

TOWN OF SOUTH BETHANY, DELAWARE

Audited Financial Statements
And Supplemental Information
For Fiscal Year Ended April 30, 2015
(With Comparative Year Analyses 2014, 2013, 2012)

TOWN OF SOUTH BETHANY, DELAWARE
FISCAL YEAR ENDED APRIL 30, 2015

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TOWN OF SOUTH BETHANY, DELAWARE
FISCAL YEAR ENDED APRIL 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor And Town Council Members
Town of South Bethany
South Bethany, Delaware 19930

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of South Bethany, Delaware as of and for the year ended April 30, 2015, with comparative totals as of April 30, 2014, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of South Bethany, Delaware, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and 24-27 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 South Bethany, Delaware's basic financial statements. The supplementary information on pages 28 through 38 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.

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

MANAGEMENT DISCUSSION AND ANALYSIS

August 7, 2015
Georgetown, Delaware

TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015

- 3 -

As management of the Town of South Bethany, 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 April 30, 2014. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements (beginning on page 10).

FINANCIAL HIGHLIGHTS

- The assets of the Town of South Bethany exceeded its liabilities at the close of the most recent fiscal year by \$ 3,560,875 (net assets). Of this amount, \$ 904,672 (unassigned net assets) may be used to meet the government'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 South Bethany's governmental funds reported combined ending fund balances of \$ 2,174,539. Of this amount, \$ 1,016,357 (unassigned fund balance) is available for use within the Town's designation and policies while the remaining \$ 1,158,182 is reserved for certain specified future operational and capital expenditures.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 1,016,357 or 49 % of the total general fund expenditures for the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

**TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

The government-wide financial statements show functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities).

The government-wide financial statements can be found on pages 10 - 12 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, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be put into one category called governmental funds.

Governmental Funds – Governmental funds 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 five 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 and Realty Transfer Tax Fund, both of which are considered to be major funds. Data from the other three 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 13 and 15 of this report.

Fiduciary Funds – The Town has title to police pension money from an old pension plan that began in 1979. Please see Note (6) on page 22 of this report. Since these monies are held for the benefit of the one current police officer, the Town has not included these investments in the governmental funds or the government-wide financial statements. In addition, Lifeguard donations are being held by the Town for lifeguard competitions.

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 17 – 23 of this report.

Supplemental Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary activity. Required supplementary information can be found on page 24 – 27 of this report. Non-required supplementary information is presented following the required supplementary information. These statements and schedules can be found on pages 28 – 38 of this report.

**TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Town of South Bethany, assets exceeded liabilities by \$ 3,560,875 as of April 30, 2015.

One of the largest portion of the Town's net assets (42%) reflects its' investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less accumulated depreciation. The Town uses these capital assets to provide service to citizens; consequently these assets are not available for future spending.

TOWN OF SOUTH BETHANY'S NET ASSETS

	Governmental		Amount Change
	Activities April 30, 2015	Activities April 30, 2014	
Current and other assets	\$ 2,270,380	\$ 2,066,904	\$ 203,476
Capital Assets	1,497,921	1,568,823	(70,902)
<u>Total Assets</u>	<u>3,768,301</u>	<u>3,635,727</u>	<u>132,574</u>
Long term liabilities	111,585	118,693	(7,108)
Other liabilities	95,841	132,091	(36,250)
<u>Total Liabilities</u>	<u>207,426</u>	<u>250,784</u>	<u>(43,358)</u>
Net Assets:			
Non spendable	1,497,921	1,568,823	(70,902)
Restricted by other governments	1,126,136	763,754	362,382
Committed by council	32,146	42,306	(10,160)
Assigned	-	-	-
Unassigned	904,672	1,010,060	(105,388)
<u>Total Net Assets</u>	<u>\$ 3,560,875</u>	<u>\$ 3,384,943</u>	<u>\$ 175,932</u>

As of April 30, 2015, governmental unassigned net assets were \$ 904,972 may be used to meet the government's ongoing obligation to citizens and creditors. The remaining net assets of \$ 1,158,282, are reserved for future expenditures with a specific purpose.

As of April 30, 2015, the Town is able to report positive balances in categories of net assets, the governmental funds and governmental activities.

**TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

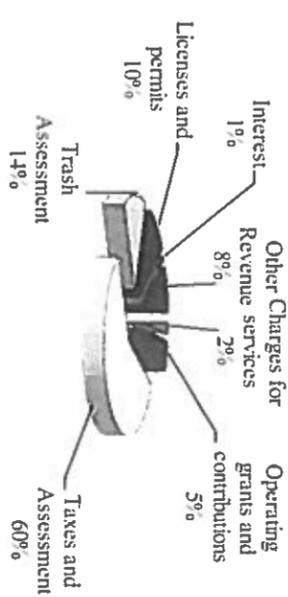
Analysis of the Town's Operations – The following table provides a summary of the Town's operations for the year ended April 30, 2015. Governmental activities decreased the Town of South Bethany's net assets by \$ 175,932.

TOWN OF SOUTH BETHANY'S CHANGES IN NET ASSETS

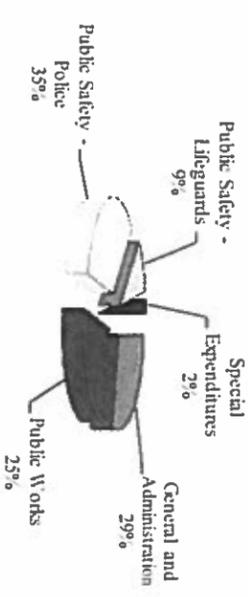
	Governmental Activities April 30, 2015	Governmental Activities April 30, 2014	Amount Change
Revenues:			
Program Revenues:			
Charges for services	\$ 50,847	\$ 61,381	(10,534)
Operating grants and contributions	138,813	158,655	(19,842)
General Revenues:			
Taxes and Assessment	1,541,652	1,255,433	286,219
Licenses and permits	243,952	284,147	(40,195)
Trash Assessment	357,908	348,518	9,390
Interest	16,070	15,991	79
Other Revenue	203,962	162,527	41,435
Total Revenues	2,553,204	2,286,652	266,552
Expenses:			
General and Administration	680,156	820,408	(140,252)
Public Works	585,847	607,785	(21,938)
Public Safety - Police	834,476	664,612	169,864
Public Safety - Lifeguards	218,714	209,048	9,666
Special Expenditures	58,079	41,262	16,817
Total Expenses	2,377,272	2,343,115	34,157
Increase/(Decrease) in net assets	175,932	(56,463)	232,395
Net assets - Beginning, May 1, 2014	3,384,943	3,441,406	(56,463)
Net assets - Ending, April 30, 2015	\$ 3,560,875	\$ 3,384,943	\$ 175,932

**TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

Governmental Activities 2015 Revenues



Governmental Activities 2015 Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

Governmental funds – The focus of the Town of South Bethany'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 South Bethany's governmental funds reported combined ending fund balances of \$ 2,174,539.

