative</u>	<u>315,459</u>	<u>351,210</u>	<u>341,368</u>	<u>317,192</u>
<u>Police Department:</u>				
Gas and oil	9,924	10,401	15,361	22,871
Computer expenses	1,711	2,484	2,081	1,635
Health / Life / Dental / WC insurance	126,378	139,871	103,121	87,136
Miscellaneous	14,128	9,371	8,143	1,172
Other supplies	4,418	6,287	1,326	2,562
Payroll taxes	35,876	31,993	31,230	30,028
Pension costs	50,038	45,877	55,784	44,869
Printing and advertising	-	188	680	544
Vehicle acquisition	27,842	28,948	32,939	29,554
Supplies	1,865	1,024	1,774	1,615
Office equipment	-	1,144	563	1,441
Salaries	413,573	394,845	372,783	338,278
Training	2,784	2,803	2,963	8,112
Uniforms	2,631	2,671	4,330	3,272
Vehicle maintenance	3,381	10,756	4,375	7,959
<u>Total Police Department</u>	<u>\$ 694,549</u>	<u>\$ 688,664</u>	<u>\$ 637,453</u>	<u>\$ 581,048</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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	2017	2016	2015	2014
<u>Expenditures: (Continued)</u>				
<u>Beach Patrol:</u>				
Workers Compensation	\$ 21,533	\$ 24,174	\$ 20,751	\$ 16,445
Miscellaneous	9,491	2,578	10,538	4,528
Payroll taxes	19,996	19,866	19,863	20,005
Salaries	217,600	212,186	195,476	188,558
Supplies and equipment	11,295	8,824	4,741	5,867
Training	780	934	591	638
Uniforms	6,243	5,338	6,494	4,867
<u>Total Beach Patrol</u>	286,938	273,900	258,454	240,908
 <u>Public Works:</u>				
Capital expenditures	62,031	249,793	1,170	-
Gasoline and oil	4,119	2,682	3,605	6,996
Health Dental and life insurance	45,987	43,031	37,326	36,149
Miscellaneous	139	115	115	115
Office supplies	16	90	52	177
Workers compensation	12,789	14,358	12,479	10,327
Payroll taxes	10,764	10,666	10,428	10,888
Pension costs	8,628	8,390	8,308	8,155
Repairs - vehicles and equipment	9,707	9,976	11,323	5,214
Salaries	126,379	122,838	120,508	119,328
Shop supplies	7,210	9,239	3,738	3,011
Testing	1,006	614	40	731
Town Hall maintenance	228	1,482	902	1,404
Training	27	107	231	184
Uniforms	939	1,088	1,290	542
Utilities	17,745	8,225	5,176	5,810
<u>Total Public Works</u>	\$ 307,714	\$ 482,697	\$ 216,691	\$ 209,031

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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Expenditures: (Continued)</u>				
<u>General Expenditures:</u>				
Appraisal	\$ 4,300	\$ 4,250	\$ 4,250	\$ 4,200
Auditing	8,918	8,820	8,817	8,750
Capital expenditures	5,075	10,358	2,025	-
Codification	2,890	3,632	3,313	1,765
Community Projects	23,215	12,657	2,394	3,272
Grant Expenses	-	17,525	39,268	-
Contract services	4,097	2,908	3,228	4,953
Dues	1,825	2,474	3,129	1,399
Emergency management	-	-	-	467
Employee relations	4,817	4,472	3,406	3,882
Government Liaison	1,581	1,330	970	1,146
Insurance - general	64,966	72,936	66,142	67,237
Building maintenance	14,957	21,133	4,340	3,953
Legal	21,647	44,939	14,393	9,749
Miscellaneous	12,640	10,431	5,573	8,197
Cell phones	3,000	4,385	5,007	3,649
Median highway landscaping	5,287	4,575	6,693	7,697
Recycling	35,540	19,114	48,627	51,495
Trash Collection	101,494	112,493	105,861	88,019
Postage	3,177	4,237	3,664	2,714
Printing and advertising	4,056	2,034	3,344	1,108
Ambulance service	45,580	45,474	44,798	41,260
Sewer	844	767	1,221	869
Telephone	4,201	4,458	4,818	4,015
Utilities	6,455	6,089	5,853	12,805
Website	-	2,423	2,267	2,267
Hurricane Sandy	-	-	-	-
Restrict purpose-ALA	47,564	253	2,329	6,167
Interest Payments	-	-	3,471	6,649
<u>Total General Expenditures</u>	<u>428,126</u>	<u>424,167</u>	<u>399,201</u>	<u>347,684</u>
 <u>Total Expenditures</u>	 <u>\$ 2,032,786</u>	 <u>\$ 2,220,638</u>	 <u>\$ 1,853,167</u>	 <u>\$ 1,801,651</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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Excess Of Revenues Over (Under) Expenditures</u>	(125,215)	(329,050)	(41,972)	104,522
<u>Other Financing Sources (Uses):</u>				
Loan payment	-	-	(191,110)	(114,836)
Transfer from (to) other funds	<u>303,932</u>	<u>359,566</u>	<u>200,472</u>	<u>107,687</u>
<u>Total Other Financing Sources (Uses)</u>	<u>303,932</u>	<u>359,566</u>	<u>9,362</u>	<u>(7,149)</u>
<u>Excess Of Revenues And Other Financing Sources Over (Under) Expenditures</u>	178,717	30,516	(32,610)	97,373
<u>Fund Balance - August 1</u>	196,643	166,127	198,737	101,364
<u>Prior Period Adjustment</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance - July 31</u>	<u>\$ 375,360</u>	<u>\$ 196,643</u>	<u>\$ 166,127</u>	<u>\$ 198,737</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, 2017

