

**City of Delaware City
Delaware
February 25, 2019**

TO: Mayor and City Council

VIA: Chief David L. Baylor, Acting City Manager

FROM: Ross T. McGinn, Finance Manager

SUBJECT: Financial Report as of January 31, 2019

Below please find the internal (unaudited) income and expense statement and check register for the seven months ended January 31, 2019.

General Fund Revenues			
Department	Budget	Actual	%
Non-Departmental	1,272,350.00	1,050,555.36	82.57%
General Administration	266,725.00	153,568.34	57.58%
Code Enforcement	45,000.00	7,325.00	16.28%
Public Safety	12,000.00	28,949.55	241.25%
Community Center	7,825.00	66,290.13	847.16%
Sanitation	6,200.00	4,890.60	78.88%
Streets	339,268.00	339,268.00	100.00%
Drainage	1,334,277.00	995,186.12	74.59%
Total General Fund Revenues	3,283,645.00	2,646,033.10	80.58%
General Fund Expenditures			
Department	Budget	Actual	%
General Administration	709,394.00	339,327.29	47.83%
Code Enforcement	57,573.00	13,809.96	23.99%
Public Safety	392,147.00	278,048.89	70.90%
Community Center	20,500.00	66,290.13	323.37%
Public Works	43,852.00	25,139.78	57.33%
Sanitation	150,620.00	92,827.83	61.63%
Yard Waste	17,000.00	18,496.00	108.80%
Stormwater	49,000.00	2,490.00	5.08%
Streets	392,472.00	371,004.88	94.53%
Drainage	1,334,277.00	1,048,239.35	78.56%
Parks	38,000.00	28,298.96	74.47%
Tree Management	22,000.00	4,500.00	20.45%
Recycling Collections	19,000.00	11,619.00	61.15%
Debt Service	37,810.00	28,002.45	74.06%
Total General Fund Expenditures	3,283,645.00	2,328,094.52	70.90%
General Fund Operating Surplus (Deficit)	-	317,938.58	-

General Fund:

Through seven periods of FY 2019, the General Fund is currently showing a surplus of \$317,938.58. This represents a marked change from the last month's finance report, primarily due to the timing that revenues have been recorded related to the Washington Street Flood Mitigation project. Significant revenues from the Federal Emergency Management Agency (FEMA), the Department of Natural Resources and Environmental Control (DNREC), and loan proceeds from the Clean Water State Revolving Loan fund have been recognized during January 2019.

In an effort to provide a more comprehensive report to Council, staff has prepared a best estimate of the activity expected over the remaining five periods in this fiscal year to forecast the performance of the General Fund during FY 2019. It is important to note that the budgeted amounts shown throughout this report are a combination of the Approved FY 2019 Operating Budget, the remaining \$1,334,227 budget for the Washington Street Flood Mitigation project, and the \$339,268 budget for the FY 2019 Road Maintenance Program. Both the Washington Street Flood Mitigation project and the FY 2019 Road Maintenance Program were budgeted to not impact the FY 2019 Operating Budget and are not funded by real estate taxes.

DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
GENERAL FUND REVENUES	3,283,645.00	2,646,033.17	375,000.96	23,696.76	24,577.48	27,506.76	23,506.76	3,120,321.89	(163,323.11)
GENERAL FUND EXPENDITURES	3,283,595.00	2,328,094.52	443,491.07	98,097.02	118,303.98	100,664.36	95,064.36	3,183,715.30	99,879.70
CHANGE IN FUND BALANCE	50.00	317,938.65	(68,490.11)	(74,400.26)	(93,726.50)	(73,157.60)	(71,557.60)	(63,393.41)	(63,443.41)

As the chart above indicates, while expenditures are forecasted to have a positive variance of \$99,879.70 compared to budget, revenues are forecasted to fall short of expectations by (\$163,272.49). This would result in a negative change to fund balance for FY 2019 of (\$63,392.79).

Significant changes to this information from last month's report include:

- Adjustment to the Water Fund transfer to the General Fund. The budgeted transfer did not take into account the allocation of indirect General Administration expenditures and was reversed until a revised transfer amount is approved in a budget amendment.
- Inclusion of the Debt Service related to the Note Payable that arose from the Verizon assessment appeal of \$28,751.84. This will need to be included in FY 2019, and annually through FY 2023.

Non-Departmental Revenues:

Non-Departmental revenues are not attributable to the actions of one department's activities. The accounts that would fall under this classification are below:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-000-4000	REAL ESTATE TAXES	760,000.00	788,864.82	-	-	-	-	-	788,864.82	28,864.82
01-000-4002	REAL ESTATE PENALTIES	-	4,228.89	500.00	500.00	500.00	500.00	500.00	6,728.89	6,728.89
01-000-4060	CABLE FRANCHISE FEE	20,000.00	8,148.20	4,000.00	-	-	4,000.00	-	16,148.20	(3,851.80)
01-000-4065	PILOT	200,000.00	200,000.00	-	-	-	-	-	200,000.00	-
01-000-4810	TRANSFER IN - WATER FUND	222,350.00	-	-	-	-	-	-	-	(222,350.00)
01-000-4811	TRANSFER IN - REAL ESTATE TRANSFER TAX	70,000.00	49,313.45	6,424.04	3,000.00	3,000.00	3,000.00	3,000.00	67,737.49	(2,262.51)
	NONDEPARTMENTAL REVENUES	1,272,350.00	1,050,555.36	10,924.04	3,500.00	3,500.00	7,500.00	3,500.00	1,079,479.40	(192,870.60)

As the table indicates, Non-Departmental revenues are forecasted to fall short of expectations by (\$192,870.60). As touched upon in the previous section, this is the result of a reduction in the amount that will be actually transferred from the Water Fund to the General Fund during FY 2019. The original budget indicated that \$222,350 would be transferred from the Water Fund to the General Fund while balancing the budget for both funds. In addition to overly optimistic revenue projections for the Water Fund, the nature of the transfer to the General Fund was not in line with the actual process.

What was referred to as a "transfer" in the FY 2019 Operating Budget, included the indirect cost allocation of expenses incurred in the General Fund (i.e., the cost of General Administration employees that take in Water Fund payments). A cost allocation is treated differently than a transfer, as a cost allocation represents a recoupment of cost incurred on behalf of another fund. A transfer implies that funds are being moved without a direct benefit to the fund. This indirect cost allocation was determined in the past to be 30% of General Administration's salaries, payroll taxes, employee benefits, and general insurance costs.

Until the approval of an adjusted amount to be transferred from the Water Fund to the General Fund, the account is being projected with no revenue received. This represents the most significant departure from last month's finance report projection in Non-Departmental Revenues.