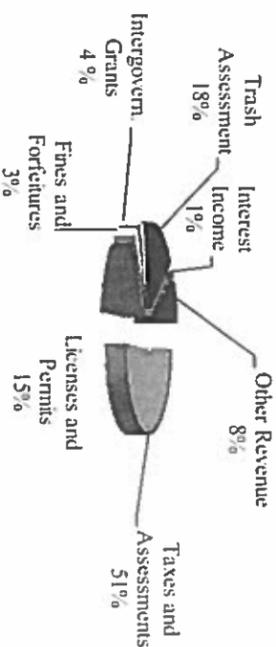
General Fund Budgetary Highlights – In the General Fund, actual revenue exceeded budgeted revenues by \$ 57,409. The majority of this favorable variance is due to favorable earnings from building permits. The Town's actual expenses were below budgeted expenditures by \$ 118,798. These favorable variances were mainly due to the administrative departments.

The following schedule presents a summary of General Fund revenues for the fiscal year ended April 30, 2015, and the amount and percentage of increase and decreases in relation to prior year revenues:

**TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

Revenues	April 30, 2015	Percentage	April 30, 2014	Percentage
	Totals	of Total	Totals	of Total
Taxes and Assessments	\$ 1,014,972	51%	\$ 1,254,851	51%
Licenses and Permits	243,952	15%	197,558	15%
Fines and Forfeitures	50,397	3%	78,452	3%
Intergovernmental Grants	82,803	4%	160,046	4%
Trash Assessment	357,908	18%	340,634	18%
Interest Income	16,503	1%	14,565	1%
Other Revenue	203,962	8%	146,107	8%
	<u>\$ 1,970,497</u>	<u>100%</u>	<u>\$ 2,192,213</u>	<u>100%</u>

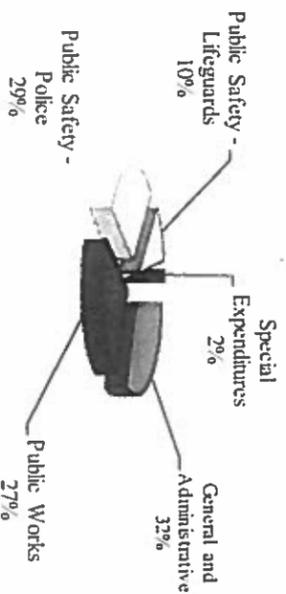
General Fund Revenues 2015



The following schedule represents a summary of General Fund expenditures for the fiscal year ended April 30, 2014, and the percentage of total in relation to prior year amounts:

Expenditures	April 30, 2015	Percentage	April 30, 2014	Percentage
	Totals	of Total	Totals	of Total
General and Administrative	\$ 727,138	32%	\$ 677,924	32%
Public Works	554,706	27%	567,094	27%
Public Safety - Police	722,065	29%	610,438	29%
Public Safety - Lifeguards	204,594	10%	215,047	10%
Special Expenditures	89,651	2%	45,642	2%
	<u>\$ 2,298,154</u>	<u>100%</u>	<u>\$ 2,116,145</u>	<u>100%</u>

General Fund Expenditures 2015



**TOWN OF SOUTH BETHANY, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

Future Economic Factors – During future years, the Town may continue to experience modest growth due to lower collections of the realty transfer tax. The Town will continue to keep future capital expenditures at a minimum.

CAPITAL ASSETS

The Town of South Bethany's investment in capital assets for its governmental activities as of April 30, 2015, amounts to \$ 1,497,921 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure.

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

	Governmental	Governmental	Amount
	Activities	Activities	
	April 30, 2015	April 30, 2014	Change
Town Hall Building	\$ 756,599	\$ 756,599	-
Police Building	303,135	303,135	-
Land and Buildings	264,856	264,856	-
Equipment	1,174,354	1,037,197	137,157
Infrastructure	883,395	883,395	-
Less: Accumulated Depreciation	(1,884,418)	(1,506,121)	(378,297)
<u>Total</u>	<u>\$ 1,497,921</u>	<u>\$ 1,739,061</u>	<u>(241,140)</u>

DEBT ADMINISTRATION

At the end of the current fiscal year, the Town of South Bethany has no outstanding debt obligations.

PENSION LIABILITIES

The Town is responsible for paying the Employer's portion of Federal Insurance Contributions Act (FICA) tax for the Non-qualified Deferred Compensation Plan. This liability is not recorded in the Town's financial statements since the management could not reasonably estimate the amount. Additional information about the Town's pension plan is available in note #6 on page 22 of this report.

The Town is also liable for Town Retirement Plan for non-qualified pension amount that may be payable for the qualified retirees in the future. The actual payout amount is unknown and the liability is not included in the Town's financial statements. Two employees have retired in July 2014 in good standing and qualified for the Separation bonus. To take the consideration of current situation, the Town continues to adjust the reserve for these liabilities.

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, Attn: Town Manager, at 402 Evergreen Road, South Bethany, Delaware 19930, or call 302/539-3653.

