

Budget Questions

Since the beginning of the 2019 fiscal year, several questions have been raised about the budget, tracking budget performance, and the set aside accounts that were created over the past several years as a hedge against less favorable economic conditions and to provide for needed expenditures outside the regular budget. These questions are summarized below:

- Accounting for seasonal flow of income and expenditures to provide a more representative view of the flow of income and expenses in the actual vs. budget reports.
 - This issue appears to be resolved. The budgeted figures in the most recent financial reports appear to provide a more realistic picture of the timing of income and expenditure.
 - Are there any additional adjustments planned?
- Status of FY 2018 budget surplus.
 - After accounting for set aside accounts, final FY 2018 financial reports indicate surplus funds. (See attached pages from Profit & Loss Budget Performance, March 2018)
 - What is the amount of the surplus?
 - How is it accounted for currently?
 - Should funds be used or allocated to specific accounts?
- Set Aside Accounts
 - For the past several years, income from transfer taxes, parking permits, and building permits were allocated to accounts intended for specific purposes:
 - 20% of building permit fees to infrastructure; required by Section 93-2 of the Town Code
 - 5% of parking permit revenues to signs and striping of parking spaces
 - 5% of transfer taxes to cover possible future shortfalls in these revenues
 - 3% of transfer taxes to fund the comprehensive development plan
 - Excess revenues were also contributed to the Rainy Day Fund
 - None of these accounts are funded in the FY 2019 budget
 - The existing balances are tracked in the monthly balance sheet, but the entries, and thus the actual balances in each account, are not clear. (See attached August 31 Balance Sheet)
 - The transfer tax recoupment and parking permit revenues accounts are tracked under Liabilities and Equities but not under Assets; they are likely part of the Brown Advisory total under Self-Committed funds but not clear
 - Account balances are split into a current and other categorization, but it is not clear why or what this means
 - The entry for the 20% Building Permits – Current is negative and the only account with such an entry
 - What funding needs are projected for these accounts and what plans are there to meet those needs?
- The \$150K building permit fee from Dewey Beach Enterprises is not included in the budget and could be allocated to one or more set aside accounts.

These issues are raised for additional discussion and clarification, and gaining a clear understanding may require a meeting with Luff and Associates.

1:58 PM
04/23/18
Accrual Basis

Town of Dewey Beach
Profit & Loss Budget Performance
March 2018

	Mar 18	Budget	\$ Over Budget	Apr '17 - Mar 18	YTD Budget	\$ Over Budget	Annual Budget
9020050 · Other Police Grant Revenues	0.00			50,723.36			
9020051 · Other Police Grant Expenditures	0.00			-55,752.00			
Total 9020000 · Police Below-The-Line	0.00	0.00	0.00	-5,028.64	0.00	-5,028.64	0.00
9030000 · Street Hwy Below-The-Line							
9030010 · Beautification Contributions	0.00			0.00	0.00	0.00	0.00
9030011 · Beautification - Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9030020 · Municipal St Aid Grant (Restr)	881.51	1,350.00	-468.49	10,686.42	16,250.00	-5,563.58	16,250.00
9030021 · Municipal St Aid Expenditures	-881.51	-1,350.00	468.49	-10,686.42	-16,250.00	5,563.58	-16,250.00
9030040 · Other Streets Revenue	11,435.00			11,435.00			
9030041 · Other Streets Expense	0.00			-22,888.53			
9030051 · Flood Mitigation Expense	0.00			0.00	0.00	0.00	0.00
Total 9030000 · Street Hwy Below-The-Line	11,435.00	0.00	11,435.00	-11,453.53	0.00	-11,453.53	0.00
9050000 · Lifeguards Below-The-Line							
9050010 · Lifeguard Operations Donations	0.00			3,759.24			
9050011 · Lifeguard Operations Expenses	0.00			-3,759.24			
9050090 · Lifeguards Donations (Restr)	20.00			2,906.82			
9050091 · Lifeguard Donation Expend (Rest	0.00			-2,886.82			
Total 9050000 · Lifeguards Below-The-Line	20.00			20.00			
9500117 · Rainy Day Revenue	0.00			50,100.00			
Total Other Income	11,455.00	0.00	11,455.00	7,514.54	0.00	7,514.54	0.00
Other Expense							
9500115 · Technology Improvements	0.00			6,960.00	50,000.00	-43,040.00	50,000.00
9500118 · Approved FY17 Budget Amendments	0.00			30,679.74	0.00	30,679.74	0.00
9510000 · Town Hall							
9510010 · Extraordinary DBE Exp	1,665.00	0.00	1,665.00	-30,048.53	35,000.00	-65,046.53	35,000.00
9510015 · DBE Review Fund Income	0.00			0.00	-35,000.00	35,000.00	-35,000.00
9510020 · Extraordin DBE Property Income	0.00	-5,000.00	5,000.00	-280,000.00	-97,500.00	-182,500.00	-97,500.00
9510025 · Monthly Pay towards 300k Total	-5,000.00	-10,000.00	5,000.00	-60,000.00	-60,000.00	0.00	-60,000.00
9510030 · Town Hall Property Planning	1,154.02	0.00	1,154.02	8,065.87	0.00	8,065.87	0.00
9510000 · Town Hall - Other	0.00			-11,439.60	0.00	-11,439.60	0.00
Total 9510000 · Town Hall	-2,180.98	-15,000.00	12,819.02	-373,420.26	-157,500.00	-215,920.26	-157,500.00
9540000 · 3% Trans Tax to Comp Plan	-1,000.56	17,278.00	-18,278.56	-14,984.72	-16,766.00	1,781.28	-16,766.00
9545000 · 5% TransTax to TranTaxRecoupAcct	-1,617.58	0.00	-1,617.58	-35,372.21	-27,105.00	-8,267.21	-27,105.00
9550000 · 20% Bldg Permit to Street	-4,838.73	-22,078.00	17,239.27	-98,924.27	-53,750.00	-43,174.27	-53,750.00
9560000 · 5%ParkPermit to Signs,striping	-34.35	0.00	-34.35	-32,282.52	-28,155.00	-4,127.52	-28,155.00
9570000 · DBE Phase II & iii Permit Fee	0.00			-300,000.00			
Total Other Expense	-9,672.20	-19,800.00	10,127.80	-815,344.24	-233,276.00	-582,068.24	-233,276.00
Net Other Income	21,127.20	19,800.00	1,327.20	822,858.78	233,276.00	589,582.78	233,276.00