General Administration:

General Administration revenues are those revenues directly attributable to those activities performed by the General Administration department. These include business and contractor's licenses, building permits, and property and lease rental agreements.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-000-4010	FINES/ADMINISTRATIVE FEES - GA	9,000.00	750.00	-	-	-	-	-	750.00	(8,250.00)
01-000-4020	LICENSES AND PERMITS	98,675.00	42,585.05	1,000.00	6,900.00	6,900.00	6,900.00	6,900.00	71,185.05	(27,489.95)
01-000-4025	MISCELLANEOUS REVENUE	50.00	5,684.56	-	-	-	-	-	5,684.56	5,634.56
01-000-4035	SALES - GA	-	301.87	-	-	-	-	-	301.87	301.87
01-000-4045	RENTAL PROPERTY	18,000.00	10,835.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	17,585.00	(415.00)
01-000-4050	CELL TOWER LEASE / BALLFIELD	82,000.00	40,757.23	5,695.51	5,695.51	5,695.51	5,695.51	5,695.51	69,234.78	(12,765.22)
01-000-4055	AAT (GNS) LEASES	54,000.00	45,220.24	1,875.00	1,875.00	1,875.00	1,875.00	1,875.00	54,595.24	595.24
01-000-4070	SURPLUS EQUIPMENT SALES	5,000.00	800.00	-	-	-	-	-	800.00	(4,200.00)
01-000-4900	DOWNTOWN DEVELOPMENT DISTRICT GRANT	-	6,634.39	-	-	-	-	-	6,634.39	6,634.39
	GENERAL ADMINISTRATION REVENUES	266,725.00	153,568.34	9,920.51	15,820.51	15,820.51	15,820.51	15,820.51	226,770.89	(39,954.11)

So far this year, General Administration revenues do not appear to be following those assumptions made in the Approved FY 2019 Operating Budget. Rental property and lease revenues are fairly static and can be forecasted with confidence through the end of the year. Licenses and permits however, are driven by activity in the local economy and harder to anticipate. Based on the performance seen thus far, lower activity is forecasted through the winter months with it picking back up through spring. One noticeable change from last month's finance report is the inclusion of a State grant that reimbursed the City's cost to develop a DOWNTOWN DEVELOPMENT DISTRICT application. As it is a reimbursement grant, this increase in revenue is offset by a corresponding increase in expenditures.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-000-5000	SALARIES - GENERAL ADMINISTRATION	252,462.00	80,700.22	5,516.58	7,354.08	8,640.33	8,640.33	8,640.33	119,491.89	132,970.11
01-000-5005	SALARIES - MAYOR & COUNCIL	20,950.00	304.50	-	-	183.75	-	-	488.25	20,461.75
01-000-5006	SALARIES - CITY SECRETARY	-	6,218.80	637.00	637.00	637.00	637.00	637.00	9,403.80	(9,403.80)
01-000-5010	PAYROLL TAXES - GA	22,000.00	7,473.37	470.52	616.48	762.44	762.44	762.44	10,847.69	11,152.31
01-000-5020	RETIREMENT PLAN - GA	3,000.00	1,891.97	129.85	184.98	240.10	240.10	240.10	2,927.10	72.91
01-000-5035	ADVERTISING - GA	3,000.00	2,485.33	-	-	-	-	-	2,485.33	514.67
01-000-5040	ASSESSOR - GA	3,000.00	2,500.00	-	-	-	-	-	2,500.00	500.00
01-000-5050	AUDIT - GA	13,000.00	37,177.16	1,000.00	-	-	-	-	38,177.16	(25,177.16)
01-000-5055	PAYROLL PROCESSING FEES - GA	1,532.00	820.45	600.00	130.00	130.00	130.00	130.00	1,940.45	(408.45)
01-000-5065	CELL PHONES - GA	600.00	260.07	40.01	40.01	40.01	40.01	40.01	460.12	139.88

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-000-5070	CONTRACTUAL/PROFESSIONAL SERVICES - GA	72,300.00	41,703.96	435.51	154.95	154.95	154.95	154.95	42,759.27	29,540.73
01-000-5090	DONATIONS - GA	300.00	-	-	-	-	-	-	-	300.00
01-000-5095	GIFTS AND AWARDS	140.00	139.85	-	-	-	-	-	139.85	0.15
01-000-5100	DUES/SUBSCRIPTIONS/MEETINGS - GA	1,500.00	1,449.93	436.99	16.99	16.99	16.99	16.99	1,954.88	(454.88)
01-000-5110	ELECTION EXPENSE - GA	600.00	-	-	600.00	-	-	-	600.00	-
01-000-5120	ELECTRICITY - GA	55,000.00	31,545.12	2,224.57	4,800.00	4,800.00	4,800.00	4,800.00	52,969.69	2,030.31
01-000-5130	ENTERTAINMENT/ACTIVITIES - GA	250.00	448.97	-	-	-	-	-	448.97	(198.97)
01-000-5135	FEES/INTEREST/PENALTIES - GA	1,300.00	793.83	180.00	180.00	180.00	180.00	180.00	1,693.83	(393.83)
01-000-5140	GAS & OIL / VEHICLE - GA	-	(1,074.01)	-	-	-	-	-	(1,074.01)	1,074.01
01-000-5150	HEATING FUEL - GA	3,000.00	682.62	315.60	300.00	36.00	36.00	36.00	1,406.22	1,593.78
01-000-5160	INSURANCE / GENERAL - GA	45,000.00	23,450.55	2,557.03	2,557.03	2,557.03	2,557.03	2,557.03	36,235.70	8,764.30
01-000-5170	INSURANCE / HEALTH - GA	49,160.00	15,855.65	1,510.84	2,554.41	2,554.41	2,554.41	2,554.41	27,584.14	21,575.86
01-000-5190	INSURANCE / PUB. OFF. LIAB. - GA	4,700.00	-	-	-	4,700.00	-	-	4,700.00	-
01-000-5250	LEASE - PURCHASE/EQUIPMENT - GA	5,200.00	5,214.70	28,596.83	397.93	397.93	397.93	397.93	35,403.25	(30,203.25)
01-000-5270	LEGAL - GA	70,000.00	30,535.35	5,249.50	4,000.00	4,000.00	4,000.00	4,000.00	51,784.85	18,215.15
01-000-5280	MAILINGS / POSTAGE - GA	2,000.00	2,123.46	-	-	153.00	-	-	2,476.46	(476.46)
01-000-5290	MAINTENANCE / BUILDING - GA	8,000.00	11,293.00	525.00	1,865.00	1,865.00	1,865.00	1,865.00	19,278.00	(11,278.00)
01-000-5300	MAINTENANCE / EQUIPMENT - GA	300.00	106.25	-	-	-	-	-	106.25	193.75
01-000-5310	MAINTENANCE / SYSTEM - GA	3,000.00	-	-	-	-	-	-	-	3,000.00
01-000-5330	MATERIALS & SUPPLIES - GA	400.00	355.56	10.00	10.00	10.00	10.00	10.00	405.56	(5.56)
01-000-5340	MISCELLANEOUS EXPENDITURES - GA	-	450.86	-	-	-	-	-	450.86	(450.86)
01-000-5350	OFFICE SUPPLIES - GA	12,000.00	5,136.47	250.00	250.00	250.00	250.00	250.00	6,386.47	5,613.53
01-000-5355	PLANNING & INSPECTIONS - GA	45,000.00	22,658.00	500.00	3,450.00	3,450.00	3,450.00	3,450.00	36,958.00	8,042.00
01-000-5365	SEWER CHARGES NEW CASTLE COUNTY - GA	400.00	96.45	-	-	32.15	-	-	128.60	271.40
01-000-5370	TELEPHONE - GA	6,000.00	4,671.18	700.00	700.00	700.00	700.00	700.00	8,171.18	(2,171.18)
01-000-5390	TRAINING, TRAVEL, FOOD - GA	4,000.00	1,857.67	-	-	-	-	-	1,857.67	2,142.33
01-000-5400	UNIFORM & PERSONAL EQUIPMENT - GA	300.00	-	-	-	-	-	-	-	300.00
01-000-8000	OPERATING TRANSFERS - GA	-	-	-	-	-	-	-	-	-
GENERAL ADMINISTRATION EXPENDITURES		709,394.00	339,327.29	51,885.83	30,198.86	37,091.10	31,622.20	31,422.20	521,547.47	187,846.53

A significant reason behind this is the savings experienced from the vacant City Manager position, visible in the Salaries, Payroll Taxes, and Insurance/Health line items. This forecast does anticipate the filling of the City Manager position beginning in March 2019. Other significant changes include the now known cost involved with the FY 2018 Audit expenditures, indirect allocation of operating costs to the Water Fund, and indirect allocation of costs to Public Safety concerning utility costs for city hall.

