

**VILLAGE OF
NORTH CHEVY CHASE, MARYLAND
FINANCIAL STATEMENTS
JUNE 30, 2019**

VILLAGE OF NORTH CHEVY CHASE

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Independent Auditor's Report

Honorable Chairman and Members of the Village Council
Village of North Chevy Chase, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Village of North Chevy Chase, Maryland, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village'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 and each major fund of the Village of North Chevy Chase, Maryland, as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the budgetary comparison information on pages 4 through 9 and 28 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of North Chevy Chase, Maryland's financial statements as a whole. The schedule of revenues – budget and actual (GAAP basis) and the schedule of expenditures – budget and actual (non-GAAP basis) on pages 29 through 30 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenues – budget and actual and the schedule of expenditures – budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hindery & Associates, LLC

September 20, 2019

**VILLAGE OF NORTH CHEVY CHASE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Our discussion and analysis of the Village of North Chevy Chase's financial performance provides an overview of the Village's financial activities for the year ended June 30, 2019. Please read it in conjunction with the Village's financial statements.

Financial Highlights

As a result of the year's activities, the Village's net position increased by \$158,905 and the Village's fund balance increased by \$109,085. This includes both operating and capital expenditures for FY 2019.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities are government-wide statements that provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements report the Village's operation in more detail than the government-wide statements by providing information about the Village's most significant funds and individual parts.

Reporting the Village as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets plus deferred outflows and liabilities plus deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report changes in the Village's net position. You can think of the Village's *net* position (the difference between assets plus deferred outflows and liabilities plus deferred inflows) as one way to measure the Village's financial health or position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the Village's property tax base and the condition of the Village's roads to assess the overall health of the Village.

**VILLAGE OF NORTH CHEVY CHASE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

- Governmental activities – The Village's basic services are reported here, including general administration, public works, and sanitation. Taxes, franchise fees, fines, and state and federal grants finance these activities.
- Business-type activities – The Village currently has no business-type activities.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Village as a whole. Currently, the Village only has governmental funds.

- Government funds – The Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation to the right of the fund financial statements.

**VILLAGE OF NORTH CHEVY CHASE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The Village as a Whole

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Village's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

| | |
|--------------------|------------------------|
| General Government | Revenue Sharing Grants |
| Public Works | Highway User Revenues |

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted to a specific purpose.

**VILLAGE OF NORTH CHEVY CHASE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Governmental-Wide Financial Information

The following is selected information as of June 30, 2019, and for the previous year, which is provided for comparison purposes.

| | Governmental Activities | |
|--|-------------------------|--------------|
| | 2018 | 2019 |
| Current assets | \$ 1,439,825 | \$ 1,568,858 |
| Capital assets | 704,063 | 732,788 |
| Total assets | 2,143,888 | 2,301,646 |
| Deferred outflows | - | - |
| Total deferred outflows and assets | 2,143,888 | 2,301,646 |
| Current liabilities | 12,486 | 10,201 |
| Long-term liabilities | 21,629 | 22,767 |
| Total liabilities | 34,115 | 32,968 |
| Deferred inflows | - | - |
| Net position | | |
| Net investment in capital assets | 704,063 | 732,788 |
| Restricted | - | - |
| Unrestricted | 1,405,710 | 1,535,890 |
| Total net position | 2,109,773 | 2,268,678 |
| Total liabilities, deferred inflows and net position | 2,143,888 | 2,301,646 |
| Program revenues | | |
| Charges for services | - | - |
| Operating grants and contributions | 30,336 | 43,705 |
| General revenues | | |
| Income taxes | 345,462 | 282,569 |
| Property taxes | 75,646 | 75,150 |
| Total general revenues | 444,579 | 396,898 |
| Transfers | - | - |
| Contingency loss | (530) | - |
| Total revenues and transfers | 474,385 | 440,603 |
| Expenses | | |
| General government | 63,985 | 97,191 |
| Public works | 263,444 | 184,507 |
| Total expenses and transfers | 327,429 | 281,698 |
| Change in net position | 146,956 | 158,905 |
| Net position, beginning of year - restated for 2018 | 1,962,817 | 2,109,773 |
| Net position, end of year | \$ 2,109,773 | \$ 2,268,678 |

**VILLAGE OF NORTH CHEVY CHASE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Business-type Activities

The Village currently has no business-type activities.

