

Town of Ocean View, Delaware

PRESENTATION OF FINANCIAL STATEMENTS TO COUNCIL

SEPTEMBER 9, 2025

FOR

APRIL 30, 2025

Opinion

Pages 1 through 3 of the Basic Financial Statements

- Unmodified
 - Highest level of opinion Certified Public Accountants can give

Pages 51 and 52 of the Basic Financial Statements

- Report on internal control over financial reporting and on compliance and other matters
 - Not an opinion report
 - We did not identify any material weaknesses in internal control over financial reporting
 - We did not identify any instances of noncompliance that we were required to report under *Government Auditing Standards*

Statement of Net Position

Government-Wide Statements

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 8,791,063	\$ 9,034,746	\$ 2,134,505	\$ 1,538,592	\$ 10,925,568	\$ 10,573,338
Capital assets	19,476,393	18,333,063	-	3,901,999	19,476,393	22,235,062
Total assets	28,267,456	27,367,809	2,134,505	5,440,591	30,401,961	32,808,400
Deferred Charges - refunding debt				110,943	-	110,943
Deferred Outflows - retirement	1,125,702	1,066,157	-	-	1,125,702	1,066,157
Total deferred outflows	1,125,702	1,066,157	-	110,943	1,125,702	1,177,100
Current and other liabilities	705,681	436,357	7,408	32,013	713,089	468,370
Long-term liabilities	581,120	576,596	-	3,901,255	581,120	4,477,851
Total liabilities	1,286,801	1,012,953	7,408	3,933,268	1,294,209	4,946,221
Deferred Inflows - grants	355,486	256,757	-	-	355,486	256,757
Deferred Inflows - retirement	174,453	169,349	-	-	174,453	169,349
Total Deferred Inflows	529,939	426,106	-	-	529,939	426,106
Net position:						
Net investments in capital assets	19,471,116	18,317,454	-	17,420	19,471,116	18,334,874
Restricted	3,781,832	4,455,675	-	-	3,781,832	4,455,675
Unrestricted	4,323,470	4,221,778	2,127,097	1,600,846	6,450,567	5,822,624
Total net position	\$ 27,576,418	\$ 26,994,907	\$ 2,127,097	\$ 1,618,266	\$ 29,703,515	\$ 28,613,173

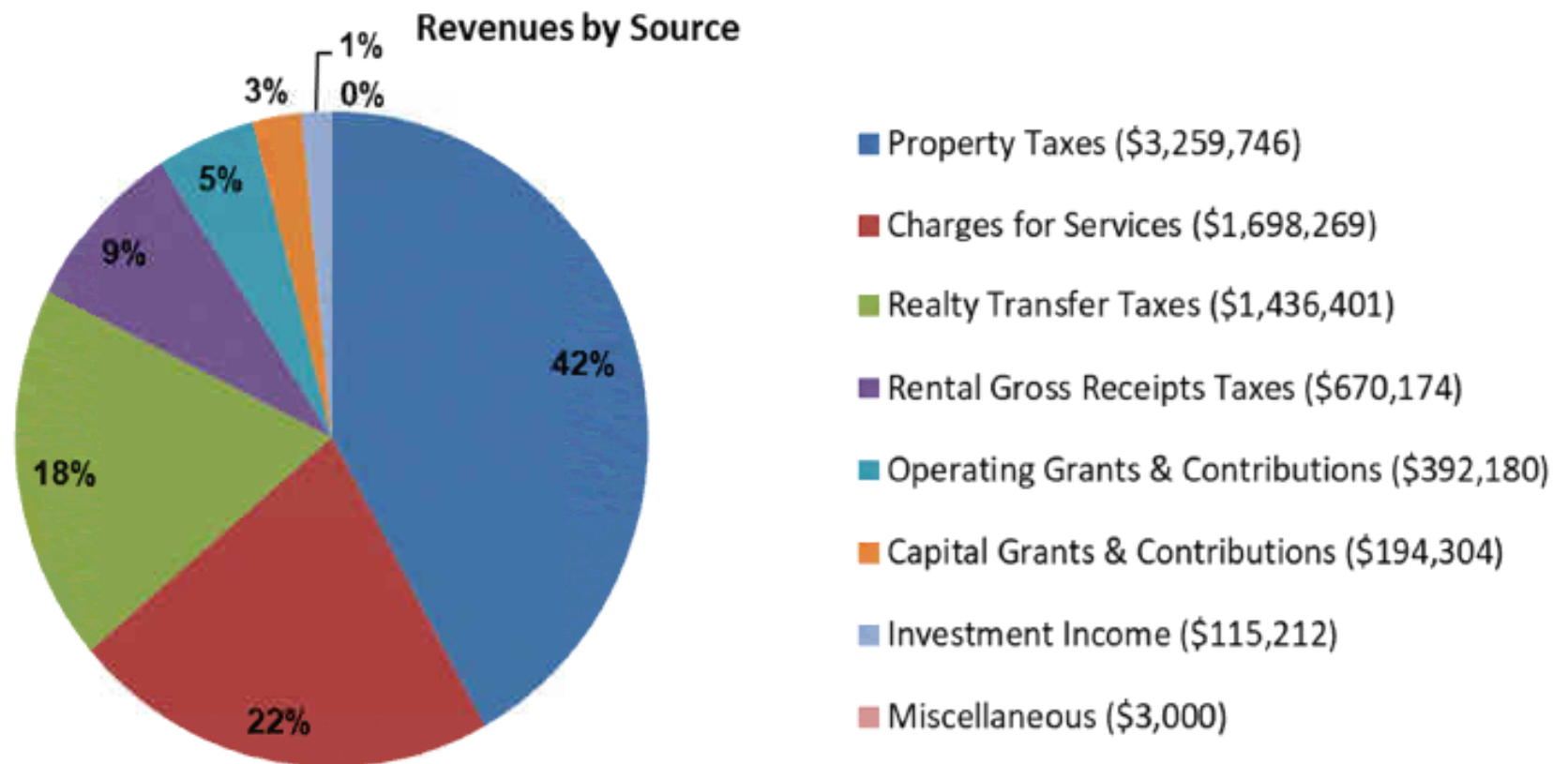
Note: Total net position for FY 2024 Governmental Activities is restated with the implementation of GASB 101, Compensated Absences. See Prior Period adjustment/change in accounting principal footnote on page 43.

Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues						
Charges for services	\$ 1,698,269	\$ 1,190,656	\$ 621,150	\$ 629,564	\$ 2,319,419	\$ 1,820,220
Operating grants and contributions	392,180	343,317	-	-	392,180	343,317
Capital grants and contributions	194,304	1,191,427	-	-	194,304	1,191,427
General revenue						
Property taxes	3,259,746	3,187,069	-	-	3,259,746	3,187,069
Transfer taxes	1,436,401	1,134,700	-	-	1,436,401	1,134,700
Rental gross receipts taxes	670,174	668,950	-	-	670,174	668,950
Investment income	115,212	170,090	49,477	34,532	164,689	204,622
Miscellaneous	3,000	3,001	-	-	3,000	3,001
Sale of assets	-	3,929	650,305	-	650,305	3,929
Total revenues	7,769,286	7,893,139	1,320,932	664,096	9,090,218	8,557,235
Expenses:						
General government	1,369,242	1,313,439	-	-	1,369,242	1,313,439
Planning and Zoning	832,443	733,436	-	-	832,443	733,436
Public safety	3,030,679	2,858,698	-	-	3,030,679	2,858,698
Public works	1,872,734	1,547,114	-	-	1,872,734	1,547,114
Water system	-	-	812,101	711,959	812,101	711,959
Total expenses	7,105,098	6,452,687	812,101	711,959	7,917,199	7,164,646
Increase in net position	664,188	1,440,452	508,831	(47,863)	1,173,019	1,392,589
Net position - Beginning	26,912,230	25,554,455	1,618,266	1,666,129	28,530,496	27,220,584
Net position - Ending	\$ 27,576,418	\$ 26,994,907	\$ 2,127,097	\$ 1,618,266	\$ 29,703,515	\$ 28,613,173