Code Enforcement:

Code Enforcement activities are related to violations of the City's ordinances and act as an effort to promote upkeep of properties located in the City's jurisdiction.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-050-4010	FINES/FEES/PENALTIES - CE	45,000.00	7,325.00	-	-	-	-	-	7,325.00	(37,675.00)
	CODE ENFORCEMENT REVENUES	45,000.00	7,325.00						7,325.00	(37,675.00)
01-050-5000	SALARIES - CE	41,200.00	9,004.51	-	-	-	-	-	9,004.51	32,195.49
01-050-5010	PAYROLL TAXES - CE	3,500.00	680.30	-	-	-	-	-	680.30	2,819.70
01-050-5020	RETIREMENT PLAN - CE	1,236.00	-	-	-	-	-	-	-	1,236.00
01-050-5065	CELL PHONES - CE	664.00	391.94	56.03	56.03	56.03	56.03	56.03	672.09	(8.09)
01-050-5070	CONTRACTUAL/PROFESSIONAL SERVICES - CE	1,500.00	125.58	1,320.00	1,320.00	1,320.00	1,320.00	1,320.00	6,725.58	(5,225.58)
01-050-5140	GAS & OIL / VEHICLE - CE	-	191.75	-	-	-	-	-	191.75	(191.75)
01-050-5170	INSURANCE / HEALTH - CE	8,773.00	1,540.88	-	-	-	-	-	1,540.88	7,232.12
01-050-5340	MISCELLANEOUS EXPENDITURES	-	1,875.00	-	-	-	-	-	1,875.00	(1,875.00)
01-050-5390	TRAINING, TRAVEL & DEVELOPMENT - CE	500.00	-	-	-	-	-	-	-	500.00
01-050-5400	UNIFORM & PERSONAL EQUIPMENT - CE	200.00	-	-	-	-	-	-	-	200.00
	CODE ENFORCEMENT EXPENDITURES	57,573.00	13,809.96	1,376.03	1,376.03	1,376.03	1,376.03	1,376.03	20,690.11	36,882.89

As of January 31, 2019, Code Enforcement revenues have remained static at \$7,300. This is a direct result of the removal of the full-time Code Enforcement Officer position that was included in the original budget for FY 2019. Budgeted revenues will need to be lowered as code enforcement activities have been outsourced to Building Inspection Underwriters and it was necessary to limit the hours to align with the budget limits for this position. There is the potential for improvement with code enforcement revenues as the outsourced code enforcement officer begins to issue violations.

Public Safety:

Public Safety revenues are those revenues generated by the activities of the Delaware City Police Department. These include judgements rendered by courts, towing fees, extra duty requests, and grant revenues provided by State law enforcement programs.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-100-4010	FINES - PS	12,000.00	5,932.28	500.00	500.00	500.00	500.00	500.00	8,432.28	(3,567.72)
01-100-4020	CHARGE SERVICES - EXTRA DUTY PS	-	9,277.50	-	-	-	-	-	9,277.50	9,277.50
01-100-8000	INTRAFUND TRANSFER - GA	-	-	-	-	-	-	-	-	-
01-101-4900	COMBAT VIOLENT CRIME	-	12,249.77	236.56	-	-	-	-	12,486.33	12,486.33
01-103-4900	OFFICE OF HIGHWAY SAFETY	-	1,490.00	520.00	-	-	-	-	2,010.00	2,010.00
	PUBLIC SAFETY REVENUES	12,000.00	28,949.55	1,256.56	500.00	500.00	500.00	500.00	32,206.11	20,206.11

Revenues received from the Combat Violent Crime grant and various grants from the Office of Highway Safety are intended to completely cover those expenditures related to those grants. Periodically, I would recommend adopting budget amendments to cover the additional revenues and expenditures incurred from these grant activities to capture this activity in the budget.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-100-5000	SALARIES - FULL-TIME DUTY	280,000.00	120,592.98	19,345.25	19,345.25	19,345.25	19,345.25	19,345.25	217,319.23	62,680.77
01-100-5001	SALARIES - PART-TIME DUTY	-	13,278.05	3,845.83	3,845.83	3,845.83	3,845.83	3,845.83	32,507.22	(32,507.22)
01-100-5002	SALARIES - EXTRA DUTY	-	4,596.00	-	-	-	-	-	4,596.00	(4,596.00)
01-100-5003	SALARIES - OVERTIME	-	8,596.47	1,228.07	1,228.07	1,228.07	1,228.07	1,228.07	14,736.81	(14,736.81)
01-100-5010	PAYROLL TAXES - PS	25,000.00	12,932.15	1,928.12	1,928.12	1,928.12	1,928.12	1,928.12	22,572.74	2,427.26
01-100-5020	RETIREMENT PLANS - PS	4,500.00	945.72	174.98	174.98	174.98	174.98	174.98	1,820.64	2,679.36
01-100-5065	CELL PHONES / MDT AIR-CARD SERVICE - PS	1,500.00	1,209.30	200.00	200.00	200.00	200.00	200.00	2,209.30	(709.30)
01-100-5070	CONTRACTUAL/PROFESSIONAL SERVICE - PS	800.00	4,628.24	100.00	100.00	100.00	100.00	100.00	5,128.24	(4,328.24)
01-100-5100	DUES/SUBSCRIPTIONS - PS	350.00	485.00	-	-	-	-	-	485.00	(135.00)
01-100-5120	ELECTRICITY - PS (40% ALLOCATION FROM TOWN HALL)	700.00	7,950.78	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	13,950.78	(13,250.78)
01-100-5140	GAS & OIL / VEHICLE - PS	12,000.00	7,955.52	1,100.00	1,200.00	1,200.00	1,200.00	1,200.00	13,855.52	(1,855.52)
01-100-5150	HEATING FUEL - PS (40% ALLOCATION FROM TOWN HALL)	1,000.00	455.08	210.40	200.00	24.00	24.00	24.00	937.48	62.52
01-100-5160	INSURANCE / GENERAL - PUBLIC SAFETY	-	12,211.00	-	-	-	-	-	12,211.00	(12,211.00)
01-100-5170	INSURANCE / HEALTH - PS	25,838.00	22,276.59	2,267.28	2,267.28	2,267.28	2,267.28	2,267.28	33,612.99	(7,774.99)
01-100-5190	INSURANCE / POLICE LIABILITY - PS	5,400.00	-	-	-	-	5,400.00	-	5,400.00	-