The Village's Funds

The following schedule presents a summary of general revenue and expenditures for the fiscal year ended June 30, 2019 and percentage of increases and decreases in relation to the prior year.

| | FY2019 Amount | Percent of Total | Increase (Decrease) From FY18 |
|--------------------------------|-------------------|---------------------|-------------------------------------|
| Revenues | | | |
| Taxes | \$ 336,624 | 80% | \$ (65,889) |
| Intergovernmental | 43,705 | 10% | 13,369 |
| Investment and interest income | 28,653 | 7% | 13,485 |
| Miscellaneous | 10,526 | 3% | 2,223 |
| Total Revenue | \$ 419,508 | 100% | \$ (36,812) |
| Expenditures | | | |
| General government | \$ 97,191 | 31% | \$ 33,206 |
| Public works | 110,718 | 36% | (82,402) |
| Capital outlays | 102,514 | 33% | 28,709 |
| Total Expenditures | \$ 310,423 | 100% | \$ (20,487) |

According to the State Comptroller, underlying estimated payment growth was close to 8%. The higher volume than usual for payment due returns coupled with smaller refunds reduced the amount available for declaration credits, which was estimated to decrease 13%. The State Comptroller noted that, for tax year 2018 filing season to June 2019, based on a reduced count and average dollar amount for refunds and a larger number of payments, the outlook for tax year 2019 reconciling distributions was positive. The Village received an increase in highway user revenue due to a greater share of the fund returning to municipalities.

General Fund Budgetary Highlights

The budget reflected capital expenditures for FY2019. The budget was passed to reflect expenditures for FY2019 and was not amended.

**VILLAGE OF NORTH CHEVY CHASE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Capital Asset and Debt Administration

Capital Assets

At the beginning of the fiscal year, the Village completed installation of new sidewalks on Montgomery Ave., replacement of diverters, and installation of a drainage swale at Stewart/Montgomery Ave. Capital expenditures with respect to Village trees focused on removals due to age and infestations.

Debt

At year end, the Village's only debt liability is \$22,767 due to the State of Maryland, as a result of the 2015 *Comptroller of Maryland v. Wynne* case. See Note 10 for more information.

Economic Factors and Next Year's Budgets and Rates

The Village could see no appreciable change in revenue or expenses.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Village Manager at P. O. Box 15887, Chevy Chase, Maryland 20815 or via email at nccinfo@northchevyCHASE.org.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2019

| | Governmental Activities | Total |
|--|----------------------------|--------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents - unrestricted | \$ 261,837 | \$ 261,837 |
| Investments | 1,212,291 | 1,212,291 |
| Account receivable | 2,549 | 2,549 |
| Taxes receivable | 89,319 | 89,319 |
| Pre-paid expenses | 2,862 | 2,862 |
| Total Current Assets | 1,568,858 | 1,568,858 |
| Noncurrent Assets | | |
| Due from other funds | - | - |
| Total Noncurrent Assets | 732,788 | 732,788 |
| TOTAL ASSETS | 2,301,646 | 2,301,646 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 2,301,646 | \$ 2,301,646 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 10,201 | \$ 10,201 |
| Amounts held in escrow and deposit | - | - |
| Total Current Liabilities | 10,201 | 10,201 |
| Noncurrent Liabilities | | |
| Due to State (Note 10) | 22,767 | 22,767 |
| Compensated absences | - | - |
| TOTAL LIABILITIES | 32,968 | 32,968 |
| DEFERRED INFLOWS OF RESOURCES | | |
| | - | - |
| NET POSITION | | |
| Net investment in capital assets | 732,788 | 732,788 |
| Restricted - Capital Projects | - | - |
| TOTAL NET POSITION | 2,268,678 | 2,268,678 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 2,301,646 | \$ 2,301,646 |

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

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

| Functions/Programs | Expenses | Charges for Services | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | |
|-------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|---|-------------------------|
| | | | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Total |
| Primary Government | | | | | | |
| Governmental Activities: | | | | | | |
| General government | \$ 97,191 | \$ - | \$ 25,195 | \$ - | \$ (71,996) | \$ (71,996) |
| Public works | 184,507 | - | 18,510 | - | (165,997) | (165,997) |
| Total Governmental Activities | <u>281,698</u> | <u>-</u> | <u>43,705</u> | <u>-</u> | <u>(237,993)</u> | <u>(237,993)</u> |
| Total Primary Government | <u>\$ 281,698</u> | <u>\$ -</u> | <u>\$ 43,705</u> | <u>\$ -</u> | <u>\$ (237,993)</u> | <u>\$ (237,993)</u> |
| General revenues: | | | | | | |
| Taxes | | | | | | |
| | | | | | 282,569 | 282,569 |
| | | | | | 75,150 | 75,150 |
| | | | | | 28,653 | 28,653 |
| | | | | | 10,526 | 10,526 |
| | | | | | <u>396,898</u> | <u>396,898</u> |
| | | | | | - | - |
| | | | | | 158,905 | 158,905 |
| | | | | | <u>2,109,773</u> | <u>2,109,773</u> |
| | | | | | <u>\$ 2,268,678</u> | <u>\$ 2,268,678</u> |