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BASIC FINANCIAL STATEMENTS

TOWN OF SOUTH BETHANY, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS

APRIL 30, 2015
 (With Comparative Totals for April 30, 2014)

	<u>Primary Government</u> Governmental Activities April 30, 2015	<u>Primary Government</u> Governmental Activities April 30, 2014
ASSETS		
Cash and cash equivalents	\$ 2,256,090	\$ 2,060,039
Receivables	14,290	6,865
Deferred expense	-	-
Capital assets:		
Town Hall Building	756,599	756,599
Police Building	303,135	303,135
Land & Buildings	264,856	264,856
Equipment	1,174,354	1,083,298
Infrastructure	883,395	883,395
Accumulated depreciation	(1,884,418)	(1,722,460)
Total Assets	<u><u>3,768,301</u></u>	<u><u>3,635,727</u></u>
LIABILITIES		
Accounts payable	75,056	86,459
Accrued liabilities	123,528	153,995
Unearned revenue	150	3,450
Deferred revenue	8,692	6,880
Total Liabilities	<u><u>207,426</u></u>	<u><u>250,784</u></u>
NET ASSETS		
Non spendable		
Invested in capital assets (net of accumulated depreciation)	1,497,921	1,568,823
Deferred expense	-	-
Total Non spendable	<u>1,497,921</u>	<u>1,568,823</u>
Restricted by other governments	1,126,136	763,754
Committed by council	32,146	42,306
Assigned	-	-
Unassigned	904,672	1,010,060
Total Net Assets	<u><u>3,560,875</u></u>	<u><u>3,384,943</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,768,301</u></u>	<u><u>\$ 3,635,727</u></u>

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

TOWN OF SOUTH BETHANY, DELAWARE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2015
 (With Comparative Totals for April 30, 2014)

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General and Administrative	\$ 680,156	\$ -	\$ 50,132	\$ -
Public Works	585,847	1,068	5,000	-
Public Safety - Police	834,476	49,779	47,281	-
Public Safety - Lifeguards	218,714	-	-	11,400
Special Expenses	58,079	-	25,000	-
Total Governmental Activities	\$ 2,377,272	\$ 50,847	\$ 127,413	\$ 11,400

General revenues:	
Taxes and assessments	1,541,652
Licenses and permits	243,952
Trash assessment	357,908
Interest	16,070
Other revenue	203,962
Total General revenues and transfers	2,363,544
Change in net assets	175,932
Net assets - Beginning, May 1, 2014	3,384,943
Net assets - Ending, April 30, 2015	<u>3,560,875</u>

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities		
Totals		
2015	2014	
\$ (630,024)	\$ (813,381)	
(579,779)	(556,833)	
(737,416)	(524,005)	
(207,314)	(209,048)	
(33,079)	(19,812)	
\$ (2,187,612)	\$ (2,123,079)	

1,541,652	1,255,433
243,952	284,147
357,908	348,518
16,070	15,991
203,962	162,527
2,363,544	2,066,616
175,932	(56,463)
3,384,943	3,441,406
<u>3,560,875</u>	<u>3,384,943</u>

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

TOWN OF SOUTH BETHANY, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2015

	General	Realty Transfer Tax	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,127,948	\$ 931,753	\$ 196,388	\$ 2,256,089
Receivables	14,291	-	1,068	15,359
Due from other funds	5,495	11,114	-	16,609
<u>Total Assets</u>	<u>1,147,734</u>	<u>942,867</u>	<u>197,456</u>	<u>2,288,057</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	75,056	-	-	75,056
Unearned Revenue	150	-	-	150
Accrued liabilities	11,944	-	-	11,944
Deferred revenue	-	-	8,692	8,692
Due to other funds	12,181	-	5,495	17,676
<u>Total Liabilities</u>	<u>99,331</u>	<u>-</u>	<u>14,187</u>	<u>113,518</u>
Fund Balances:				
Non spendable	-	-	-	-
Restricted by other governments	-	942,867	183,269	1,126,136
Committed by council	32,046	-	-	32,046
Assigned	-	-	-	-
Unassigned	1,016,357	-	-	1,016,357
<u>Total Fund Balances</u>	<u>1,048,403</u>	<u>942,867</u>	<u>183,269</u>	<u>2,174,539</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 1,147,734</u>	<u>\$ 942,867</u>	<u>\$ 197,456</u>	<u>\$ 2,288,057</u>

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

TOWN OF SOUTH BETHANY, DELAWARE
RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND BALANCES TO
GOVERNMENTAL ACTIVITIES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2015

<p>The Total Net Assets reported for governmental activities in the Statement of Net Assets is different because:</p> <p>Total Fund Balances for Government Funds \$ 2,174,539</p> <p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p style="padding-left: 20px;">Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Capital assets net of accumulated depreciation are included in the Statement of Net Assets</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: right;">Total Capital Assets</td> <td style="text-align: right;">3,382,339</td> </tr> <tr> <td style="text-align: right;">Accumulated Depreciation</td> <td style="text-align: right;"><u>(1,884,418)</u></td> </tr> <tr> <td></td> <td style="text-align: right;">1,497,921</td> </tr> </table> <p style="padding-left: 20px;">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.</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: right;">Compensated absences</td> <td style="text-align: right;"><u>(111,585)</u></td> </tr> </table> <p>Total Net Assets of Governmental Activities <u>\$ 3,560,875</u></p>	Total Capital Assets	3,382,339	Accumulated Depreciation	<u>(1,884,418)</u>		1,497,921	Compensated absences	<u>(111,585)</u>	
Total Capital Assets	3,382,339								
Accumulated Depreciation	<u>(1,884,418)</u>								
	1,497,921								
Compensated absences	<u>(111,585)</u>								

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

TOWN OF SOUTH BETHANY, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2015

	General	Realty Transfer Tax	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and Assessments	\$ 1,014,972	\$ 526,680	\$ -	\$ 1,541,652
Licenses and Permits	243,952	-	-	243,952
Fines and Forfeitures	50,397	-	-	50,397
Intergovernmental Grants	82,803	-	54,871	137,674
Trash Assessment	357,908	-	-	357,908
Interest Income	16,503	-	17	16,520
Other Revenue	203,962	-	-	203,962
Total Revenues	1,970,497	526,680	54,888	2,552,065
Expenditures:				
General and Administrative	727,138	5,945	24	733,107
Public Works	554,706	-	3,477	558,183
Public Safety - Police	722,065	-	4,740	726,805
Public Safety - Lifeguards	204,594	-	-	204,594
Special Expenditures	89,651	-	-	89,651
Total Expenditures	2,298,154	5,945	8,241	2,312,340
Excess Of Revenues Over (Under) Expenditures	(327,657)	520,735	46,647	239,725
Other Financing Sources (Uses)	205,000	(205,000)	-	-
Transfer (to) / from	205,000	(205,000)	-	-
Excess Of Revenues And Other Financing Sources (Uses) Over (Under) Expenditures				
	(122,657)	315,735	46,647	239,725
Fund balance - May 1, 2013	1,171,060	627,132	136,622	1,934,814
Fund balance - April 30, 2014	\$ 1,048,403	\$ 942,867	\$ 183,269	\$ 2,174,539

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

TOWN OF SOUTH BETHANY, DELAWARE
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES TO FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED APRIL 30, 2015

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

Net Change in Fund Balances - Total Governmental Funds \$ 239,725

Some expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

The net change in long term Compensated Absences 7,109

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense \$ (219,540) exceeded capital outlays \$ 148,638 in the current period.

