

**City of Delaware City  
Delaware  
October 10, 2018**

**TO: Mayor and City Council**

**VIA: Carol S. Houck, City Manager**

**FROM: Ross T. McGinn, Finance Manager**

**SUBJECT: Financial Report as of September 30, 2018**

Below please find the internal (unaudited) income and expense statement and check register for the three months ended September 30, 2018.

<b>General Fund Revenues</b>			
<b>Department</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>
General Administration	1,539,075.00	1,135,106.40	<b>73.75%</b>
Code Enforcement	45,000.00	7,250.00	<b>16.11%</b>
Public Safety	404,720.00	100,706.52	<b>24.88%</b>
Community Center	7,825.00	3,858.31	<b>49.31%</b>
Sanitation	6,200.00	819.00	<b>13.21%</b>
<b>Total General Fund Revenues</b>	<b>2,002,820.00</b>	<b>1,247,740.23</b>	<b>62.30%</b>
<b>General Fund Expenditures*</b>			
<b>Department</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>
General Administration	1,139,924.00	282,622.28	<b>24.79%</b>
Code Enforcement	57,573.00	11,949.59	<b>20.76%</b>
Public Safety	392,147.00	82,330.74	<b>20.99%</b>
Community Center	20,500.00	12,950.16	<b>63.17%</b>
Public Works	43,852.00	7,124.50	<b>16.25%</b>
Sanitation	150,620.00	44,601.24	<b>29.61%</b>
Yard Waste	17,000.00	6,936.00	<b>40.80%</b>
Stormwater	49,000.00	1,290.00	<b>2.63%</b>
Streets	53,204.00	-	<b>0.00%</b>
Parks	38,000.00	22,840.02	<b>60.11%</b>
Tree Management	22,000.00	1,150.00	<b>5.23%</b>
Recycling Collections	19,000.00	-	<b>0.00%</b>
<b>Total General Fund Expenditures</b>	<b>2,002,820.00</b>	<b>473,794.53</b>	<b>23.66%</b>
<b>General Fund Operating Surplus (Deficit)</b>	<b>-</b>	<b>773,945.70</b>	<b>-</b>
<b>*By sub-accounts - see Accounting Legend attached.</b>			

**General Fund:** The operating surplus in the General Fund is currently \$773,945.70. The largest contributions to the positive variance are Real Estate Taxes, which are due before October 1<sup>st</sup> of each year, and the receipt of the Delaware City Refinery's payment-in-lieu-of-taxes. This can be made evident

in the chart above by noting that General Administration actual revenues are at 73.75% of budgeted revenues through the first quarter of this fiscal year. It is important to note that the operating surplus does not represent funds available for use, and are intended to balance this year's operating budget.

Overall expenditures are tracking at 23.66% of budget, representing a positive variance through the first quarter of this year. Three departments are currently tracking higher than budgeted through three months: the Community Center, Parks, and Yard Waste. The Community Center's unfavorable variance is primarily due to maintenance costs experienced in the first quarter of this fiscal year. Additional work performed by The Cutting Edge on both landscape clean-up and brush removal has been the seasonal driver of the trend in the Parks and Yard Waste departments respectively. The budgets for these departments will be reviewed and adjusted accordingly, if necessary for FY20 Budget as the FY19 Budget required some assumptions to be made. Any changes to the overall General Fund budget will be brought before Council for approval.

<b>Water Fund Revenues</b>					
<b>Account</b>	<b>Description</b>		<b>Budget</b>	<b>Actual</b>	<b>%</b>
02 000 4000	Water Utility Fees		330,000.00	67,662.38	20.50%
02 000 4020	Other Water Revenue		12,034.00	-	0.00%
02 000 4040	Refinery Water Utility Fees		30,000.00	6,643.43	22.14%
<b>Total Water Fund Revenues</b>			<b>372,034.00</b>	<b>74,305.81</b>	<b>19.97%</b>
<b>Water Fund Expenses</b>					
<b>Account</b>	<b>Description</b>		<b>Budget</b>	<b>Actual</b>	<b>%</b>
02 000 5070	Contract/Prof. Services - WF		69,000.00	14,256.33	20.66%
02 000 5100	Dues/ Meetings - WF		524.00	-	0.00%
02 000 5120	Electricity - WF		23,000.00	4,079.67	17.74%
02 000 5135	Fees/Interest/Penalties - WF		110.00	-	0.00%
02 000 5150	Heating Fuel - WF		2,000.00	162.78	8.14%
02 000 5270	Legal - WF		500.00	-	0.00%
02 000 5280	Mailings/ Postage - WF		200.00	-	0.00%
02 000 5290	Maintenance/ Building - WF		2,700.00	-	0.00%
02 000 5310	Maint. & Repair/ System - WF		7,000.00	-	0.00%
02 000 5330	Materials & Supplies - WF		12,000.00	4,242.84	35.36%
02 000 5340	Miscellaneous Expenses - WF		450.00	-	0.00%
02 000 5365	Sewer Charges NCC - WF		700.00	244.31	34.90%
02 000 5370	Telephone - WF		1,500.00	447.67	29.84%
02 000 5380	Testing - WF		500.00	-	0.00%
02 000 5900	Debt Service - G/O Water Bond		24,000.00	5,847.38	24.36%
02 000 5940	Debt Service - Well 5 Filters (SRF)		5,500.00	2,142.12	38.95%
02 000 8000	Operating Transfer - WF		222,350.00	55,587.51	25.00%
<b>Total Water Fund Expenses**</b>			<b>372,034.00</b>	<b>87,010.61</b>	<b>23.39%</b>
<b>Water Fund Operating Surplus (Deficit)</b>			<b>-</b>	<b>(12,704.80)</b>	<b>-</b>
<b>**Not inclusive of depreciation expense.</b>					