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

**VILLAGE OF NORTH CHEVY CHASE, MARYLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|--|-------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents - unrestricted | \$ 261,837 | \$ - | \$ 261,837 |
| Investments | 107,256 | 1,105,035 | 1,212,291 |
| Accounts receivable | 2,549 | - | 2,549 |
| Taxes receivable | 89,319 | - | 89,319 |
| Pre-paid expenses | 2,862 | - | 2,862 |
| TOTAL ASSETS | <u>463,823</u> | <u>1,105,035</u> | <u>1,568,858</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 463,823</u> | <u>\$ 1,105,035</u> | <u>\$ 1,568,858</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 10,201 | \$ - | \$ 10,201 |
| TOTAL LIABILITIES | <u>10,201</u> | <u>-</u> | <u>10,201</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>89,319</u> | <u>-</u> | <u>89,319</u> |
| FUND BALANCES | | | |
| Committed | - | 1,105,035 | 1,105,035 |
| Unassigned | 364,303 | - | 364,303 |
| TOTAL FUND BALANCES | <u>364,303</u> | <u>1,105,035</u> | <u>1,469,338</u> |
| OF RESOURCES AND FUND BALANCES | <u>\$ 463,823</u> | <u>\$ 1,105,035</u> | <u>\$ 1,568,858</u> |

**RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2019**

| | |
|--|---------------------|
| <i>Total Governmental Fund Balances</i> | \$ 1,469,338 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | 732,788 |
| Long-term liabilities, including due to state, are not due and payable in the current period and therefore are not reported in the funds. | (22,767) |
| Receivables pertaining to revenue that is not available in accordance with modified accrual accounting are reported as deferred inflows of resources in the funds. | <u>89,319</u> |
| <i>Net Position of Governmental Activities</i> | <u>\$ 2,268,678</u> |

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

**VILLAGE OF NORTH CHEVY CHASE, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|---|-------------------|--------------------------|--------------------------------|
| Revenues | | | |
| Taxes | \$ 336,624 | \$ - | \$ 336,624 |
| Intergovernmental | 43,705 | - | 43,705 |
| Investment income: | | | |
| Interest | - | 28,653 | 28,653 |
| Miscellaneous | 10,526 | - | 10,526 |
| Total Revenues | <u>390,855</u> | <u>28,653</u> | <u>419,508</u> |
| Expenditures | | | |
| Current | | | |
| General government | 97,191 | - | 97,191 |
| Public works | 110,718 | - | 110,718 |
| Capital outlay | - | 102,514 | 102,514 |
| Total Expenditures | <u>207,909</u> | <u>102,514</u> | <u>310,423</u> |
| Excess (deficiency) of revenues over expenditures | 182,946 | (73,861) | 109,085 |
| Other financing sources (uses) | | | |
| Operating transfers in (out) | (139,291) | 139,291 | - |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 43,655 | 65,430 | 109,085 |
| Fund balance, beginning of year | <u>320,648</u> | <u>1,039,605</u> | <u>1,360,253</u> |
| Fund balance, end of year | <u>\$ 364,303</u> | <u>\$ 1,105,035</u> | <u>\$ 1,469,338</u> |

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

| | |
|---|-------------------|
| <i>Net Change in Fund Balances - Total Governmental Funds</i> | \$ 109,085 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 28,725 |
| Increases in deferred inflows of resources relating to state income taxes do not provide current financial resources and are not reported as revenue in the governmental funds. | <u>21,095</u> |
| <i>Change in Net Position of Governmental Activities</i> | <u>\$ 158,905</u> |

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

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Until January 1996, the Village of North Chevy Chase was a Special Taxing District as defined by Maryland statutes. Effective January 1996, the Village became a municipal corporation governed by an elected Village council consisting of a Chair, Vice Chair, Secretary, Treasurer, and Member-at-Large and provides the following services as authorized by its charter: highways and streets, sanitation, public improvements and general administrative services. The Village is located within Montgomery County, Maryland.