(With Comparative Amounts As Of July 31, 2016, 2015, 2014)

<u>ASSETS</u>	<u>Municipal</u> Street Aid	<u>State Aid</u> To Local Enforcement	<u>Emergency</u> Illegal Drug Enforcement	<u>Criminal</u> Justice	<u>Beach</u> Replenishment	<u>1 1/2% Realty</u> Transfer Tax
<u>Cash And Cash Equivalents:</u>						
Cash	\$ 18,439	\$ 1	\$ 1	\$ 127	\$ 37,387	\$ 131,236
Investments	-	-	-	-	-	1,187,064
<u>Total Cash & Cash Equivalents</u>	<u>18,439</u>	<u>1</u>	<u>1</u>	<u>127</u>	<u>37,387</u>	<u>1,318,300</u>
<u>Inventory</u>	<u>11,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other Receivable:</u>						
Transfer tax receivable	-	-	-	-	-	28,238
Interest and other receivable	-	-	-	-	-	-
<u>Total Accounts Receivable</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,238</u>
<u>TOTAL ASSETS</u>	<u>29,529</u>	<u>1</u>	<u>1</u>	<u>127</u>	<u>37,387</u>	<u>1,346,538</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	11,090	-	-	-	-	28,238
Restricted by other governments	18,439	-	-	-	-	1,318,300
Committed by council	-	-	-	-	-	-
Assigned	-	-	-	-	37,387	-
Unassigned	-	-	-	-	-	-
<u>Total Fund Equity</u>	<u>29,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,387</u>	<u>1,346,538</u>
<u>TOTAL LIABILITIES AND</u> <u>FUND EQUITY</u>	<u>\$ 29,529</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 127</u>	<u>\$ 37,387</u>	<u>\$ 1,346,538</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2017	2016	2015	2014
\$ 10,744	\$ 1	\$ 74,853	\$ 12,396	\$ 285,185	\$ 361,274	\$ 444,021	\$ 592,640
-	-	-	-	1,187,064	1,120,337	1,184,458	1,183,113
<u>10,744</u>	<u>1</u>	<u>74,853</u>	<u>12,396</u>	<u>1,472,249</u>	<u>1,481,611</u>	<u>1,628,479</u>	<u>1,775,753</u>
-	-	-	-	11,090	11,165	12,530	9,890
-	-	-	-	28,238	48,678	11,769	-
-	-	-	-	-	-	15,234	-
-	-	-	-	28,238	48,678	27,003	-
<u>10,744</u>	<u>1</u>	<u>74,853</u>	<u>12,396</u>	<u>1,511,577</u>	<u>1,541,454</u>	<u>1,668,012</u>	<u>1,785,643</u>
-	-	-	-	-	-	-	52,528
-	1	-	12,396	12,526	6,779	161	710
-	1	-	12,396	12,526	6,779	161	53,238
-	-	-	-	39,328	59,843	12,530	9,890
-	-	-	-	1,336,739	1,389,329	1,596,609	1,671,093
-	-	74,853	-	74,853	45,821	20,312	11,738
10,744	-	-	-	48,131	39,682	38,400	39,684
-	-	-	-	-	-	-	-
<u>10,744</u>	<u>-</u>	<u>74,853</u>	<u>-</u>	<u>1,499,051</u>	<u>1,534,675</u>	<u>1,667,851</u>	<u>1,732,405</u>
<u>\$ 10,744</u>	<u>\$ 1</u>	<u>\$ 74,853</u>	<u>\$ 12,396</u>	<u>\$ 1,511,577</u>	<u>\$ 1,541,454</u>	<u>\$ 1,668,012</u>	<u>\$ 1,785,643</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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	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	\$ 190	\$ -	\$ -	\$ 225	\$ 8,244
Intergovernmental grants	31,976	4,092	3,559	-	-
Other	-	5	-	-	-
Transfer tax	-	-	-	-	280,633
<u>Total Revenues</u>	<u>32,166</u>	<u>4,097</u>	<u>3,559</u>	<u>225</u>	<u>288,877</u>
<u>Expenditures:</u>					
<u>Police Department:</u>					
Equipment	-	-	-	-	-
Vehicle Expenses	-	4,092	-	-	-
Supplies	-	-	-	-	-
Service Charges	-	-	-	-	-
Salaries and overtime	-	-	-	-	-
<u>Total Police Department</u>	<u>-</u>	<u>4,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Life Guard Department:</u>					
Capital expenditures	-	-	-	-	-
<u>Admin Department:</u>					
Capital expenditures	-	-	-	-	-
<u>Public Works:</u>					
Capital expenditures	-	-	-	-	46,187
Equipment repairs	64	-	-	-	-
Street lights	2,335	-	-	-	-
Street repairs	485	-	-	-	-
<u>Total Public Works</u>	<u>2,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,187</u>
<u>General Expenditures:</u>					
Bank charges	46	5	-	-	-
Capital	-	-	-	-	-
Collection fee	-	-	-	-	3,011
Parks and recreation	-	-	-	-	-
<u>Total General Expenditures</u>	<u>46</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>3,011</u>
<u>Total Expenditures</u>	<u>2,930</u>	<u>4,097</u>	<u>-</u>	<u>-</u>	<u>49,198</u>