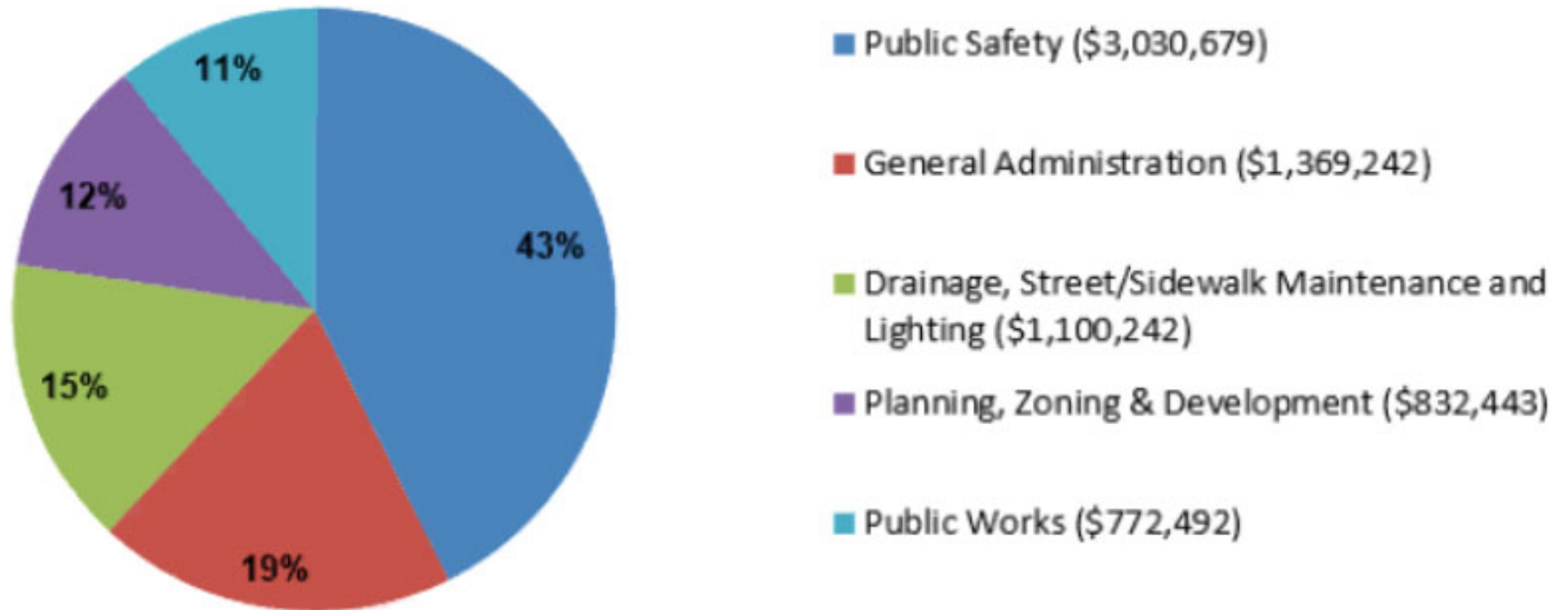
Note: Net Position - Ending for FY 2024 is restated with the implementation of GASB 101, Compensated Absences. See Prior Period adjustment/change in accounting principal footnote on page 43.

Governmental Activities – Revenue



Governmental Activities- Expenses

Expenses by Program



General Fund

- General Fund Statements begin on page 17.
- Decrease in fund balance was \$528,616 as of April 30, 2025.
- Unassigned fund balance totaling \$2,564,871 or 33% of fund balance.
 - GFOA recommends, at minimum, the general fund have no less than two months of operating expenditures in unassigned fund balance.
- Budget Comparison Schedule on pages 44 through 48
- Actual amounts were favorable compared to the budget by \$815,429
 - The Town was overall under budget on expenditures by \$592,046
 - Total revenues were over budgeted amount by \$223,383

GASB 68, Delaware Public Employee's Retirement System Update

- Pages 37 through 41 of the footnotes and pages 49 and 50 of the required supplementary information.
- Liability is measured as of June 30, 2024, the latest audit available from the pension system and actuary information.
- Required contribution was \$206,142 during the year ended April 30, 2025, an increase of \$37,256 from 2024.
- Pension LIABILITY reported on the Town's financial statements was \$147,471.
- **The Town has consistently fully funded the required contribution for the retirement plans.**

New Accounting Pronouncements – Implemented

- GASB Statement No. 101 *Compensated* was effective for the Town beginning with the year ending April 30, 2025. This statement updates the recognition and measurement guidance for compensated absences.

- IMPLEMENTED IN FY25 WHICH LEAD TO AN INCREASE IN ACCRUED COMPENSATED AT APRIL 30, 2025 and APRIL 30, 2024
- April 30, 2024 Accrued Compensated Absences increased by \$82,677 to \$386,100
- April 30, 2025 Accrued Compensated Absences increased to \$428,372

New Accounting Pronouncements - Upcoming

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Town beginning with the year ending April 30, 2026. This statement establishes requirements to disclose certain risks faced by governments.

GASB Statement No. 103, *Financial Reporting Improvements*, will be effective for the Town beginning with the year ending April 30, 2027. This statements will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing the government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the Town beginning with the year ending April 30, 2027. The statement will provide guidance on how to disclose right-to-use assets resulting from leases, subscriptions and PPPs to promote consistency and comparability between governments. It also provides new disclosure requirements related to capital assets held for sale.

Auditor Communications

- No Material Weaknesses or Significant Deficiencies
- Management letter comment for 2025:
 - Guidance on the new GASB 101, *Compensated Absences*
 - Information on DE Family and Medical Leave Act
- Communications with Those Charged with Governance
 - No Significant Difficulties during the Audit
 - No disagreements with management
 - We have reviewed and agree with the estimates used in the financial statements.
 - Implemented GASB 101 in FY25
 - No other matters of Non-Compliance required to be reported.

Questions