The accounting policies of the Village of North Chevy Chase conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

In evaluating how to define the Village of North Chevy Chase, for financial reporting purposes, management has considered all potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set by the Governmental Accounting Standards Board. Component units are legally separate organizations for which the elected officials of the Village are financially accountable and a financial benefit or burden relationship exists. In addition, component units can be other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village's financial statements to be misleading. Based upon the application of criteria set by the Governmental Accounting Standards Board, there are no separate component units of the Village.

Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Village's governmental funds include the General Fund and the Capital Projects Fund. The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital projects.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Village, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. The Village has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, including the reclassification or elimination of internal activity (between funds). This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, and program revenues for each segment of the business-type activities of the Village, if any, and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect costs are allocated to programs. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as needed. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Village. Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Separate financial statements are provided for governmental funds, proprietary funds, if any, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fund Financial Statements

Fund financial statements report detailed information about the Village. The focus of governmental and enterprise financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column.

Governmental Funds

Village activities pertaining to general government, sanitation, public improvements and highways and streets are reported in the governmental funds. All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

- General Fund – This is the Village’s primary operating fund. It is used to account for all financial resources except for those required to be accounted for in another fund.
- Capital Projects Fund – The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for all governmental fund types.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e. collectible within the current year or within two months of year-end and available to pay obligations of the current period). These include property taxes, franchise taxes, investment earnings, charges for services and intergovernmental revenues.

Some revenues, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, some revenues are recorded as receivables and deferred inflows of resources.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which has not matured, are recognized when paid.

Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of ten months or less from the date of acquisition.

Investments

Investments held at June 30, 2019, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

Receivables

The balance of receivables at June 30, 2019, was \$91,868, consisting of permits, cable TV fees, and taxes receivable. Receivables are deemed collectible in full.

Inventory of Supplies

Inventories, if any, are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds and expenses in the proprietary type funds, when used.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Deferred Outflows and Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Likewise, a deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2019, the balance of deferred inflows of resources in the fund financial statements consisted of income taxes of \$89,319. The balance of deferred inflows of resources in the governmental-wide financial statements as of June 30, 2019, is \$0.

Local Tax Reserve Fund

At June 30, 2019, the Village was advised by the State of Maryland that \$89,319 of the Local Tax Reserve Fund was allocable to the Village. The Village recorded receivable and deferred inflows of resources in the amount of \$89,319 in the fund financial statements. The change in this amount has been reflected as income tax revenue in the government-wide financial statements in accordance with full accrual accounting.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as bridges, roads, curbs and gutters, streets, sidewalks, drainage systems and lighting systems are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated. Intangible assets are recognized if they are identifiable, and are amortized over their useful lives if they do not have indefinite useful lives.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 20 years.

Restricted Reserves

The Village uses restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Equity Classifications

Equity is classified as net position and is displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and reduced or increased by deferred inflows and outflows attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on its use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation and are reduced by liabilities and deferred inflows of resources related to those constraints.

Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first and then unrestricted resources as needed.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of restrictions imposed externally by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by the Village Charter, Village Code or enabling legislation.
3. Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action by Village Council, the Village’s highest level of decision-making authority, ordinance or resolution.
4. Assigned Fund Balance – amounts that are constrained by the Village’s intent that they will be used for specific purposes but are neither restricted nor committed. Pursuant to the Village Charter, the Village Manager and the Village council are authorized to assign amounts for specific purposes.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The Village considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Village also considers committed fund balances to spend first when other unrestricted fund balance classifications are available for use.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Budget Requirements, Accounting, and Reporting

Requirements for all funds:

Annual budgets are adopted for all Village funds. The Village Council may subsequently amend the budget and the budget was not amended during fiscal year 2019. For day-to-day management control, expenditures may not exceed budget at the department level. The Village prepares an annual operating budget on a basis not consistent with generally accepted accounting principles. See Note 13 for a reconciliation of the budget to generally accepted accounting principles.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposit Policies

Statutes authorize the Village to invest in certificates of deposit, repurchase agreements, passbooks, banker's acceptance, and other available bank investments provided that approved securities are pledged to secure those funds deposited in an amount equal to the amount of those funds. In addition, the Village can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law and can invest in the State of Maryland Local Government Investment Pool.

