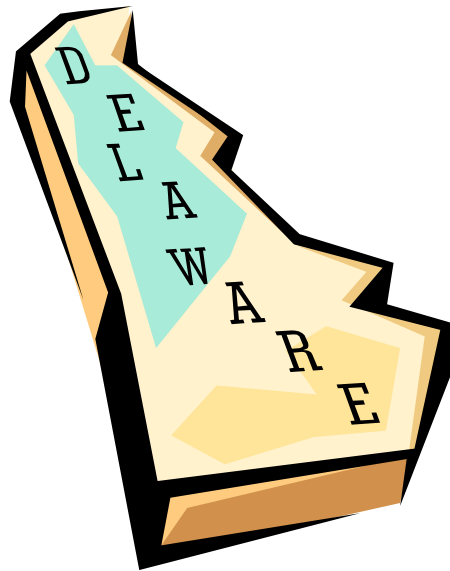


Delaware League of Local Governments
Financial Statements
For the Year ending June 30, 2020



August 14, 2020

MK Consulting I Inc.
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Phone: 302-222-0600

The President and Directors
Delaware League of Local Governments
Dover, Delaware 19901

I have prepared the attached annual financial statements for the fiscal ending June 30, 2020 for the Delaware League of Local Governments (the League).

The statements were prepared from the information and records provided by the League and on the basis of the discussions with the Executive Director of the League.

Based on the above, the statements present the financial condition of the League fairly.

The internal controls were reviewed on sample basis and were considered adequate for the size and resources of the League.

Sincerely,
Mike C. Karia

August 14 2020

**Delaware League of Local Governments
Dover, Delaware**

Balance Sheet as of June 30, 2020

Assets

Current Assets:

Cash at Bank: Checking Account	\$1,001
Cash at Bank: Money Market Account	131,064
Certificates of Deposit	<u>20,000</u>

Total Current Assets	\$152,065
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Total Assets	<u>\$152,065</u>
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Liabilities and Equity

Equity:

Unreserved Fund Balance	<u>\$152,065</u>
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Total Equity	\$152,065
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Total Liabilities and Equity	<u>\$152,065</u>
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**Delaware League of Local Governments
Dover, Delaware
Income Statement for Year Ending
June 30, 2020**

Revenue

Dues:

Dues Received \$110,950

Program Income:

Programs/Meetings 13,484
Directory Advertising 4,450

Grants:

Homeland Security 45,375

Other Income:

Interest Received 284
Corporate, Contributions 1,500
Collection Company Fee Received 600
Marketing Contract Revenue 500

Total Revenue \$177,143

Expenditures

Programs:

Programs/Meetings \$12,219
NLC Dues/Support 8,288
Plaques/Awards 183
Training/Conferences 6,036
Legislative Relations 12,000
Scholarship 300
Officers Expense 183

Grant Program:

Homeland Security 45,375

Administration:

Management Contract 65,000
Auto Allowance 8,600
Accounting/Finance 3,000
Administrative Help 410
Office Supplies/Web Expenses 946
Postage 276
Printing Publication 1,594

Total Expenditures \$164,410

Excess of Income over Expenditures

12,733

Unreserved Fund Balance – Beginning of Year +139,332
Unreserved Fund Balance – End of Year \$152,065

Delaware League of Local Governments
Dover, Delaware
Notes of the Financial Statements
for the Year Ending June 30, 2020

1. Entity:

Delaware League of Local Governments (*The League*) is an organization of cities and counties in the State of Delaware.

The League is registered as a not for profit corporation under the laws of the State of Delaware.

2. Internal Revenue Service Status:

The League has a 501 (c) (6) organization status from the Internal Revenue Service. The League files form 990 with the IRS.

3. Member Organization:

The League is a member organization of the League of Cities which is a national organization of the cities and counties in the U.S.A.

4. Governing Document:

The League is governed by the by-laws adopted and revised as and when needed, by its general membership.

5. Management:

The League is governed by the Executive Committee elected annually by its membership.

6. Operations:

The day to day operations are managed by the Executive Director who is appointed by the Executive Committee with a management contract.

7. Financial Management:

- a. The fiscal year of the League is July 1 through June 30.
- b. The books are maintained on a cash basis.
- c. The year-end financial statements are prepared on a cash basis. At the year end, bills payable are all paid and as of 6-30-2020 there are no outstanding bills payable. There are no material amounts outstanding as receivables.
- d. The Executive Committee approves the annual budget each year in May, receives the monthly budget reports and monitors the receipts and expenditures throughout the year.