1:58 PM
04/23/18
Accrual Basis

Town of Dewey Beach
Profit & Loss Budget Performance
March 2018

	<u>Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Apr '17 - Mar 18</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>Annual Budget</u>
Net Income	<u>-27,600.22</u>	<u>85,626.00</u>	<u>-113,026.22</u>	<u>410,629.39</u>	<u>233,276.00</u>	<u>177,353.39</u>	<u>233,276.00</u>

Town of Dewey Beach
Balance Sheet
As of August 31, 2018

	Aug 31, 18
ASSETS	
Current Assets	
Checking/Savings	
1000000 · General Funds	
1000010 · Operating Gen'l Funds - Fulton	956,280.01
1000030 · Fulton Bank-TransferTaxAcct	53,118.17
1000040 · Payroll Account-Fulton Bank	225.26
	1,009,623.44
Total 1000000 · General Funds	
1000100 · Self-Committed Funds	
1000110 · Legal & Litigation - Fulton	268,429.03
1000120 · Street Infrastr 20% Bldg Permit	267,932.73
1000130 · Comp. Plan -3%TransferTax	67,999.24
1000140 · Technology Improvement Funds	5,624.21
1000150 · Rainy Day Surplus Acct	164,076.31
1000170 · Brown Advisors - Combined	572,890.25
	1,346,951.77
Total 1000100 · Self-Committed Funds	
1000200 · Restricted	
1000210 · Fulton Bank-Municipal St. Aid	14,110.16
1000220 · Fulton Bank- Police SALLE Grant	509.99
1000230 · Fulton Bank-Police EIDE Grant	16,651.14
1000240 · Police Dep't.Acc't.-Fulton Bank	19,796.74
1000260 · Fulton Bank-Dewey Beach Patrol	12,036.46
1000270 · Fulton Review Fund Escrow Acct	34,566.62
1000280 · DB Patrol Competition	24,926.96
	122,598.07
Total 1000200 · Restricted	
1000500 · Petty Cash	1,400.00
	2,480,573.28
Total Checking/Savings	
Accounts Receivable	
1002500 · DBE Receivable	347,500.00
1002501 · Provision for DBE Receivables	-310,000.00
	37,500.00
Total Accounts Receivable	
Other Current Assets	
1200000 · General Receivables	
1200001 · RuddertownEngineering-Due DBE	19,642.03
	19,642.03
Total 1200000 · General Receivables	
1200100 · Prepaid Insurance	185,433.44
	205,075.47
Total Other Current Assets	
Total Current Assets	
	2,723,148.75
Fixed Assets	
1500110 · Land - Town Hall	1,126,116.68
1500120 · Buildings - Town Hall	-107,028.52
1500130 · Building Improvements-Town Hall	215,562.02
1500140 · Construction in Progress - TH	6,345.33
1500150 · Equipment - Town Hall	219,216.32
1500210 · Land - Police	22,716.00
1500220 · Building Improvements - Police	22,535.00
1500230 · Equipment - Police	365,716.02
1500240 · Vehicles - Police	394,487.11
1500310 · Land - LSS	6,499.00
1500320 · Buildings - LSS	142,162.00
1500330 · Building Improvements - LSS	11,947.00
1500340 · Equipment - LSS	24,843.00
1500410 · Land - Streets & Infrastructure	1,336,914.90
1500420 · Buildings - Streets & Infra	619,077.57
1500430 · Building Improvements - S & I	70,659.19
1500440 · Equipment - Streets & Infra	73,723.58
1500450 · Vehicles - Streets & Infra	58,904.00