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2017	2016	2015	2014
\$ -	\$ -	\$ 325	\$ -	\$ 8,984	\$ 9,116	\$ 8,956	8,771
-	-	-	14,995	54,622	67,013	68,262	59,661
2,933	-	-	-	2,938	1,823	1,196	39,259
-	-	-	-	280,633	157,310	384,668	185,910
<u>2,933</u>	<u>-</u>	<u>325</u>	<u>14,995</u>	<u>347,177</u>	<u>235,262</u>	<u>463,081</u>	<u>293,601</u>
-	-	-	-	-	9,134	9,624	13,147
-	-	-	-	4,092	3,800	4,118	-
-	-	-	14,995	14,995	-	18,969	18,947
-	-	-	-	-	18,385	49	-
-	-	-	-	-	3,563	3,572	3,593
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,995</u>	<u>19,087</u>	<u>34,882</u>	<u>36,332</u>	<u>35,687</u>
-	-	-	-	-	-	2,920	-
-	-	-	-	-	-	6,201	36,740
6,550	-	-	-	52,737	28,720	118,517	84,954
-	-	-	-	64	1,424	744	413
-	-	-	-	2,335	14,608	11,580	18,828
-	-	1,100	-	1,585	3,178	-	19,076
<u>6,550</u>	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>56,721</u>	<u>47,930</u>	<u>130,841</u>	<u>123,271</u>
-	-	-	-	51	-	117	17
-	-	-	-	-	-	3,338	-
-	-	-	-	3,011	810	3,847	1,859
-	-	-	-	-	-	4,268	52,894
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,062</u>	<u>810</u>	<u>11,570</u>	<u>54,770</u>
<u>6,550</u>	<u>-</u>	<u>1,100</u>	<u>14,995</u>	<u>78,870</u>	<u>83,622</u>	<u>187,864</u>	<u>250,468</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, 2017

(With Comparative Amounts For The Years Ended July 31, 2016, 2015, 2014)

	<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 Expenditure</u>	29,236	-	3,559	225	239,679
<u>Other Financing Sources (Uses):</u>					
Transfers (to) from other funds	(44,374)	-	(3,559)	12	(297,646)
<u>Excess Of Revenues And Other Sources Over (Under) Expenditures And Other Financing Sources (Uses)</u>	(15,138)	-	-	237	(57,967)
<u>Fund Balance - August 1, 2016</u>	44,667	1	-	37,150	1,404,505
<u>Fund Balance - July 31, 2017</u>	\$ 29,529	\$ 1	\$ -	\$ 37,387	\$ 1,346,538

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

Parks and Recreation	SLEAF	Dedicated Streets	Combat Violent Crime	Totals (Memorandum Only)			
				2017	2016	2015	2014
(3,617)	-	(775)	-	268,308	151,640	275,217	43,133
11,829	-	29,806	-	(303,932)	(359,567)	(200,466)	(107,687)
<u>8,212</u>	<u>-</u>	<u>29,031</u>	<u>-</u>	<u>(35,624)</u>	<u>(207,927)</u>	<u>74,751</u>	<u>(64,554)</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>
<u>\$ 10,744</u>	<u>\$ -</u>	<u>\$ 74,852</u>	<u>\$ -</u>	<u>\$ 1,499,051</u>	<u>\$ 1,534,675</u>	<u>\$ 1,742,602</u>	<u>\$ 1,667,851</u>

TOWN OF FENWICK ISLAND, DELAWARE
COMBINING BALANCE SHEET - FIDUCIARY FUND
AS OF JULY 31, 2017

	Beach Committee Fund 2017
<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.