Change in net assets of governmental activities \$ 175,932

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

TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

- 17 -

Summary of Significant Accounting Policies

A. General Statement

The Town of South Bethany, Delaware (the "Town") operates under a Council - Manager form of government and provides the following services as authorized by its charter: public safety (police and beach patrol), public works services (sanitation), street maintenance and general administrative services.

The basic financial statements of the Town have been prepared in conformity with accounting Principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Town are described below.

B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of South Bethany has no component units.

C. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Town. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

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 and are reported instead as general revenues.

Fund Financial Statements:

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is the current financial resources. The Town has presented the following major governmental funds:

General Fund – This is the main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

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, State Aid to Local Law Enforcement, Emergency Illegal Drug Enforcement, Combat Violent Crime and Realty Transfer Tax.

The Town segregated 1% and .5% Realty Transfer Tax until fiscal year 2013. The 1% was included in General Fund and the .5% was the part of Special Revenue Funds. During 2014, the Town decided to combine these two funds and accounted for them in Special Revenue Fund.

D. Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

The Town reports the following major governmental funds:

The **General Fund** is used to account for all financial transactions not accounted for in another fund. Revenues are derived principally from property taxes, municipal user taxes, and other intergovernmental revenues. This fund accounts for the general administrative services of the Town not recorded elsewhere, including the activities of the various departments, public safety, public works, general administrative, and mayor and council.

The **Realty Transfer Tax Fund** is used to account for financial transactions pertaining to specific resources. Revenues are derived from collections of the Town assessed realty transfer tax fee of 1.5%. 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.

TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

E. Implementation of New Accounting Principles (Continued)

For fiscal year 2004, the Town implemented GASB Statement No. 33, GASB Statement No. 34, GASB Statement No. 37 and GASB Statement No. 38.

Under GASB Statement 33, property taxes are imposed non-exchange revenue. Assets (accounts receivable) from imposed non-exchange transactions are recorded when the Town has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date.

GASB 34 creates another set of the basic financial statements for reporting on the Town's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting.

GASB 37 requires a government to present the Management's Discussion and Analysis.

GASB 38 requires a government to present Notes to the Financial Statements.

For fiscal year 2012, the Town has implemented GASB Statement No. 54. This standard requires governments to further define how much of the fund balance is truly unrestricted, or unassigned, in order to meet the needs of the governments day to day operations. There are five new fund balance types presented in the Town's financial statements.

Non-spendable – Amounts that cannot be spent due to liquidity, such as prepaid amounts and fixed assets.

Restricted – Amounts where an external government defines how the monies must be spent. Examples include federal, state and county grants.

Committed – Amounts that the Town Council has formally passed by a majority vote. A majority vote by council is also required to formally release these funds.

Assigned – Amounts that may be designated for a specific purpose without a formal vote by the Town Council.

Unassigned – Amounts that are at the Town's discretion for day to day operations.

F. Budgetary Control

The Town charter established the fiscal year as the twelve-month period beginning May 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.

(2) Total Columns On Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in position in conformity with generally accepted accounting principles. Neither is such financial data comparable to a consolidation. Each fund should be considered separately as to its financial position and operating results.

(3) Compensated Employee Absences

As the general fund balance sheet reflects current liabilities, only the current portion of the liability for compensated employee absences is reported in that fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term debt account group.

(4) Property Taxes

Taxes are levied on May 1st of each year and are due by June 30th. The Town bills and collects its own property taxes. The tax rate for the year ended April 30, 2015 was \$1.30 per \$100 of assessed valuation with a total assessed valuation of approximately \$ 37,610,927.

(5) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	Balance May 1st		Additions		Disposal		Balance April 30th	
Town Hall Building	\$	756,599	\$	-	\$	-	\$	756,599
Police Building		303,135		-		-		303,135
Land and Buildings-other		264,856		-		-		264,856
Equipment		1,083,298		148,637		(57,581)		1,174,354
Infrastructure		883,395		-		-		883,395
<u>Total Cost</u>		3,291,283		148,637		(57,581)		3,382,339
<u>Less: Accumulated depreciation</u>		(1,722,460)		(219,539)		57,581		(1,884,418)

Capital Assets (Net of Accumulated Depreciation)	\$	<u>1,568,823</u>	\$	<u>(70,902)</u>	\$	<u>-</u>	\$	<u>1,497,921</u>
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TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

(6) Police Pension Plan

The Town of South Bethany, Delaware was enrolled in the "South Bethany Police Department Employee Pension Plan" from June 1979 until June 2006. This Non-qualified Deferred Compensation Plan (NQDC) was terminated in June 2006, and all participants opted to withdraw their account balances with the exception of one employee, who is 100% vested in the Plan.

The Town is responsible for the Employer's portion of FICA, currently 7.65% of the non-qualified amount for this plan. The Town's financial statements do not include this future liability and the management could not estimate reasonable liability amount due to the market fluctuation. The balance of the Plan assets as of April 30, 2015 was \$ 244,628 which is attributable to the one remaining participant. This amount is reported as a fiduciary fund on page 38.

The Police Department is enrolled with the Delaware Public Employees Retirement System for Municipal Police and Firefighter Pension Fund, which the Town contributes an amount equal to 14.53 % of the employee's salary, while the police officers contribute 7% of their annual salary.

(7) Pension Plan – Other Employees

The Town of South Bethany has adopted the Delaware Public Employees' Retirement System- Other County and Municipal Employees Plan for the remainder of its full-time employees. This is a mandatory pension plan in which the individual employee contributes 3% of their annual salary, which exceeds \$6,000 per annum. The employee contributions are tax deferred, and the Town of South Bethany will contribute an amount set by the State of Delaware Pension Office. The Town's contribution is up to 6% of the employee's salary.

Employees become fully vested after five (5) years of service

(8) Investments

The Town invests its excess funds in certificate of deposits and the interest bearing accounts. At April 30, 2015, the Town's deposits and investments were either fully insured by the FDIC or collateralized.

(9) 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 for which the government carries commercial insurance.

At the present time, there are no potential claims against the Town with reasonable possibilities of unfavorable outcomes. The amount of any liability would be an amount equal to of the insurance deductible.