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-100-5250	LEASE - PURCHASE/EQUIPMENT - PS	3,126.00	1,482.38	154.00	154.00	154.00	154.00	154.00	2,252.38	873.62
01-100-5260	LEASE - PURCHASE/VEHICLE - PS	20,333.00	20,418.01	-	-	-	-	-	20,418.01	(85.01)
01-100-5280	MAILINGS / POSTAGE - PS	-	7.41	-	-	-	-	-	7.41	(7.41)
01-100-5290	MAINTENANCE / BUILDING - PS	1,200.00	5,294.15	50.00	50.00	50.00	50.00	50.00	5,544.15	(4,344.15)
01-100-5300	MAINTENANCE / EQUIPMENT - PS	250.00	-	-	-	-	-	-	-	250.00
01-100-5320	MAINTENANCE / VEHICLE - PS	4,000.00	9,200.08	500.00	500.00	500.00	500.00	500.00	11,700.08	(7,700.08)
01-100-5330	MATERIALS & SUPPLIES - PS	1,000.00	1,026.65	-	-	-	-	-	1,026.65	(26.65)
01-100-5340	MISCELLANEOUS EXPENDITURES - PS	300.00	129.27	-	-	-	-	-	129.27	170.73
01-100-5350	OFFICE SUPPLIES - PS	1,000.00	431.33	-	-	-	-	-	431.33	568.67
01-100-5370	TELEPHONE - PS	850.00	-	-	-	-	-	-	-	850.00
01-100-5390	TRAINING, TRAVEL & FOOD - PS	300.00	60.00	-	-	-	-	-	60.00	240.00
01-100-5400	UNIFORM & PERSONAL EQUIPMENT - PS	2,700.00	8,146.96	800.00	100.00	100.00	100.00	100.00	9,346.96	(6,646.96)
01-101-5000	SALARIES	-	7,655.77	-	-	-	-	-	7,892.33	(236.56)
01-101-5070	CONTRACTUAL/PROFESSIONAL SERVICES	-	3,099.00	-	-	-	-	-	3,099.00	(3,099.00)
01-101-5250	MACHINERY AND EQUIPMENT	-	1,495.00	-	-	-	-	-	1,495.00	(1,495.00)
01-103-5000	SALARIES	-	1,490.00	520.00	-	-	-	-	2,010.00	(2,010.00)
PUBLIC SAFETY EXPENDITURES		392,147.00	278,048.89	33,860.49	32,493.53	32,317.53	37,717.53	32,317.53	446,755.51	(54,608.51)

Public Safety expenditures, while forecasting a negative variance through the end of FY 2019, are actually running just higher than expected. The negative variance is a result of additional direct costs related to Public Safety that were budgeted for in General Administration. The most evident examples of this would be the \$12,211 spent in 01-100-5160 – Insurance / General – Public Safety, which was originally recorded in the General Administration department, and \$18,336 in grant and extra duty expenditures that were not budgeted. Higher than expected vehicle maintenance costs and additional expenditures related to the hiring of an additional police officer, currently in the police academy, have also contributed to the negative variance.

Community Center:

Community Center revenues are those revenues that are received to support the operation and maintenance of the Community Center. Primarily, these are rental payments from Reedy Point Players, reimbursement of utility expenditures for the Delaware City Library, and Grant-In-Aid revenues received from the State.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-200-4015	DONATIONS - CC	2,000.00	500.00	-	-	-	-	-	500.00	(1,500.00)
01-200-4035	SALES - CC	325.00	-	-	-	-	-	-	-	(325.00)
01-200-4045	EVENT/ACTIVITY RENTAL REVENUE - CC	2,000.00	2,850.00	150.00	150.00	150.00	150.00	150.00	3,600.00	1,600.00
01-200-4046	RENTAL/MAINTENANCE SURCHARGE - CC	3,500.00	-	-	-	-	1,501.00	-	1,501.00	(1,999.00)
01-200-4100	DELAWARE CITY LIBRARY	-	9,041.38	2,220.00	1,560.00	1,110.00	1,110.00	1,110.00	16,151.38	16,151.38
01-200-4900	GRANT-IN-AID	-	38,898.75	2,546.25	2,166.25	2,496.97	925.25	2,426.25	49,459.72	49,459.72
01-200-4901	COMMUNITY CENTER FLOORING	-	15,000.00	-	-	-	-	-	15,000.00	15,000.00
	COMMUNITY CENTER REVENUES	7,825.00	66,290.13	4,916.25	3,876.25	3,756.97	3,686.25	3,686.25	86,212.10	78,387.10

As of January 31, 2019, we have recognized \$66,290.13 in revenue. Of this amount, Grant-In-Aid represents \$38,898.75; almost the entirety of the \$40,000 FY19 allocation of Grant-In-Aid revenue from the State. In past years, poor accounting practices have resulted in past allocations of Grant-In-Aid revenue received by the City to go unrecognized, creating a liability of "unearned revenue" on the balance sheet. To demonstrate proper stewardship of those unearned revenues, funds have been transferred out of the General Checking account into the Grant-In-Aid checking account and as the revenue is recognized, those funds will be transferred back. Budgeted amounts will need to be adjusted to account for differences discovered since adoption of the FY 2019 original budget. This is not unexpected as efforts to address our financial reporting were underway when the budget was being developed.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-200-5000	SALARIES - CC	-	3,416.67	500.00	500.00	500.00	500.00	500.00	5,916.67	(5,916.67)
01-200-5010	PAYROLL TAXES - CC	-	322.62	46.25	46.25	46.25	46.25	46.25	553.87	(553.87)
01-200-5070	CONTRACTUAL/PROFESSIONAL SERVICES - CC	2,000.00	228.50	-	-	-	-	-	228.50	1,771.50
01-200-5120	ELECTRICITY - CC	-	9,302.43	1,200.00	1,800.00	1,800.00	1,800.00	1,800.00	17,702.43	(17,702.43)
01-200-5150	HEATING FUEL - CC	-	5,526.56	2,500.00	800.00	50.00	50.00	50.00	8,976.56	(8,976.56)
01-200-5290	MAINTENANCE / BUILDING - CC	18,000.00	24,433.22	500.00	560.00	1,120.00	1,120.00	1,120.00	28,853.22	(10,853.22)
01-200-5330	MATERIALS & SUPPLIES - CC	500.00	299.42	-	-	-	-	-	299.42	200.58
01-200-5365	SEWER CHARGES - NEW CASTLE COUNTY	-	212.16	-	-	70.72	-	-	282.88	(282.88)
01-200-5370	TELEPHONE - CC	-	1,003.37	170.00	170.00	170.00	170.00	170.00	1,853.37	(1,853.37)
01-200-5610	BUILDING IMPROVEMENTS	-	21,545.18	-	-	-	-	-	21,545.18	(21,545.18)
	COMMUNITY CENTER EXPENDITURES	20,500.00	66,290.13	4,916.25	3,876.25	3,756.97	3,686.25	3,686.25	86,212.10	(65,712.10)

Public Works:

As of January 31, 2019, the Public Works department expenditures incurred by the City are trending slightly better than anticipated at this point of the year. In forecasting the future expenditures, the only constant is the contractual amount the City owes our Public Works contractor, The Cutting Edge, per month as stated in their contract. Any additional costs that may be recognized here are related to the additional effort required to prepare the City for large rain events and unable to be predicted with accuracy.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-300-5070	CONTRACTUAL/PROFESSIONAL SERVICES - PW	35,852.00	19,886.78	1,920.00	1,920.00	1,920.00	1,920.00	1,920.00	29,486.78	6,365.22
01-300-5300	MAINTENANCE / EQUIPMENT - PW	500.00	1,135.30	-	-	-	-	-	1,135.30	(635.30)
01-300-5353	OPERATIONS/EXPENDITURES - STORMS PW	7,500.00	4,117.70	-	-	-	-	-	4,117.70	3,382.30
	PUBLIC WORKS EXPENDITURES	43,852.00	25,139.78	1,920.00	1,920.00	1,920.00	1,920.00	1,920.00	34,739.78	9,112.22

Sanitation:

Current Sanitation revenues are those fees charged to property owners that are outside of the property limits, and extra cart fees for City residents.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-350-4000	SANITATION FEES	6,200.00	4,890.60	-	-	1,000.00	-	-	5,890.60	(309.40)
	SANITATION REVENUES	6,200.00	4,890.60	-	-	1,000.00	-	-	5,890.60	(309.40)
01-350-5070	CONTRACTUAL/PROFESSIONAL SERVICES - SN	150,000.00	92,827.83	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	160,327.83	(10,327.83)
01-350-5330	MATERIALS & SUPPLIES - SN	620.00	-	-	-	-	-	-	-	620.00
	SANITATION EXPENDITURES	150,620.00	92,827.83	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	160,327.83	(9,707.83)

Sanitation expenditures are currently trending slightly higher this year. In forecasting the remainder of FY 2019, expenditures will likely exceed budget by \$10,000. We are currently operating month to month with Waste Industries providing sanitation services to the City and will need to pursue a Request for Proposals from interested parties to secure a long-term contract.

Yard Waste:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-360-5070	CONTRACTUAL/PROFESSIONAL SERVICES - YW	17,000.00	18,496.00	2,312.00	2,312.00	2,312.00	2,312.00	2,312.00	30,056.00	(13,056.00)
	YARD WASTE EXPENDITURES	17,000.00	18,496.00	2,312.00	2,312.00	2,312.00	2,312.00	2,312.00	30,056.00	(13,056.00)

Yard Waste expenditures are under contract with the Cutting Edge for \$2,312 per month. In the course of a full fiscal year, this equates to \$27,744. The budget will need to be corrected to account for this difference.

Stormwater:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-380-5070	CONTRACTUAL/PROFESSIONAL SERVICES - SW	2,900.00	2,490.00	-	-	-	-	-	2,490.00	410.00
01-380-5310	MAINTENANCE / SYSTEMS - SW	45,300.00	-	-	-	-	-	-	-	45,300.00
01-380-5330	MATERIALS & SUPPLIES - SW	800.00	-	-	-	-	-	-	-	800.00
	STORMWATER EXPENDITURES	49,000.00	2,490.00						2,490.00	46,510.00

Stormwater expenditures are trending significantly lower than anticipated. This is largely due to the budgeting of payments on the Clean Water Revolving Loan related to the Washington Street Flood Mitigation project. Payments on this loan will not begin until the completion of the project and will be serviced through the newly created Debt Service department. The budget will need to be adjusted accordingly.

Streets:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-400-4810	TRANSFER IN - MUNICIPAL STREET AID FUND	93,280.00	93,280.06	9,189.38	-	-	-	-	102,469.44	9,189.44
01-400-4900	COMMUNITY TRANSPORTATION FUND	245,988.00	245,988.01	-	-	-	-	-	245,988.01	0.01
	STREETS REVENUES	339,268.00	339,268.07	9,189.38					348,457.45	9,189.45
01-400-5070	CONTRACTUAL/PROFESSIONAL SERVICES - ST	30,000.00	11,945.93	9,925.75	5,000.00	-	-	-	26,871.68	3,128.32
01-400-5120	ELECTRICITY - ST	11,000.00	3,005.10	650.00	650.00	650.00	650.00	650.00	6,255.10	4,744.90
01-400-5310	MAINTENANCE / STREETS - ST	344,972.00	350,883.03	-	-	10,000.00	-	-	360,883.03	(15,911.03)
01-400-5330	MATERIALS & SUPPLIES - ST	6,500.00	5,170.82	2,500.00	-	-	-	-	7,670.82	(1,170.82)
	STREETS EXPENDITURES	392,472.00	371,004.88	13,075.75	5,650.00	10,650.00	650.00	650.00	401,680.63	(9,208.63)

Streets expenditures have trended in line with expectations. The primary driver of expenditures of this department are related to the electricity to power streetlights, repair and maintenance of City streets, and the preparation and snow removal related to winter storms. As the forecast above indicates, most financial activity in the Streets department has been complete as of December 31, 2018 with the completion of the FY 2019 Road Maintenance Program and the majority of future expenditures will be the result of snow removal.

Drainage Expenditures:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-450-4025	TEXACO SETTLEMENT	-	15,205.00	-	-	-	-	-	15,205.00	15,205.00
01-450-4900	DEPT OF NATURAL RESOURCES & ENVIRONMENT	260,703.00	163,598.81	100,520.22	-	-	-	-	264,119.03	3,416.03
01-450-4901	CLEAN WATER STATE REVOLVING LOAN FUND	790,000.00	551,726.00	238,274.00	-	-	-	-	790,000.00	-
01-450-4902	STATE PROJECT PLANNING GRANT	-	6,900.00	-	-	-	-	-	6,900.00	6,900.00
01-450-4950	FEDERAL EMERGENCY MANAGEMENT AGENCY	283,574.00	257,756.31	-	-	-	-	-	257,756.31	(25,817.69)
	DRAINAGE REVENUES	1,334,277.00	995,186.12	338,794.22	-	-	-	-	1,333,980.34	(15,501.66)
01-450-5070	CONTRACTUAL/PROFESSIONAL SERVICES - DR	1,334,227.00	1,048,239.35	286,232.52	-	-	-	-	1,334,471.87	(244.87)
	DRAINAGE EXPENDITURES	1,334,227.00	1,048,239.35	286,232.52	-	-	-	-	1,334,471.87	(244.87)

Revenues received in the Drainage Department are a direct result of the Washington Street Flood Mitigation project. These revenues are grant revenues received from the State through the Department of Natural Resources and Environmental Control, grant revenues received from the Federal Emergency Management Agency, and loan proceeds from the Clean Water State Revolving Loan Fund.

Two notable changes from the prior finance report are the inclusion of two additional revenue sources: the State Project Planning Advance Grant, and the Texaco Settlement. The expenditures related to the State Project Planning Advance Grant were recorded in FY 2018, however the revenue was not recognized in the prior year. As a result, the revenue has been recognized this year and an adjustment made to the DNREC revenue line to accommodate the change. The Texaco Settlement revenue was sitting on the balance sheet as an unearned revenue stemming from project savings related to the construction of the promenade along the canal. At the recommendation of our auditors, given the nature of the Washington Street Flood Mitigation project, the remaining liability can be recognized as revenue to cover the City's incidental costs related to the project.