The League of Local Governments: Notes

- f. The membership dues to The League are billed in July each year and a majority of the dues are paid in July, August and September.
- g. The expenses are paid monthly.
- h. The League has a checking account and a money market account at the bank. The League invests the working capital in a fixed deposit at a local bank. The account balances are within the FDIC insurance limits.

8. Fixed Assets and Depreciation:

The League does not own any fixed assets or real estate.
The Leagues does not have any depreciation expense.

9. Comparison with Previous Year - Major Items:

Homeland Security Grant: Receipt and Expenditure: These amounts are lower this year because of hours put in by the personnel for training the local police departments personnel and related additional funds reimbursed by the State of Delaware (Grantor).

Marketing Contract Fee: This revenue is lower this year due to contract revision with the firm that pays the amount and lower level of activity.

Officers Expense: This expenditure is higher this year due to higher spending by the Executive Committee.

Office/Computer Expenses: This expense is higher this year because it includes \$300 paid for annual website information update and higher purchases.

10. Homeland Security Grant:

The League receives a Homeland Security Grant from the State of Delaware. The purpose of the grant is to help the towns, cities and the counties to assess and enhance the homeland security measures for their entities. The League has contracted out this function to a Homeland Security Professional. The payment is made monthly for the hours spent by the professional. The League pays the amount initially and then receives a reimbursement from the State of Delaware. The League does not charge the State any overhead expenses and 100% amount received from this grant is spent on the program by the League.

Delaware League of Local Governments
Supplementary Information
 Budget Report for the Year ending 6-30-2020

	Annual Budget	Jun Activity	Year to Date	Budget Balance
Revenues:				
League Dues	\$104,000.00		\$110,950.00	-\$6,950.00
Directory and Ads	\$3,200.00		\$4,450.00	-\$1,250.00
Interest - Money Market	\$30.00	\$2.12	\$35.25	-\$5.25
Interest - CD	\$300.00	\$41.56	\$249.40	\$50.60
Meetings/ Programs	\$23,000.00		\$13,484.00	\$9,516.00
Corporate Contributions	\$3,000.00		\$1,500.00	\$1,500.00
MetroRev Contract	\$630.00		\$600.00	\$30.00
Program Grant- Homeland Security	\$52,000.00	\$3,650.00	\$45,375.00	\$6,625.00
Miscellaneous	\$1,000.00		\$500.00	\$500.00
Total Revenue	\$187,160.00	\$3,693.68	\$177,143.65	\$10,016.35
Expenditures:				
Program Expenses:				
Meetings/Programs	\$22,000.00		\$12,219.00	\$9,781.00
NLC Dues and Support	\$2,800.00		\$8,288.00	-\$5,488.00
Program Grant- Homeland Security	\$52,000.00	\$3,650.00	\$45,375.00	\$6,625.00
Scholarships	\$500.00		\$300.00	\$200.00
Plaques and Awards	\$500.00		\$183.00	\$317.00
Training	\$200.00		\$0.00	\$200.00
Training/Conference:				
NLC City Summit	\$3,800.00		\$1,947.98	\$1,852.02
Congressional City Conference	\$3,000.00		\$1,512.65	\$1,487.35
Director's Conference	\$3,000.00		\$888.76	\$2,111.24
Hospitality	\$3,000.00		\$1,688.00	\$1,312.00
Management:				
Management Contract	\$65,000.00	\$5,416.66	\$64,999.92	\$0.08
Executive Director Auto Expense	\$8,600.00	\$716.67	\$8,600.04	-\$0.04
Legislative Relations	\$12,000.00	\$1,000.00	\$12,000.00	\$0.00
Admin Assistance	\$2,500.00		\$409.64	\$2,090.36
Officer's Expense	\$500.00		\$182.64	\$317.36
Accounting/ Finance/ Mgt	\$3,000.00		\$3,000.00	\$0.00
Office Expenses:				
Office Supplies	\$1,000.00		\$639.59	\$360.41
Postage	\$500.00		\$276.03	\$223.97
Printing/Publishing	\$2,500.00		\$1,593.91	\$906.09
Telephone	\$200.00		\$0.00	\$200.00
Web Site Expenses	\$300.00		\$300.00	\$0.00
Miscellaneous Expenses	\$200.00		\$6.00	\$194.00
Total Expenditures:	\$187,100.00	\$10,783.33	\$164,410.16	\$22,689.84
Revenue over Expenditures (Expenditures over Revenue)			\$12,733.49	