TOWN OF SOUTH BETHANY, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

(10) Commitments

In October, 1997, the Town entered into a lease with Artesian Water Company, Inc. for certain land and right-of-ways within the Town. Under the terms of this lease, the Town will receive annual rents for a period of thirty-three years. The rent will be adjusted to fair market rental at the twelfth and twentieth anniversaries. The lease may be extended for two additional thirty-three year terms. The lease was amended July, 2010 to adopt the new appraisal value. The benchmark rent was changed to \$ 14,900; this amount is adjusted based on the percentage increase in the CPI.

In February, 2004, the Town entered into a lease with Sharp Energy, Inc. for certain land and right-of-ways within the Town. Under the terms of this lease, the Town will receive annual rents of \$ 2,500 for lease years one through five. In years six through ten, the annual rent will increase by the percentage increase of the Consumer Price Index for Urban Workers ("CPI") each year. During year eleven, the annual rent will be based upon the fair market rental value, not to be less than year ten nor shall it exceed the annual rent of the tenth year by 20%. The rent during the twelfth through fifteenth lease years shall increase by the percentage increase of the CPI.

In June, 2009, the Town entered into a lease with Verizon Wireless for certain land and right-of-ways within the Town. Under the terms of this lease, the Town will receive annual rents of \$ 12,000 to be paid monthly for a period of 5 years. The lease will be automatically extend for an additional four (4) terms of five (5) years each, unless Verizon Wireless provides a written notice of termination at least six (6) months before the end of the current term. Each year is subject to an increase equal to the greater of 3% or the Consumer Price Index (CPI).

(11) Accounts Payable – Sandy Trash Reimbursement

The Town collected \$ 26,632 from citizens for yard waste pick due to hurricane Sandy. On May 2013, the Town received \$ 19,974, 75% of the expense from DEMA. Council decided to reimburse this amount to the citizens. Total amount of \$ 19,974 was deducted from fiscal year 2015 tax bills approximately \$ 15.83 per tax bill.

(12) Subsequent Events

Subsequent events have been evaluated up to July 31, 2015.

TOWN OF SOUTH BETHANY, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes And Assessments:				
Tax levy	\$ 496,942	\$ 496,942	\$ 500,674	\$ 3,732
Gross rental tax	510,000	510,000	514,298	4,298
Total Taxes And Assessments	1,006,942	1,006,942	1,014,972	8,030
Licenses And Permits:				
Building permits	105,000	105,000	145,410	40,410
Parking permits	26,000	26,000	27,472	1,472
Mercantile licenses	45,000	45,000	31,470	(13,530)
Rental license	30,000	30,000	39,600	9,600
Total Licenses And Permits	206,000	206,000	243,952	37,952
Fines And Forfeits:				
Police fines	65,000	65,000	39,694	(25,306)
Parking tickets	13,000	13,000	9,635	(3,365)
Grass cutting violations	500	500	400	(100)
Penalties	1,000	1,000	668	(332)
Total Fines And Forfeits	79,500	79,500	50,397	(29,103)
Intergovernmental Grants:				
Police pension	26,000	26,000	25,413	(587)
Other State of Delaware grants	-	157,890	32,390	(125,500)
Sussex County Grant - Police	26,500	46,500	25,000	(21,500)
Total Intergovernmental Grants	52,500	230,390	82,803	(147,587)
Trash & Recycling Assessment				
	366,167	346,123	357,908	11,785
Interest Income	\$ 10,000	\$ 10,000	\$ 16,503	\$ 6,503

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

TOWN OF SOUTH BETHANY, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues: (Continued)				
Other Revenue:				
BBVF ambulance fee	\$ 74,677	\$ 74,677	\$ 74,180	\$ (497)
CATV gross receipts percentage	38,000	38,000	40,851	2,851
Phone lease	13,635	13,635	13,810	175
Water lease	16,200	16,200	16,031	(169)
Gas lease	2,690	2,690	3,353	663
Donations	500	500	25,040	24,540
Beach vendor	18,000	18,000	18,000	-
Sale of Assets	3,500	3,500	5,230	1,730
Miscellaneous	4,150	4,150	7,467	3,317
Total Other Revenue	171,352	171,352	203,962	32,610
Total Revenue	1,892,461	2,050,307	1,970,497	(79,810)
Expenditures:				
General and Administrative:				
Advertising	1,500	1,500	1,660	(160)
Printing and postage	13,100	13,100	4,523	8,577
Auditing	8,300	9,650	10,500	(850)
Bank charges	2,000	4,250	2,485	1,765
Automobile	17,200	18,819	18,819	-
Computer maintenance	15,000	15,000	12,125	2,875
Contributions	4,500	4,500	4,000	500
Insurance	209,685	216,366	206,554	9,812
Office expenses	24,000	24,000	30,908	(6,908)
Legal	15,000	15,000	18,854	(3,854)
Payroll taxes	86,883	88,832	89,156	(324)
Training, seminars, travel	6,500	6,500	4,308	2,192
Salaries	270,218	281,662	273,189	8,473
Telephone	10,000	10,000	11,121	(1,121)
Utilities	7,000	7,000	7,662	(662)
Dues and subscriptions	6,500	6,500	4,117	2,383
Pension costs	17,423	17,423	17,534	(111)
Website maintenance	4,500	4,500	2,562	1,938
Grant expenses	-	10,000	-	10,000
Miscellaneous	15,200	15,200	7,061	8,139
Total General and Administrative	\$ 734,509	\$ 769,802	\$ 727,138	\$ 42,664

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

TOWN OF SOUTH BETHANY, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures: (Continued)				
Public Works:				
Street maintenance	\$ 20,000	\$ 20,000	\$ 19,334	\$ 666
Supplies	5,500	5,500	4,907	593
Salaries	80,854	86,475	83,920	2,555
Gas	6,500	6,500	6,359	141
Trash disposal	366,167	366,167	374,710	(8,543)
Vehicle and equipment expense	6,500	5,910	6,445	(535)
Uniforms	750	750	734	16
Utilities	17,200	16,900	13,735	3,165
Park/Walkways/Dunes	10,000	8,412	7,605	807
Signs	7,500	7,500	7,159	341
Decorations	2,500	2,500	2,497	3
Building maintenance	16,500	16,500	16,832	(332)
Beach cleanup	3,000	2,300	1,530	770
Landscaping	500	5,500	430	5,070
Pension cost	4,740	5,128	4,977	151
Canal maintenance	6,000	3,800	1,903	1,897
Miscellaneous	4,620	4,040	1,629	2,411
Total Public Works	558,831	563,882	554,706	9,176
Public Safety - Police:				
Supplies	4,000	3,750	4,924	(1,174)
Salaries	435,750	470,981	445,642	25,339
Vehicle maintenance	60,910	61,010	60,990	20
Equipment maintenance	650	1,950	350	1,600
Uniforms	3,500	6,500	6,598	(98)
Pension costs	56,002	56,002	43,668	12,334
Training	6,000	8,655	8,620	35
Dues and subscriptions	700	900	898	2
Gas	16,500	15,055	11,378	3,677
Utilities	5,400	5,600	5,457	143
Telephone & computer expenses	3,950	10,660	10,538	122
Sussex County Grant Expense	25,000	50,990	44,141	6,849
Radio and radar	1,000	2,144	2,146	(2)
BBVF ambulance fee	74,677	74,677	74,412	265
Miscellaneous	1,150	26,696	2,303	24,393
Total Public Safety - Police	\$ 695,189	\$ 795,570	\$ 722,065	\$ 73,505