Parks Maintenance Expenditures:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-500-5310	MAINTENANCE / PARKS - PK	38,000.00	28,298.96	-	1,110.00	2,220.00	2,220.00	2,220.00	36,068.96	1,931.04
	PARKS EXPENDITURES	38,000.00	28,298.96	-	1,110.00	2,220.00	2,220.00	2,220.00	36,068.96	1,931.04

The Parks Maintenance department's expenditures are trending slightly higher than anticipated thus far. This is a result of significant landscape clean up conducted early in the year, as well as repeated repair of sinkholes forming behind the seawall at Battery Park. The forecasted budget only includes the maintenance related to maintaining the grass on the park properties owned by the City. Any additional repairs related to the seawall or additional landscape maintenance is not reflected in these amounts.

Tree Maintenance Expenditures:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-550-5310	MAINTENANCE / TREES - TR	22,000.00	4,500.00	-	-	-	-	-	4,500.00	17,500.00
	TREE EXPENDITURES	22,000.00	4,500.00	-	-	-	-	-	4,500.00	17,500.00

Tree Maintenance expenditures have so far been lower than anticipated. Maintenance of trees owned by the City so far this year has been driven by complaints of trees that pose a threat to person and property. Aside from known expenditures, predicting the cost moving forward is difficult, however there are no current plans to utilize this funding outside of addressing complaints.

Recycling Collection Expenditures:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-560-5070	CONTRACTUAL/PROFESSIONAL SERVICES - RC	19,000.00	11,619.00	1,660.00	1,660.00	1,660.00	1,660.00	1,660.00	19,919.00	(919.00)
	RECYCLING COLLECTION EXPENDITURES	19,000.00	11,619.00	1,660.00	1,660.00	1,660.00	1,660.00	1,660.00	19,919.00	(919.00)

Recycling Collection expenditures are trending higher than the original budget anticipated. Waste Industries performs the recycling collection duties for the City at a rate of approximately \$1,660 per month. For a full fiscal year this equates to \$19,920. It is worth noting that we will be receiving a \$0.31 increase per household, per month, to provide this service in FY 2020 (approximately \$2,604 increase annually).

Debt Service Expenditures:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
01-600-5900	DEBT SERVICE - WASHINGTON REVOLVING LOAN	-	-	-	-	7,500.00	-	-	7,500.00	(7,500.00)
01-600-5901	DEBT SERVICE - COMMUNITY CENTER ROOF	16,810.00	8,764.00	1,252.00	1,252.00	1,252.00	1,252.00	1,252.00	15,024.00	1,786.00
01-600-5902	DEBT SERVICE - STREET BOND W5FS REFI	21,000.00	19,238.45	2,748.35	2,748.35	2,748.35	2,748.35	2,748.35	32,980.20	(11,980.20)
01-600-5903	DEBT SERVICE - VERIZON APPEAL NOTE PAYABLE	-	-	28,751.84	-	-	-	-	28,751.84	(28,751.84)
	DEBT SERVICE EXPENDITURES	37,810.00	28,002.45	32,752.19	4,000.35	11,500.35	4,000.35	4,000.35	84,256.04	(46,446.04)

The newly created Debt Service department will segregate costs involved in servicing the City's outstanding debt. The original budget did not accurately reflect the total amount of debt service for existing debt, nor did it include the new expenditures for the Washington Street Flood Mitigation revolving loan or the recognition of the note payable related to the Verizon assessment appeal which is payable over FY 2019 through FY 2023.

Water Fund: The Water Fund as of January 31, 2019 has an operating surplus of \$17,194.83. As a result of readjusting the transfer to the General Fund and allocating the costs associated with the General Administration's support of the Water Fund, this represents a significant departure from last month's finance report. The end of year forecast of operating income, inclusive of interest expense, but prior to depreciation expense, is \$47,909.11. This number is subject to change by the amount that is yet to be determined to transfer to the General Fund.

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
02-000-4000	WATER UTILITY FEES	330,000.00	141,762.72	-	-	68,000.00	-	68,000.00	277,762.72	(52,237.28)
02-000-4020	OTHER WATER REVENUE	12,034.00	50.00	-	-	-	-	-	50.00	(11,984.00)
02-000-4040	REFINERY WATER UTILITY FEES	30,000.00	15,244.67	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	22,744.67	(7,255.33)
	WATER FUND REVENUES	372,034.00	157,057.39	1,500.00	1,500.00	69,500.00	1,500.00	69,500.00	300,557.39	(71,476.61)
02-000-5000	SALARIES (30% ALLOCATION FROM GA)	-	38,233.30	3,377.50	4,697.50	5,792.50	5,680.00	5,680.00	63,460.80	(63,460.80)
02-000-5010	PAYROLL TAXES (30% ALLOCATION FROM GA)	-	3,202.87	288.08	377.44	466.80	466.80	466.80	5,268.78	(5,268.78)
02-000-5020	RETIREMENT PLAN (30% ALLOCATION FROM GA)	-	810.84	79.50	113.25	147.00	147.00	147.00	1,444.59	(1,444.59)
02-000-5070	CONTRACTUAL/PROFESSIONAL SERVICES - WF	69,000.00	40,828.27	7,934.61	4,974.61	4,974.61	4,974.61	4,974.61	68,661.32	338.68
02-000-5100	DUES / MEETINGS - WF	524.00	442.00	-	-	-	-	-	442.00	82.00
02-000-5120	ELECTRICITY - WF	23,000.00	11,825.14	2,326.31	1,223.06	1,223.06	1,223.06	1,223.06	19,043.69	3,956.31
02-000-5135	FEES/INTEREST/PENALTIES - WF	110.00	-	-	-	-	-	-	-	110.00
02-000-5150	HEATING FUEL - WF	2,000.00	1,307.61	150.00	150.00	150.00	150.00	150.00	2,057.61	(57.61)
02-000-5160	INSURANCE / GENERAL (30% ALLOCATION FROM GA)	-	10,050.23	1,095.87	1,095.87	1,095.87	1,095.87	1,095.87	15,529.58	(15,529.58)
02-000-5170	INSURANCE / HEALTH (30% ALLOCATION FROM GA)	-	6,795.28	647.50	1,094.75	1,094.75	1,094.75	1,094.75	11,821.77	(11,821.77)
02-000-5270	LEGAL - WF	500.00	260.00	-	-	-	-	-	260.00	240.00
02-000-5280	MAILINGS / POSTAGE - WF	200.00	-	-	-	-	-	-	-	200.00
02-000-5290	MAINTENANCE / BUILDING - WF	2,700.00	498.90	-	45.00	90.00	90.00	90.00	813.90	1,886.10
02-000-5310	MAINTENANCE / SYSTEM - WF	7,000.00	3,431.04	-	-	-	-	-	3,431.04	3,568.96
02-000-5330	MATERIALS & SUPPLIES - WF	12,000.00	2,834.77	1,628.65	250.00	250.00	250.00	250.00	5,463.42	6,536.58
02-000-5340	MISCELLANEOUS EXPENSE - WF	450.00	-	-	-	-	-	-	-	450.00
02-000-5365	SEWER CHARGES NEW CASTLE COUNTY - WF	700.00	424.32	-	-	70.72	-	-	495.04	204.96
02-000-5370	TELEPHONE - WF	1,500.00	935.49	124.70	124.70	124.70	124.70	124.70	1,558.99	(58.99)
02-000-5380	TESTING - WF	500.00	400.00	-	-	-	-	-	400.00	100.00
02-000-5900	DEBT SERVICE - G/O WATER BOND	24,000.00	15,440.38	9,593.00	-	-	9,593.00	-	34,626.38	(10,626.38)
02-000-5940	DEBT SERVICE - WELL 5 FILTERS (SRF)	5,500.00	8,934.68	8,934.68	-	-	-	-	17,869.36	(12,369.36)
02-000-8000	TRANSFER OUT - GENERAL FUND	222,350.00	-	-	-	-	-	-	-	222,350.00
	WATER FUND EXPENDITURES	372,034.00	146,655.12	36,180.40	14,146.18	15,480.01	24,889.79	15,296.79	252,648.28	119,385.72
	NET INCOME (DEFICIT)	-	10,402.27	(34,680.40)	(12,646.18)	54,019.99	(23,389.79)	54,203.21	47,909.11	47,909.11