Town of Dewey Beach
Balance Sheet
As of August 31, 2018

	Aug 31, 18
1500510 · Equipment - Code Enforcement	213,421.21
1500999 · Accumulated Depreciation	-2,515,730.61
Total Fixed Assets	2,308,086.80
TOTAL ASSETS	5,031,235.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000000 · Accounts Payable	-4,448.22
Total Accounts Payable	-4,448.22
Other Current Liabilities	
2100000 · General Obligations	
2100001 · 941 Payable	130.11
2100002 · SIT Payable	11.76
2100003 · SUTA Payable	4,814.94
2100004 · Local Tax Payable	184.58
2100006 · Life Insurance Payable	1,157.27
2100009 · Adm Pension Payable	-0.01
2100010 · Police Pension Payable	4,458.32
2100011 · Accrued Bonus's	9,642.86
2100012 · Accrued wages	42,218.27
2100013 · Compensated Absences	154,584.95
2100014 · Provision Compensated Absences	-154,584.95
2120001 · Due to Beach Replenishment Fund	38.45
2120003 · Due to State of Delaware	
2120005 · DELJIS Surcharge	266.00
2120007 · Trans Fund	10.00
2120008 · Police Fund	1,464.00
2120009 · Vic Comp Assessment	1,011.40
2120010 · Video Surcharge	248.00
Total 2120003 · Due to State of Delaware	2,999.40
2100000 · General Obligations - Other	7.11
Total 2100000 · General Obligations	65,663.06
2300000 · Restricted Grants & Donations	
2300200 · Police Grants	
2300202 · EIDE Grant	16,650.44
2300203 · Highway Safety Grant	6,575.10
2300204 · Local Government Grant Police	560.81
2300205 · Federal Confiscated Funds	2,172.49
2300207 · Vehicle Grants	1,862.35
2300209 · SALLE Grant	509.98
Total 2300200 · Police Grants	28,331.17
2300300 · Street & Highway Grants	
2300301 · Municipal Street Aid Grant	16,845.14
Total 2300300 · Street & Highway Grants	16,845.14
2300400 · Lifeguard Grants	
2300401 · Contributions to Lifeguards	1,410.01
2300402 · Donations LGYouth Rec.Prog.	2,172.76
Total 2300400 · Lifeguard Grants	3,582.77
Total 2300000 · Restricted Grants & Donations	48,759.08
Total Other Current Liabilities	114,422.14
Total Current Liabilities	109,973.92

Town of Dewey Beach
Balance Sheet
As of August 31, 2018

	Aug 31, 18
Long Term Liabilities	
2500000 · Loan Payable - DNREC	175,721.12
2600000 · Provision for Notes Payable	-175,721.12
2700001 · Deferred Outflows - GASB 68	-133,547.00
2700002 · Deferred Inflows - GASB 68	57,995.00
2700003 · NPL - GASB 68	52,097.00
2700004 · GASB 68 - Contra	23,455.00
	0.00
Total Long Term Liabilities	0.00
Total Liabilities	109,973.92
Equity	
3000100 · General Fund Balance	1,243,637.04
3000110 · General Fund Balance - Current	-30,197.04
3000200 · Legal & Litigation	
3000210 · Legal & Litigation - Current	937.61
3000200 · Legal & Litigation - Other	267,491.69
	268,429.30
Total 3000200 · Legal & Litigation	268,429.30
3000300 · GFB-Committed St 20% Bldg Perm	
3000310 · GFB-St 20% Bldg Perm - Current	-102,837.12
3000300 · GFB-Committed St 20% Bldg Perm - Other	396,923.13
	294,086.01
Total 3000300 · GFB-Committed St 20% Bldg Perm	294,086.01
3000400 · GFB- Comp Plan 3% Tran Tax	
3000410 · GFB-Comp Plan 3% Tran - Current	8,986.57
3000400 · GFB- Comp Plan 3% Tran Tax - Other	61,550.67
	70,537.24
Total 3000400 · GFB- Comp Plan 3% Tran Tax	70,537.24
3000500 · GFB-5%TTax to TTax Recoup Acct	
3000510 · GFB-5% TTax to Recoup - Current	35,372.21
3000500 · GFB-5%TTax to TTax Recoup Acct - Other	94,312.21
	129,684.42
Total 3000500 · GFB-5%TTax to TTax Recoup Acct	129,684.42
3000600 · GFB-5%ParkPrmit-signs,striping	
3000610 · GFB-5% PP signs, strip- Current	32,282.52
3000600 · GFB-5%ParkPrmit-signs,striping - Other	86,862.35
	119,144.87
Total 3000600 · GFB-5%ParkPrmit-signs,striping	119,144.87
3000700 · Technology	
3000710 · Technology - Current	5,623.96
	5,623.96
Total 3000700 · Technology	5,623.96
3000900 · GFB-Rainy Day Self Comm Funds	
3000910 · GFB-Rainy Day - Current	50,121.90
3000900 · GFB-Rainy Day Self Comm Funds - Other	113,954.41
	164,076.31
Total 3000900 · GFB-Rainy Day Self Comm Funds	164,076.31
32000 · Unrestricted Net Assets	479,684.57
3900000 · Fixed Asset Investments	2,308,086.80
Net Income	-131,531.85
	4,921,261.63
Total Equity	4,921,261.63
TOTAL LIABILITIES & EQUITY	5,031,235.55