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

TOWN OF SOUTH BETHANY, DELAWARE
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures: (Continued)				
Public Safety - Lifeguards:				
Supplies	\$ 3,600	\$ 3,500	\$ 3,921	\$ (421)
Salaries	194,535	196,051	189,621	6,430
Uniforms	5,000	4,439	2,954	1,485
Equipment	21,074	21,074	5,003	16,071
Training	4,100	3,100	3,095	5
Total Public Safety - Lifeguards	228,309	228,164	204,594	23,570
Special Expenditure:				
Canal expenses	16,298	164,989	19,557	145,432
Miscellaneous other	21,575	26,975	5,000	21,975
Grant expenses- other	3,100	3,700	42,582	(38,882)
Capital expenditures	6,300	6,300	22,512	(16,212)
Total Special Expenditures	47,273	201,964	89,651	112,313
Total Expenditures	2,264,111	2,559,382	2,298,154	261,228
Excess Of Revenues Over (Under) Expenditures				
	(371,650)	\$ (509,075)	(327,657)	181,418
Other Financing Sources (Uses)				
Transfer (to) / from Realty transfer tax	371,650	509,075	205,000	(304,075)
Transfer (to) / from Small funds	-	-	-	-
Total Other Financing Sources (Uses)	371,650	509,075	205,000	(304,075)
Excess Of Revenues And Other Financing Sources (Uses) Over (Under) Expenditures				
	\$ -	\$ -	(122,657)	\$ (122,657)
Fund Balance - May 1, 2014			1,171,060	
Fund Balance - April 30, 2015			\$ 1,048,403	

The accompanying notes are an integral part of these financial statements

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING BALANCE SHEET - GENERAL FUND
AS OF APRIL 30, 2015

(With Comparative Amounts As Of April 30, 2014, 2013, 2012)

	2015	2014	2013	2012
ASSETS				
Cash And Cash Equivalents:				
Cash in bank - checking	\$ 81,209	\$ 88,005	\$ 413,104	\$ 179,531
Cash in bank - money market	7,762	177,803	2,804	27,141
Cash in bank - certificates of deposit	1,038,978	1,022,961	1,007,038	1,127,302
Total Cash And Cash Equivalents	<u>1,127,949</u>	<u>1,288,769</u>	<u>1,422,946</u>	<u>1,333,974</u>
Receivables:				
Fines	4,290	2,665	4,674	5,159
State of Delaware grants	10,000	4,200	42,383	-
Interest	-	-	-	1,746
Total Receivables	<u>14,290</u>	<u>6,865</u>	<u>47,057</u>	<u>6,905</u>
Deferred Expense				
	-	-	7,602	-
Due From Other Funds				
	<u>5,495</u>	<u>12,921</u>	<u>6,182</u>	<u>4,306</u>
TOTAL ASSETS	<u>\$ 1,147,734</u>	<u>\$ 1,308,555</u>	<u>\$ 1,483,787</u>	<u>\$ 1,345,185</u>

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING BALANCE SHEET - GENERAL FUND
AS OF APRIL 30, 2015

(With Comparative Amounts As Of April 30, 2014, 2013, 2012)

	2015	2014	2013	2012
LIABILITIES AND FUND EQUITY				
Accounts Payable				
Accounts payable	\$ 75,056	\$ 66,482	\$ 33,831	\$ 2,609
Hurricane Sandy trash reimbursement payable	-	19,977	-	-
Total Accounts Payable	<u>75,056</u>	<u>86,459</u>	<u>33,831</u>	<u>2,609</u>
Accrued Liabilities:				
Accrued compensatory absences - current portion	242	6,966	3,042	8,011
Accrued wages	-	26,353	21,957	17,737
Accrued payroll taxes and withholdings	11,702	1,982	3,155	1,357
Total Accrued Liabilities	<u>11,944</u>	<u>35,301</u>	<u>28,154</u>	<u>27,105</u>
Unearned Revenue:				
	150	3,450	18,750	-
Due to other funds	<u>12,181</u>	<u>12,285</u>	<u>11,214</u>	<u>-</u>
TOTAL LIABILITIES	<u>99,331</u>	<u>137,495</u>	<u>91,949</u>	<u>29,714</u>
Fund Equity:				
Non spendable	-	-	7,602	-
Restricted by other governments	-	-	382,178	149,835
Committed by council	32,046	42,306	-	-
Assigned	-	-	-	-
Unassigned	1,016,357	1,128,754	1,002,058	1,165,636
TOTAL FUND EQUITY	<u>1,048,403</u>	<u>1,171,060</u>	<u>1,391,838</u>	<u>1,315,471</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,147,734</u>	<u>\$ 1,308,555</u>	<u>\$ 1,483,787</u>	<u>\$ 1,345,185</u>

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

TOWN SOUTH BETHANY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

(With Comparative Amounts For The Years Ended April 30, 2014, 2013, 2012)