Real Estate Transfer Tax Fund:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
03-110-4040	REAL ESTATE TRANSFER TAXES	70,000.00	49,313.45	6,424.04	3,000.00	3,000.00	3,000.00	3,000.00	67,737.49	(2,262.51)
	REAL ESTATE TRANSFER TAX FUND REVENUES	70,000.00	49,313.45	6,424.04	3,000.00	3,000.00	3,000.00	3,000.00	67,737.49	(2,262.51)
03-110-8000	TRANSFER OUT - GENERAL FUND	70,000.00	49,313.45	6,424.04	3,000.00	3,000.00	3,000.00	3,000.00	67,737.49	2,262.51
	REAL ESTATE TRANSFER TAX FUND EXPENDITURES	70,000.00	49,313.45	6,424.04	3,000.00	3,000.00	3,000.00	3,000.00	67,737.49	2,262.51
	NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	-

The newly created Real Estate Transfer Tax Fund is utilized to be in compliance with State of Delaware laws. For our purposes this fund operates as a pass-through to fund those activities accounted for in the General Fund that are eligible under State statutes.

Municipal Street Aid Fund:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
03-120-4700	APPROPRIATION FROM FUND BALANCE	-	-	-	-	-	-	52,110.24	52,110.24	52,110.24
03-120-4900	MUNICIPAL STREET AID	-	50,359.20	-	-	-	-	-	50,359.20	(50,359.20)
	MUNICIPAL STREET AID FUND REVENUES	-	50,359.20	-	-	-	-	52,110.24	102,469.44	102,469.44
03-120-8000	TRANSFER OUT - GENERAL FUND	-	93,280.06	9,189.38	-	-	-	-	102,469.44	(102,469.44)
	MUNICIPAL STREET AID FUND EXPENDITURES	-	93,280.06	9,189.38	-	-	-	-	102,469.44	(102,469.44)
	NET CHANGE IN FUND BALANCE	-	(42,920.86)	(9,189.38)	-	-	-	52,110.24	-	-

The Municipal Street Aid Fund is used to account for those revenues and expenditures related to the Municipal Street Aid grant received from the State. As of January 31, 2019, the Municipal Street Aid is forecasted to utilize current year revenues and fund balance to cover expenditures related to the FY 2019 Road Pavement Program.

Facade Program Revolving Loan Fund:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
03-130-4005	INTEREST INCOME	-	63.37	9.00	9.00	9.00	9.00	9.00	108.37	108.37
	FAÇADE PROGRAM REVOLVING LOAN FUND REVENUES	-	63.37	9.00	9.00	9.00	9.00	9.00	108.37	108.37
03-130-8000	TRANSFER OUT - GENERAL FUND	-	-	-	-	-	-	-	-	-
	FAÇADE PROGRAM REVOLVING LOAN FUND EXPENDITURES	-	-	-	-	-	-	-	-	-
	NET CHANGE IN FUND BALANCE	-	63.37	9.00	9.00	9.00	9.00	9.00	108.37	108.37

The Façade Program Revolving Loan Fund is the vehicle that houses all revenues and expenditures related to the funds for the Façade Program. Currently, the fund experiences no activity other than accruing interest on the balance in the associated checking account. At the beginning of FY 2019, the checking account had \$62,000 restricted for use in the Façade Program and \$9,690.53 in unassigned funds that are available for reprogramming.

State Aid to Local Law Enforcement Fund:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
03-140-4900	STATE AID TO LOCAL LAW ENFORCEMENT	-	1,696.37	-	-	-	-	-	1,696.37	1,696.37
	SALLE FUND REVENUES	-	1,696.37	-	-	-	-	-	1,696.37	1,696.37
03-140-5000	SALARIES	-	1,196.37	-	-	-	-	-	1,196.37	(1,196.37)
03-140-5070	CONTRACTUAL/PROFESSIONAL SERVICES	-	500.00	-	-	-	-	-	500.00	(500.00)
	SALLE FUND EXPENDITURES	-	1,696.37	-	-	-	-	-	1,696.37	(1,696.37)
	NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	-

The State Aid to Local Law Enforcement (SALLE) Fund records all revenues and expenditures eligible for reimbursement under SALLE grants. So far this year we have recognized \$1,696.37 in grant related revenues and expenditures, which is likely to increase.

Emergency Illegal Drug Enforcement Fund:

ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY 2019	VARIANCE
03-150-4900	EMERGENCY ILLEGAL DRUG ENFORCEMENT	-	1,705.57	-	-	-	-	-	1,705.57	1,705.57
	EIDE FUND REVENUES	-	1,705.57	-	-	-	-	-	1,705.57	1,705.57
03-150-5000	SALARIES	-	1,705.57	-	-	-	-	-	1,705.57	(1,705.57)
	EIDE FUND EXPENDITURES	-	1,705.57	-	-	-	-	-	1,705.57	(1,705.57)
	NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	-

The Emergency Illegal Drug Enforcement (EIDE) Fund records all revenues and expenditures eligible for reimbursement under EIDE grants. So far this year we have recognized \$1,705.57 in grant related revenues and expenditures, which is likely to increase.

Recap of Financial Report: As the balance sheet information is being analyzed, some adjustments may be necessary to correct prior misstatements. While all known adjustments are being taken into account thus far, more may be needed as City staff is able to build the subsidiary ledgers used to accurately track balance sheet items.

It is important to note that the financial performance so far this year has been helped by a number of one-time benefits: the absence of the salary and benefits for a City Manager over the course of a couple months so far, one recruit in the police academy in place of the two that were potentially going to be in this class, recognition of some residual unearned revenues on the balance sheet, the transition from a full-time customer service representative to only one of the two planned part-time customer service representatives, and the transition from a full-time code enforcement officer to an outsourced firm.

Considering that those actions stated above are not likely to occur again, during preparation of the FY 2020 budget, ensuring a balanced budget may prove to be challenging while continuing to provide the current level of services to the community.

Cash Balances: Please find below the reconciled balances of our bank accounts, as of January 31, 2019 and compared to prior month balances*, as well as a check register for the month of January 2019.