The Village's deposits are insured or collateralized with securities held by the Village, its agent, or by the pledging financial institution's trust department or agent in the name of the Village.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned or the Village will not be able to recover collateral securities in the possession of an outside party. The Village's policy requires deposits to be insured by FDIC, and balances exceeding FDIC limits be secured by collateral valued at 102 percent of principal and accrued interest. Collateral is to be held by the Village, its agent, or by the pledging financial institution's trust department or agent in the name of the Village.

At year-end, the carrying amounts of the Village's deposits were \$261,437 and the bank balances totaled \$270,020. Of the bank balances, the \$20,020 was not insured by Federal Depository Insurance Corporation (FDIC). At year end, the Village's bank balances were not exposed to any custodial credit risk because all deposits were fully collateralized.

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village has no policy regarding credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Village's policy provides that to the extent practicable, investments are matched with anticipated cash flows.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village has a policy of not exceeding the FDIC insurance limits at any single institution.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS – continued

Investment Policies

For investments, **custodial credit risk** is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Village policy provides that collateral is to be held by the Village, its agent, or by the pledging financial institution’s trust department or agent in the name of the Village.

Generally, the Village’s investing activities are managed by the Treasurer. Investing is performed in accordance with investment policies adopted by the Village Council complying with State Statutes and the Village Charter. Village funds may be invested in: 1) U.S. Treasury obligations; 2) U.S. Government Agency and U.S. Government-sponsored instrumentalities; 3) Repurchase agreements (master repurchase agreement required); 4) Collateralized certificates of deposit (only Maryland commercial banks); and 5) Maryland Local Government Investment Pool.

Investments

The Village has invested at June 30, 2019, \$1,105,035 in UBS CD’s and Money Market, and \$107,256 in United States Savings Bonds.

As of June 30, 2019, the Village had the following investments:

| <u>Types of Investments</u> | <u>Fair Value/ Carrying Amount</u> | <u>Cost</u> | <u>Average Credit Quality/ Ratings</u> |
|-----------------------------|--|---------------------|--|
| UBS Money Market and CD's | \$ 1,105,035 | \$ 1,105,035 | AAAm |
| US Savings Bonds | 107,256 | 30,000 | N/A |
| | <u>\$ 1,212,291</u> | <u>\$ 1,135,035</u> | |

Note: Ratings are provided where applicable to indicate associated **Credit Risk**.
N/A indicates not applicable.

NOTE 4 - RECEIVABLES

As of June 30, 2019, the balance of accounts receivable was \$91,868.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – PROPERTY TAX

Property taxes are levied as of July 1 on property values as of the same date. Village residents pay all property taxes to Montgomery County and the County remits the monies to the Village. Tax billings are considered delinquent after September 30. Properties with delinquent taxes may be sold at auction. When taxes are overdue, a lien is placed against the property. The real and personal property tax rates for the year ended June 30, 2019, were \$0.045 and \$0.13 per \$100 of assessed value, respectively.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2019 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---------------------------------------|----------------------|-----------|-----------|-------------------|
| Governmental activities: | | | | |
| Not being depreciated: | | | | |
| Land | \$ - | \$ - | \$ - | \$ - |
| Construction in progress | - | - | - | - |
| Subtotal | - | - | - | - |
| Depreciable capital assets: | | | | |
| Streets and improvements | 1,512,109 | 102,514 | - | 1,614,623 |
| Subtotal | 1,512,109 | 102,514 | - | 1,614,623 |
| Total capital assets | 1,512,109 | 102,514 | - | 1,614,623 |
| Accumulated depreciation: | | | | |
| Streets and improvements | 808,046 | 73,789 | - | 881,835 |
| Subtotal, accumulated depreciation | 808,046 | 73,789 | - | 881,835 |
| Net capital assets | \$ 704,063 | \$ 28,725 | \$ - | \$ 732,788 |

Depreciation was charged to functions as follows:

| | |
|-----------------------------|------------------|
| Government activities: | |
| General government | \$ - |
| Public works | 73,789 |
| Total government activities | <u>73,789</u> |
| depreciation expense | <u>\$ 73,789</u> |

As of June 30, 2019, the Village has no construction commitments

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – RETIREMENT PLAN

The Village does not have a retirement plan.

NOTE 8 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to workers; and natural disasters.