**Water Fund:** The Water Fund as of September 30, 2018 has an operating deficit of (\$12,704.80). Revenue actuals displayed are inclusive of the increased base rates approved by Council; however, as consumption is billed in arrears, the rate change for consumption will take effect with the billing that will occur January 2019 for the period covering October through December. Artesian has also informed staff that current revenues are understated by approximately 280 accounts that were manually billed which would lessen the deficit shown above.

Water Fund overall expenses are trending positively with budgeted amounts.

**Council Requests:** At the request of Council, please find below the reconciled balances of our bank accounts, as of September 30, 2018, as well as a check register for the month of September 2018.

Description	Reconciled Balance
CASH - GENERAL FUND CHECKING	\$ 724,418.12
CASH - MAYOR'S BALL	43,015.52
CASH - DELAWARE CITY DAY COMMITTEE	38,201.77
CASH - GRANT IN AID CHECKING	44,230.71
CASH - EDIE CHECKING ACCOUNT	3,189.17
CASH - SALLE CHECKING ACCOUNT	3,474.69
CASH - VIOLENT CRIMES CHECKING ACCOUNT	12,433.69
CASH - PAYROLL CHECKING	20,926.56
CASH - REVOLVING LOAN FAÇADE IMPROVEMENT	71,717.64
CASH - MUNICIPAL AID FUND	42,920.86
<b>Total Cash Accounts</b>	<b>\$ 1,004,528.73</b>

Check Date	Vendor Name	Description	Net Amount
9/1/2018	DEARBORN NATIONAL	ACCT # MT906148	1,184.74
9/1/2018	DEARBORN NATIONAL	ACCT # MT906148	353.71
9/1/2018	DELTA DENTAL OF DELAWARE, INC.	DENTAL 9/18	447.00
9/4/2018	DELMARVA POWER	5000 0009 386 - 407 CLINTON ST	400.03
9/4/2018	DELMARVA POWER	5500 8575 957 - 950 5TH ST	77.98
9/4/2018	DELMARVA POWER	5500 8577 268 - 5 WASHINGTON ST	470.30
9/4/2018	DELMARVA POWER	5000 0009 378 - 321 WASHINGTON ST	681.95
9/4/2018	DELMARVA POWER	5000 0009 717 - CLINTON ST	16.23
9/4/2018	DELMARVA POWER	5000 0009 758 - CANAL & WILLIAMS ST	16.26
9/4/2018	DELMARVA POWER	5500 0544 167 - 407 CLINTON ST	3,026.68
9/4/2018	DELMARVA POWER	5000 1281 877 - BAYARD ST	1,554.35
9/4/2018	DELMARVA POWER	5500 8576 260 - 3RD & CANAL ST	16.17
9/4/2018	DELMARVA POWER	5000 0009 725 - CLINTON ST	15.93
9/4/2018	DELMARVA POWER	5500 8576 807 - 321 WASHINGTON ST	70.81
9/4/2018	DELMARVA POWER	5000 0009 774 - RT 9	17.67
9/4/2018	DELMARVA POWER	5500 6398 055 - WASHINGTON ST	126.31
9/4/2018	DELMARVA POWER	5500 6398 873 - CLINTON ST	60.12
9/4/2018	DIAMOND COMPUTER INC.	MONTHLY EMAIL/OL BACKUP	154.95
9/4/2018	FUELMAN	Acct # BG232783 8/18	1,217.14
9/4/2018	DIAMOND STATE TIRE, INC.	Battery - 08 Crown Victoria	143.95
9/10/2018	Carol Houck	Reimburse Petty Cash	174.44
9/17/2018	ARTESIAN WATER COMPANY	SEPT 2018	5,904.57
9/17/2018	BY THE BOOK SERVICES, INC.	JULY 2018 CONTRACTED SERVICES	9,180.00
9/17/2018	BY THE BOOK SERVICES, INC.	AUGUST 2018 CONTRACT SERVICES	9,180.00
9/17/2018	CAPITOL CLEANERS & LAUNDERERS	AUGUST 2018 UNIFORM CLEANING	25.18
9/17/2018	KATHY CLIFTON	Sept 2018 Mileage Reimb	50.44
9/17/2018	COUNTY BUILDING SERVICES, INC.	AUGUST 2018 CLEANING CONTRACT	598.50
9/17/2018	CRYSTAL SPRINGS	534188211395630	22.50
9/17/2018	THE CUTTING EDGE, INC.	Rpr bricks school,POW ctr,Lib	4,220.00
9/17/2018	THE CUTTING EDGE, INC.	MOWING AUGUST 2018	5,680.00
9/17/2018	THE CUTTING EDGE, INC.	MAINTENANCE CONTRACT AUG 2018	4,232.00
9/17/2018	THE CUTTING EDGE, INC.	MAINTENANCE CONTRACT SEPT 2018	4,232.00
9/17/2018	THE CUTTING EDGE, INC.	RPR PAVERS BATTERY PRK SEA WAL	1,340.00
9/17/2018	THE CUTTING EDGE, INC.	Fuel for Pumps for Rain events	196.52
9/17/2018	DE LAGE LANDEN FINANCIAL SERV	ACCT#42076 CONTRACT 25346353	372.27
9/17/2018	DE LAGE LANDEN FINANCIAL SERV	ACCT#42076 CONTRACT 25382275	154.00
9/17/2018	DELMARVA POWER	5500 6398 055 - WASHINGTON ST	126.31
9/17/2018	DELMARVA POWER	5000 1281 877 - BAYARD ST	1,554.35
9/17/2018	DELMARVA POWER	5500 6398 873 - CLINTON ST	60.12
9/17/2018	DIGITAL OFFICE SOLUTIONS, INC.	MAINTENANCE CONTRACT - 2ND FLR	234.98
9/17/2018	DIGITAL OFFICE SOLUTIONS, INC.	MAINTENANCE CONTRACT	1,199.17
9/17/2018	DIGITAL OFFICE SOLUTIONS, INC.	COPIER SUPPLIES - 2ND FLR	175.00
9/17/2018	DIGITAL OFFICE SOLUTIONS, INC.	COPIER SUPPLIES	374.00
9/17/2018	THE GUN SHOP	AMMO	1,131.50
9/17/2018	FREDERICK KURZ, PH.D.	PSY EVAL - CRAMER	350.00
9/17/2018	NATIONWIDE	ACCT #838956801	4,000.93
9/17/2018	ONE CALL CONCEPTS, INC.	ACCT # 0000035 - AUGUST 2018	19.51