	2015	2014	2013	2012
Revenues:				
<u>Taxes And Assessments:</u>				
Tax levy (net of discounts)	\$ 500,674	\$ 488,192	\$ 486,954	\$ 488,687
Gross rental tax	514,298	510,878	520,407	489,944
Total Taxes And Assessments	1,014,972	999,070	1,007,361	978,631
<u>Licenses And Permits:</u>				
Building permits	145,410	170,807	87,821	110,208
Parking permits	27,472	27,450	28,105	28,340
Mercantile licenses	31,470	46,590	39,580	46,540
Rental licenses	39,600	39,300	42,052	44,460
Total Licenses And Permits	243,952	284,147	197,558	229,548
<u>Fines and Forfeits</u>				
Police fines	39,694	48,485	63,326	66,674
Parking tickets	9,635	12,064	11,467	10,740
Grass cutting violations	-	-	-	150
Penalties	1,068	832	3,659	866
Total Fines And Forfeits	50,397	61,381	78,452	78,430
<u>Intergovernmental Grants:</u>				
Police Pension	25,413	26,951	34,542	27,235
FEMA / DEMA	-	7,027	42,778	8,137
Criminal Justice Council	-	-	-	1,549
Hightway Safety Grant	-	2,600	-	-
Sussex County Grant - Police	25,000	25,000	28,500	25,000
Other Grant	32,390	22,950	54,226	54,203
Total Intergovernmental Grants	82,803	84,528	160,046	116,124
<u>Trash & Recycling Assessment</u>	<u>\$ 357,908</u>	<u>\$ 348,518</u>	<u>\$ 340,634</u>	<u>\$ 310,445</u>

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

(With Comparative Amounts For The Years Ended April 30, 2014, 2013, 2012)

	2015	2014	2013	2012
Revenue: (Continued)				
<u>Interest Income</u>	<u>\$ 16,503</u>	<u>\$ 15,979</u>	<u>\$ 14,565</u>	<u>\$ 13,367</u>
<u>Other Revenue:</u>				
BBVF ambulance fee	74,180	61,298	53,073	56,571
CATV gross receipts percentage	40,851	46,974	36,846	36,341
Donation	25,040	500	1,500	10,825
Water lease	16,031	15,818	15,654	15,347
Gas lease	3,353	2,500	2,500	2,500
Phone lease	13,810	13,442	13,151	12,736
Miscellaneous	7,467	2,945	4,248	3,613
Bench vendor	18,000	18,000	15,000	15,000
Sale of asset	5,230	1,050	4,135	590
Total Other Revenue	203,962	162,527	153,523	153,523
Total Revenue	1,970,497	1,956,150	1,947,723	1,880,068
<u>Expenditures:</u>				
<u>General and Administrative:</u>				
Advertising	1,660	1,159	2,422	2,446
Printing and postage	4,523	4,215	7,552	6,304
Auditing	10,500	8,200	7,791	7,791
Bank charges	2,485	2,997	1,735	1,673
Automobile	18,819	-	-	-
Computer maintenance	12,125	17,289	15,104	4,926
Contributions	4,000	3,100	3,259	3,250
Insurance	206,554	209,249	196,196	170,695
Office expenses	30,908	30,920	23,608	21,124
Legal	18,854	6,137	13,658	10,860
Payroll taxes	89,156	82,476	81,095	76,576
Training, seminars, travel	4,308	5,669	4,540	6,753
Salaries	273,189	259,909	247,007	234,929
Telephone	11,121	10,401	9,646	8,205
Utilities	7,662	8,808	6,915	6,083
Dues and subscriptions	4,117	4,257	3,409	3,490
Pension costs	17,534	17,193	17,946	22,159
Website maintenance	2,562	2,126	2,435	2,236
Miscellaneous	7,061	3,819	1,544	1,813
Total General and Administrative	\$ 727,138	\$ 677,924	\$ 645,862	\$ 591,313

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

(With Comparative Amounts For The Years Ended April 30, 2014, 2013, 2012)

	2015	2014	2013	2012
Expenditures: (Continued)				
Public Works:				
Street maintenance	\$ 19,334	\$ 26,361	\$ 18,506	\$ 16,255
Supplies	4,907	4,442	4,398	4,175
Salaries	83,920	76,920	62,613	60,652
Pension costs	4,977	4,655	4,115	646
Gas	6,359	5,052	6,761	7,894
Trash disposal & recycling	374,710	383,962	369,464	340,147
Vehicle and equipment expense	4,999	4,841	3,070	4,539
Uniforms	734	712	421	258
Utilities	13,735	21,647	15,801	15,102
Part/Walkways/Dunes	7,605	3,697	1,865	6,272
Signs	7,159	2,685	4,731	4,065
Decorations	2,497	9,978	3,102	2,381
Building maintenance	16,832	15,268	12,303	10,702
Beach clean up	1,530	750	1,050	3,490
Landscaping	430	120	22,758	18,250
Canal maintenance	1,903	4,206	6,449	1,798
Equipment Purchase	1,446	-	1,433	-
Miscellaneous	1,629	1,798	412	1,489
Total Public Works	554,706	567,094	539,252	498,085
Public Safety - Police:				
Supplies	4,924	2,796	2,746	3,250
Salaries	445,642	429,087	402,117	396,770
Telephone	2,945	2,879	2,873	2,855
Computer expenses	7,593	461	372	188
Vehicle maintenance	5,080	7,195	7,219	5,874
Equipment maintenance	350	693	105	116
Uniforms	6,598	3,039	1,259	3,147
Pension costs	43,668	58,390	52,110	50,089
Training	8,620	7,884	4,314	6,274
Dues and subscriptions	898	380	300	387
Gas	11,378	16,050	18,832	15,081
Printing	2,303	529	1,111	863

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

(With Comparative Amounts For The Years Ended April 30, 2014, 2013, 2012)

	2015	2014	2013	2012
Expenditures: (Continued)				
Public Safety - Police: (Continued)				
BBVF ambulance fee	\$ 74,412	\$ 68,128	\$ 60,117	\$ 56,990
Vehicle/Capital purchases	55,910	-	-	-
Sussex County Grant Expense	44,141	6,979	26,838	30,833
Utilities	5,457	5,628	5,504	5,083
Equipment rental expense	2,146	320	1,462	460
Total Public Safety - Police	722,065	610,438	587,279	578,260
Public Safety - Lifeguards:				
Supplies	3,921	8,099	2,926	2,653
Salaries	189,621	188,731	191,775	174,468
Uniforms	2,954	5,232	1,015	7,417
Equipment	5,003	9,864	5,656	4,776
Training	3,095	3,121	1,660	2,509
Total Public Safety - Lifeguards	204,594	215,047	203,032	191,823
Special Expenditures:				
Hurricane expense	-	-	14,019	-
Dredging expenses	19,557	5,000	-	-
Capital expenditures	22,512	-	48,500	14,275
Forest service expenses	5,000	-	3,500	-
ARM Expense	-	-	62,621	-
Grant Expense - other	42,582	40,642	7,956	23,800
Total Special Expenditures	89,651	45,642	136,596	38,075
Total Expenditures	2,298,154	2,116,145	2,115,846	1,902,739
Transfers From Other Funds	205,000	321,395	243,665	134,160
Excess Of Revenues Over (Under) Expenditures				
Fund Balance - May 1st	1,171,060	1,009,660	1,315,471	1,198,799
Fund Balance - April 30th	\$ 1,048,403	\$ 1,171,060	\$ 1,391,838	\$ 1,315,471

*Beginning fund balance of May 1, 2013 was reduced by \$ 382,178, 1% transfer tax fund balance. The balance was transferred to Realty Transfer Tax Fund in fiscal year 2014.