The Village has an insurance agreement with the Local Government Insurance Trust (LGIT), a public entity risk pool. LGIT provides the Village's property, general, automobile, employee health, police and public officials' legal liability insurance coverage.

This is a total risk and cost sharing pool for all participants. In the event that the Trust's General Fund falls into a deficit that cannot be satisfied by transfers from the Trust's capital and surplus accounts, the Trustees shall determine a method to fund the deficit. The Trust agreement empowers the Trustees to assess an additional premium to each deficit-year participant. Debt issues could also be used to fund a deficit.

Premiums are charged to the Village's General Fund, with no provision made for claim liability in addition to premiums, unless an assessment is made by the Trust. There have been no assessments during the year ended June 30, 2019 and the amount of settlements has not exceeded coverage for each of the past three years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grants

The Village receives grants from time-to-time. Expenditures from certain grants are subject to audit by the grantor, and the Village is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the Village's management, no material refunds will be required as a result of disallowed expenditures.

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – COMPTROLLER OF THE TREASURY OF MARYLAND V. WYNNE

In 2015, in *Comptroller of the Treasury of Maryland v. Wynne*, the Supreme Court invalidated a portion of Maryland’s personal income tax scheme after determining that it inherently burdened the earnings of individuals who resided in one state but earned income in another.

In response, Maryland has enacted corrective legislation allowing a credit for Maryland residents against personal income tax for income taxed by other states. The Court had ruled that the failure of Maryland law to allow such a credit rendered Maryland’s personal income tax scheme unconstitutional.

As of June 2019, the Comptroller’s Office estimated that the fiscal impact of the ruling on the Village will be approximately \$22,767 of refunds for prior years’ taxes, and a minimal reduction in income tax revenue each year going forward.

The change in the estimated amount of refunds to be paid has been recorded as a contingency loss on the Statement of Activities, and as a liability on the Statement of Net Position, as the Village will not be required to start reimbursing the State until the fourth quarter of fiscal year 2021, and will be repaid over a period of five years as a reduction in income tax distribution. The changes in this liability are as follows:

| | Balance June 30, 2018 | Added During Year | Retired During Year | Balance June 30, 2019 | Amount Due Within 1 Year |
|-------------------|--------------------------|----------------------|------------------------|--------------------------|-----------------------------|
| State of Maryland | \$ 22,767 | \$ - | \$ - | \$ 22,767 | \$ - |

The annual deductions will be as follows:

| FY | Amount |
|------------|-----------|
| 2021 | \$ 2,277 |
| 2022 | 4,553 |
| 2023 | 4,553 |
| 2024 | 4,553 |
| 2025 | 4,553 |
| Thereafter | 2,278 |
| | \$ 22,767 |

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – CONCENTRATIONS

The Village derives most of its revenues from the citizens of the Village. The Village is located in Montgomery County, Maryland.

NOTE 12 – FUND BALANCE REPORTING

Fund balances for the Village’s governmental funds consisted of the following as of June 30, 2019:

Committed Fund Balances

At June 30, 2019, the committed fund balance in the Capital Projects Fund is \$1,105,035.

Unassigned Fund Balances

All fund balances in the General Fund are unassigned. At June 30, 2019, this amount was \$364,303.

NOTE 13 – RECONCILIATION OF NON-GAAP BUDGET

The financial statements and notes conform to GAAP. The budget is prepared on a basis not consistent with GAAP. The budget deviates from GAAP because it includes a transfer to reserves as a budgeted item. The reconciliation between the non-GAAP budget and GAAP is as follows:

| | |
|--|--------------------------|
| Budgeted excess (deficiency) of revenues over (under) expenditures - non-GAAP basis | \$ 64,731 |
| Transfer to reserves | <u>48,000</u> |
| Budgeted excess (deficiency) of revenues over (under) expenditures - GAAP basis | <u><u>\$ 112,731</u></u> |

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued the following statements:

Statement No. 84, *Fiduciary Activities*, issued January 2018, effective for financial statements for fiscal years beginning after December 15, 2018.

Statement No. 87, *Leases*, issued June 2018, effective for financial statements for fiscal years beginning after December 15, 2019.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018, effective for reporting periods beginning after December 15, 2019.

The Village will implement these statements as necessary as of their effective dates. While the Village is still in the process of determining the effect of implementing these GASB statements, they are not expected to have a material effect on the financial position of the Village.