DESCRIPTION	12/31/2018	1/31/2019	DIFFERENCE
CASH - GENERAL FUND CHECKING	71,620.10	3,093.66	(68,526.44)
CASH - VIOLENT CRIMES CHECKING ACCOUNT	6,909.29	6,909.29	-
CASH - GRANT IN AID CHECKING	54,400.00	43,400.00	(11,000.00)
CASH - MUNICIPAL STREET AID FUND	100.00	490.00	390.00
CASH - REVOLVING LOAN FACADE FUND	71,744.76	71,753.90	9.14
CASH - SALLE FUND	3,501.68	3,377.31	(124.37)
CASH - EIDE FUND	3,216.16	1,440.02	(1,776.14)
CASH - MAYOR'S BALL ACCOUNT	38,015.52	37,415.52	(600.00)
CASH - DELAWARE CITY DAY COMMITTEE	9,989.01	9,989.01	-
TOTAL RECONCILED BALANCE	259,496.52	177,868.71	(81,627.81)

*It is important to note that the balances in these accounts do not necessarily agree with the actual amount of the available funding for each activity. Past accounting practices did not reconcile these accounts with the corresponding fund on the general ledger.

As noted earlier last month's Finance Report, the Washington Street Flood Mitigation project is nearing substantial completion, scheduled to be around February 2019. As a result, the payments to the contractor and the subsequent timing of reimbursements has created a short-term ebb in our cash accounts. Significant reimbursements and drawdowns were received in very early February 2019.

DATE	CHECK	VENDOR	DESCRIPTION	AMOUNT
01/07/19	13098	BERRY REFRIGERATION	RESET UNIT AT COMM CENTER	124.00
01/07/19	13099	CAROLYN HANKS	REFUND OF WATER OVERPAYMENT	500.00
01/07/19	13100	CRYSTAL SPRINGS	3 X 5 GALLON BOTTLES	13.50
01/07/19	13101	DE LAGE LANDEN FINANCIAL SERV	COPIER LEASE - 2ND FLR POLICE	161.70
01/07/19	13102	DIAMOND COMPUTER INC.	ADJUSTED SECURITY PERMISSIONS	50.00
01/07/19	13102	DIAMOND COMPUTER INC.	ONLINE BACKUP SERVICE/EMAILS	154.95
01/07/19	13103	KASH SRINIVASAN GROUP, LLC	MANAGEMENT CONSULTING - RFP	2,480.00
01/07/19	13104	KUHN CONSTRUCTION COMPANY	WASHINGTON ST FLOOD MITIGATION	381,154.25
01/07/19	13105	ONE CALL CONCEPTS, INC.	MAINTENANCE TICKETS DECEMBER	8.03
01/07/19	13106	REGISTERED AGENTS LEGAL SERVIC	REGISTERED AGENT - COMM CENTER	50.00
01/07/19	13107	CARMAN FORD, INC.	2012 DODGE CHARGER REPAIRS	1,323.15
01/09/19	13108	ALTERNATIVE SUPPORT APPARATUS	DEP FOR QUICK RESPONSE VEHICLE	17,268.50
01/10/19	13109	CAPITOL CLEANERS & LAUNDERERS	DECEMBER 2018 DRY CLEANING	20.72
01/10/19	13110	DELMARVA POWER	5500 8575 957 - 950 5TH ST	75.02
01/10/19	13111	DELMARVA POWER	5000 1281 877 - COMM CENTER	3,708.46
01/10/19	13112	DELMARVA POWER	5500 8577 268 - 5 WASHINGTON	1,427.35
01/10/19	13113	DELMARVA POWER	5000 0009 378 - 321 WASHINGTON	876.59
01/10/19	13114	DELMARVA POWER	5000 0009 386 - 407 CLINTON ST	741.40
01/10/19	13115	DELMARVA POWER	5000 0009 717 - CLINTON ST	326.27
01/10/19	13116	DELMARVA POWER	5500 8576 260 - 3RD/CANAL ST	121.40
01/10/19	13117	DELMARVA POWER	5000 0009 725 - CLINTON ST	79.55
01/10/19	13118	DELMARVA POWER	5000 0009 758 - CANAL/WILLIAMS	103.72
01/10/19	13119	DELMARVA POWER	5500 8576 807 - 321 WASHINGTON	41.09
01/10/19	13120	DELMARVA POWER	5000 0009 774 - RT 9	43.41
01/10/19	13121	FUELMAN	DECEMBER FUEL PURCHASES	887.99
01/10/19	13122	WASTE INDUSTRIES	TRASH/RECYCLING CONTRACT	14,998.83
01/22/19	13123	COUNTY BUILDING SERVICES, INC.	JANITORIAL SERVICES TOWN HALL	525.00
01/22/19	13123	COUNTY BUILDING SERVICES, INC.	INSTALLATION OF FLOORS AT PAL	13,290.50
01/22/19	13123	COUNTY BUILDING SERVICES, INC.	REPAIR COMM CENTER FRONT DOOR	110.00
01/22/19	13123	COUNTY BUILDING SERVICES, INC.	RUBBER STRIPS/CLEANING CC	400.00
01/22/19	13123	COUNTY BUILDING SERVICES, INC.	INSTALLATION OF BLINDS AT CC	1,289.68
01/22/19	13124	DIAMOND STATE TIRE, INC.	REPAIR TIRE LEAK IN TAHOE	25.00
01/22/19	13125	IRVIN H. HAHN CO.	CORPORAL BADGES WITTE/CRAMER	120.70
01/22/19	13126	NATIONWIDE	JANUARY 2019 INSURANCE	3,888.53
01/22/19	13127	THE NEWS JOURNAL COMPANY	CITY MANAGER JOB POSTING	160.17
01/22/19	13128	VERIZON WIRELESS	720104185-00001 - AIR CARDS	296.22
01/22/19	13129	VERIZON	152-016-685-0001-78 -CITY HALL	686.73
01/28/19	13130	ARTESIAN WATER COMPANY	JANUARY 2019 OPERATIONS	5,039.49
01/28/19	13131	CANON FINANCIAL SERVCIES, INC.	1ST FLR COPIER LEASE	397.93
01/28/19	13132	DEARBORN NATIONAL	SHRT/LONG TERM DISABILITY/LIFE	339.43
01/28/19	13133	DE LAGE LANDEN FINANCIAL SERV	2ND FLOOR COPIER LEASE	154.00
01/28/19	13134	DE LEAGUE OF LOCAL GOVERNMENTS	LEAGUE MEETING - MAYOR GREEN	30.00
01/28/19	13135	DELTA DENTAL OF DELAWARE, INC.	DENTAL INSURANCE FEB 2019	218.08
01/28/19	13136	GS DIRECT, LLC (AU1)	DECEMBER 2018 SOLAR PPA	1,531.47
01/28/19	13137	RED THE UNIFORM TAILOR	UNIFORM - CPL. CRAMER	2,210.25
01/28/19	13138	STATE OF DE - OMB FINANCIAL OP	HEALTH INSURANCE FEB 2019	4,580.64
01/28/19	13139	VERIZON	450-378-063-0001-73 - WF	57.34
01/28/19	13140	VERIZON	450-378-229-0001-41 - WF	57.34
				462,148.38