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
AS OF APRIL 30, 2015

(With Comparative Amounts As Of April 30, 2014, 2013, 2012)

<u>ASSETS</u>	Municipal Street Aid	Emergency Illegal Drug Enforcement	State Aid To Local Law Enforcement
<u>Cash and Cash Equivalents</u>			
Cash in bank - checking	\$ 183,269	\$ 9,937	\$ 3,182
<u>Total Cash and Cash Equivalents</u>	<u>183,269</u>	<u>9,937</u>	<u>3,182</u>
<u>Receivables</u>			
Due from other funds	-	-	1,068
<u>TOTAL ASSETS</u>	<u>183,269</u>	<u>9,937</u>	<u>4,250</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Deferred revenue	-	4,442	4,250
Due to other funds	-	5,495	-
<u>Total Liabilities</u>	<u>-</u>	<u>9,937</u>	<u>4,250</u>
<u>Fund Equity:</u>			
Non spendable	-	-	-
Restricted by other governments	183,269	-	-
Committed by council	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<u>Total Fund Equity</u>	<u>183,269</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 183,269</u>	<u>\$ 9,937</u>	<u>\$ 4,250</u>

	Combat Violent Crime	Realty Transfer Tax	2015	2014	2013	2012
Totals (Memorandum Only)						
\$ -	\$ 931,753	\$ 1,128,141	\$ 771,270	\$ 412,075	\$ 270,570	
-	931,753	1,128,141	771,270	412,075	270,570	
-	11,114	12,182	12,285	11,214	-	
-	942,867	1,140,323	783,555	423,917	270,570	
-	-	8,692	6,880	7,799	7,244	
-	-	5,495	12,921	6,182	4,307	
-	-	14,187	19,801	13,981	11,551	
-	-	-	-	-	-	
-	942,867	1,126,136	763,754	409,936	259,019	
-	942,867	1,126,136	763,754	409,936	259,019	
\$ -	\$ 942,867	\$ 1,140,323	\$ 783,555	\$ 423,917	\$ 270,570	

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED APRIL 30, 2015

(With Comparative Amounts For The Years Ended April 30, 2014, 2013, 2012)

					Totals (Memorandum Only)				
					2015	2014	2013	2012	2011
Revenues:									
Interest	\$	16	\$	1	\$	17	\$	12	\$
Intergovernmental grants		50,132		812	54,871	74,127	74,903	57,505	57,505
Taxes		-		-	526,680	256,363	372,798	559,616	559,616
Total Revenues		<u>50,148</u>		<u>813</u>	<u>581,568</u>	<u>330,502</u>	<u>447,709</u>	<u>619,659</u>	<u>619,659</u>
Expenditures:									
Street Department:									
Street improvements		3,477		-	3,477	8,732	8,217	92,446	92,446
Public Safety - Police:									
Equipment / salaries		-		813	4,740	20,299	24,370	6,782	6,782
Total Public Safety - Police		<u>-</u>		<u>813</u>	<u>4,740</u>	<u>20,299</u>	<u>24,370</u>	<u>6,782</u>	<u>6,782</u>
General and Administration:									
Bank charges		24		-	5,945	5,969	8,436	992	4,118
Capital Expenditures		-		-	5,945	5,969	8,436	15,723	77,927
Total General and Administration		<u>24</u>		<u>-</u>	<u>14,186</u>	<u>37,467</u>	<u>49,302</u>	<u>181,273</u>	<u>181,273</u>
Total Expenditures		<u>3,501</u>		<u>813</u>	<u>567,382</u>	<u>293,035</u>	<u>398,407</u>	<u>438,386</u>	<u>438,386</u>
Excess Of Revenues Over (Under) Expenditures		<u>46,647</u>		<u>-</u>	<u>(205,000)</u>	<u>(321,395)</u>	<u>(247,490)</u>	<u>(489,944)</u>	<u>(489,944)</u>
Other Financing Sources (Uses)									
Transfer (to) / from		-		-	-	-	-	-	-
Excess Of Revenues And Other Financing Sources (Uses) Over (Under) Expenditures		<u>46,647</u>		<u>-</u>	<u>315,735</u>	<u>362,382</u>	<u>(28,360)</u>	<u>150,917</u>	<u>(51,558)</u>
Fund Balance - May 1st		<u>136,622</u>		<u>-</u>	<u>627,132</u>	<u>763,754</u>	<u>792,114*</u>	<u>259,019</u>	<u>310,577</u>
Fund Balance - April 30th	\$	<u>183,269</u>	\$	<u>-</u>	<u>\$ 942,867</u>	<u>\$ 1,126,136</u>	<u>\$ 763,754</u>	<u>\$ 409,936</u>	<u>\$ 259,019</u>

* Beginning fund balance of Realty Transfer Tax includes \$ 382,178, transferred 1% RTT fund balance.

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

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

TOWN OF SOUTH BETHANY, DELAWARE
COMBINING BALANCE SHEET - FIDUCIARY FUND
AS OF APRIL 30, 2015

(With Comparative Amounts As Of April 30, 2014, 2013, 2012)

	Totals (Memorandum Only)			
	2015	2014	2013	2012
<u>ASSETS</u>				
Deferred Compensation Police Pension	2015	2014	2013	2012
Beach Patrol Donation Fund				
Cash	\$ 5,698	\$ 6,353	\$ 12,096	\$ 11,307
Investments	244,628	311,398	310,701	273,208
Total Cash & Investments	250,326	317,751	322,797	284,515
<u>TOTAL ASSETS</u>	250,326	317,751	322,797	284,515
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Future pension payouts	244,628	311,398	310,701	273,208
Total Liabilities	244,628	311,398	301,701	273,208
Fund Equity:	-	6,353	12,096	11,307
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	\$ 244,628	\$ 317,751	\$ 322,797	\$ 284,515

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