**VILLAGE OF NORTH CHEVY CHASE, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

| | General Fund and Capital Projects Fund | | <u>Actual</u> | <u>Variance</u> |
|---------------------------|---|---------------------|-------------------|--------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| Revenues | | | | |
| Taxes | \$ 293,236 | \$ 293,236 | \$ 336,624 | \$ 43,388 |
| Intergovernmental | 39,195 | 39,195 | 43,705 | 4,510 |
| Interest | 6,220 | 6,220 | 28,653 | 22,433 |
| Miscellaneous | 6,730 | 6,730 | 10,526 | 3,796 |
| Total Revenues | <u>\$ 345,381</u> | <u>\$ 345,381</u> | <u>\$ 419,508</u> | <u>\$ 74,127</u> |
| Expenditures | | | | |
| General government | \$ 73,650 | \$ 73,650 | \$ 97,191 | \$ (23,541) |
| Public works | 157,000 | 157,000 | 110,718 | 46,282 |
| Capital outlays | 2,000 | 2,000 | 102,514 | (100,514) |
| Transfer to reserves | 48,000 | 48,000 | - | 48,000 |
| Total Expenditures | <u>\$ 280,650</u> | <u>\$ 280,650</u> | <u>\$ 310,423</u> | <u>\$ (29,773)</u> |

SUPPLEMENTAL SCHEDULES

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GENERAL FUND AND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Budget Favorable (Unfavorable) |
|-------------------------------------|-------------------|-------------------|--------------------------------------|
| REVENUES | | | |
| Taxes | | | |
| Real estate | \$ 75,000 | \$ 75,150 | \$ 150 |
| State income taxes | 218,236 | 261,474 | 43,238 |
| Total Taxes | <u>293,236</u> | <u>336,624</u> | <u>43,388</u> |
| From Other Governments | | | |
| Montgomery County | | | |
| Revenue sharing | 25,195 | 25,195 | - |
| State of Maryland | | | |
| Highway user revenue | 14,000 | 18,510 | 4,510 |
| Total From Other Governments | <u>39,195</u> | <u>43,705</u> | <u>4,510</u> |
| Miscellaneous | | | |
| Cable TV fees | 4,500 | 8,562 | 4,062 |
| Interest income | 6,220 | 28,653 | 22,433 |
| Miscellaneous receipts | 2,230 | 1,964 | (266) |
| Total Miscellaneous | <u>12,950</u> | <u>39,179</u> | <u>26,229</u> |
| Total Revenues | <u>\$ 345,381</u> | <u>\$ 419,508</u> | <u>\$ 74,127</u> |

VILLAGE OF NORTH CHEVY CHASE, MARYLAND
SCHEDULE OF GENERAL EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND AND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Budget Favorable (Unfavorable) |
|--|-------------------|-------------------|--------------------------------------|
| General Government Expenditures | | | |
| Cable TV fees - Montgomery County | \$ 4,500 | \$ - | \$ 4,500 |
| Insurance and bond | 2,500 | 1,312 | 1,188 |
| Investment service fees | 150 | - | 150 |
| July 4 picnic | 2,500 | 2,374 | 126 |
| Legal and accounting | 22,000 | 40,770 | (18,770) |
| Membership and dues | 2,500 | 4,571 | (2,071) |
| Miscellaneous | 3,000 | 2,682 | 318 |
| Office and communication | 12,000 | 10,501 | 1,499 |
| Personnel | 24,500 | 34,981 | (10,481) |
| Transfer to reserves | 48,000 | - | 48,000 |
| Total General Government Expenditures | 121,650 | 97,191 | 24,459 |
| Public Works Expenditures | | | |
| Capital outlay - sidewalks | 2,000 | 102,514 | (100,514) |
| Landscaping and lawn mowing | 7,500 | 7,518 | (18) |
| Leaf collection | 15,000 | 14,600 | 400 |
| Sidewalk repair | 1,000 | 882 | 118 |
| Snow removal | 18,000 | 4,694 | 13,306 |
| Street lighting | 7,000 | 5,892 | 1,108 |
| Street maintenance | 5,000 | 356 | 4,644 |
| Street cleaning | 3,500 | - | 3,500 |
| Trees, shrubs and grass | 20,000 | 21,812 | (1,812) |
| Waste removal | 80,000 | 54,964 | 25,036 |
| Total Public Works Expenditures | 159,000 | 213,232 | (54,232) |
| Total Expenditures | \$ 280,650 | \$ 310,423 | \$ (29,773) |