9/17/2018	ROSS MCGINN	REIMB BACKGROUND CHK	24.00
9/17/2018	STAPLES BUSINESS ADVANTAGE	DC 1061944-PUSH PINS,CARD STK	118.52
9/17/2018	VERIZON WIRELESS	720104185-00001	256.20
9/17/2018	VERIZON	302 838-1706 455 90Y-Sept 2018	56.42
9/17/2018	WASTE INDUSTRIES	SEPTEMBER 2018	14,930.32
9/17/2018	WHISMAN GIORDANO	FY18 AUDIT PROGRESS BILLING	8,058.32
9/19/2018	DE LEAGUE OF LOCAL GOVERNMENTS	9/27/18 Meeting	30.00
9/24/2018	DEARBORN NATIONAL	MT906148-1	990.26
9/24/2018	AECOM TECHNICAL SERVICES, INC.	60519135	85.52
9/24/2018	BEAR INDUSTRIES, INC.	SERVICE WORK-DE CITY COMM CNTR	1,806.00
9/24/2018	DUFFIELD ASSOCIATES, INC.	00.11256.BA	2,864.50
9/24/2018	FRANKLIN RUBBER STAMP CO.	25153	46.00
9/24/2018	GS DIRECT, LLC (AU1)	JB-197003-00	7,732.33
9/24/2018	STAPLES BUSINESS ADVANTAGE	DC 1061944	133.65
9/24/2018	VERIZON	152-119-184-0001-76	153.98
9/24/2018	VERIZON	302 834-7184 797 66Y	56.42
9/24/2018	VERIZON	302 834-4573 493 86Y	682.26
9/24/2018	WEEKEND WARRIOR	WEEKEND WARRIOR CLOTHING	456.00
9/24/2018	STATE OF DE - OMB FINANCIAL OP	OCTOBER 2018	7,353.60
9/24/2018	STRATEGIC INSURANCE PARTNERS	AGC 4059296	12,652.00
9/25/2018	ARROW LEASING CORP	FTDUPONT 19384	3,350.00
9/25/2018	TOWN OF MIDDLETOWN	TAHOE POLICE VEHICLE	100.00
9/27/2018	DELTA DENTAL OF DELAWARE, INC.	08-0126100011 DELTA DENTAL	372.36
9/27/2018	KUHN CONSTRUCTION COMPANY	APPLICATION NO.1 - PHASE 2	110,033.75
9/27/2018	LAWMEN SUPPLY CO. OF NEW JERSE	DUTY BELT - BLACK (CPL CRAMER)	63.00
9/27/2018	SAUL EWING, ARNSTEIN, LEHR LLP	SERIES 2018-SRF BOND COUNSEL	15,501.80
9/27/2018	XYLEM DEWATERING SOLUTIONS INC	RENTAL 09/10/18 - 09/10/18	1,364.50
			<b>\$ 254,112.28</b>