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To: Mayor and City Council
Cc: Mark Whitfield, City Manager; Finance Department
From: Louis C. Vitola, Finance Director
Date: July 22, 2022
Re: June 2022 (FY22) Financial Reporting Package

The Financial Reporting Package for the year ended June 30, 2022 is enclosed. The executive summary below highlights this month's notable developments. The "Quick Reference" section of this memo recaps important financial highlights and changes made in FY22 to help shorten the executive summaries, and it will be condensed/eliminated to make room for FY23 initiatives.

FY22 was another strong year for the City. Remarkable progress was made with the combined streets and utilities project, among others, while cash balances finished high with the receipt of the second tranche of ARPA funding. Positive trends observed most of the year persisted through June to close FY22 with a positive budget variance. Operating expenditures tracked below even the seasonalized budget across funds for all twelve months of the fiscal year.

Electric fund margins were stable the final third of the year, though gross margin fell 1.6% (\$0.15mm) shy of the budget. Electric O&M cost control was sufficient to allow both operating margin and the net surplus to exceed the budget. The water, sewer and solid waste funds all closed FY22 with stronger margins and higher surplus than budget. The water fund may have benefited from the dryer weather in FY22, but the positive revenue variance versus the budget is the narrowest among the major utilities at 1.4% ahead. The sewer fund operating results far exceeded the budget, as high I&I costs in FY21 influenced the FY22 budget, only for FY22 I&I to fall to the lowest level in the 17-year history since maintaining the statistics. The dryer FY22 lifted sewer operations to a greater degree than water. Solid waste results had improved five consecutive months before stepping back in June, though FY22 annual results exceeded FY21, which itself was considered a banner year for solid waste.

Total cash and investment balances jumped almost \$1.9 million in June. Had it not been for the receipt of the second tranche of ARPA funding, total liquidity would have dipped by \$1.3 million, explained almost entirely by the \$1.3 million in spending to take the combined streets and utilities project to 97% completion. As a reminder, the "2020" (reflecting the year of original scoping/engineering) streets and utilities project was compiled by efficiently combining initiatives scattered across the FY21 & FY22 CIP in separate but related utility and governmental upgrades. Asbestos water pipe and gravity sewer line replacement, valve and hydrant upgrades, meter pit replacements, repair and upgrades to sidewalks, curbs and ramps behind utility projects and to ensure compliance with ADA standards, road repair and storm drain inlet/piping improvements were all bid together to achieve cost savings through scale and vendor consolidation. \$2.5 million of the \$2.6 million project was completed in just seven months of activity this spring and summer, with little impact on the City's reserves: 100% of the water, sewer and stormwater project components (\$2 million) and almost 100% of the general fund project components (\$0.5 million) are being met with ARPA infrastructure funding and MSA/RTT funding, respectively.

The success of the combined infrastructure project aside, the City made substantial progress on all manner of projects and initiatives across the board. The Police launched the Behavioral Health Unit and accelerated its development with ARPA funding following a successful pilot period, all the while advancing the police station design and developing an assigned vehicle program. Parks & Recreation has expanded with land acquisitions and made progress by securing grant for a series of projects that are enhancing the recreational activities and quality of life in Milford. The IT Department has made significant improvements to the City's data and network security through hardware and software upgrades, training and policy development. The Cash Operations and Billing / Customer Service department has likewise been adopting significant – and at times, business-interrupting – software upgrades, with several ongoing and several on the horizon. Sewer operations are benefiting from the ongoing I&I investigation, while spare pumps and equipment were put into place this year for redundancy. The electric fund has carried out LED light retrofits across the city while funding lighting and data security initiatives across departments. The water fund may have had its most productive year on record as the interfund financing unit for the acquisition of the Milford Business Campus, along with tower upgrades, the Front Street and Mispillion Street water line replacements, the aforementioned combined (but water-heavy) streets & utility project and other water quality initiatives.

This fiscal year closed with remarkable progress on citizen-demanded, Council-supported, highly visible projects, while at the same time maintaining a healthy balance sheet and strong operating results. We look forward to the same in FY23 with eyes on grant opportunities, financial discipline, and safe, efficient operations both in the field and in the office.

Quick Reference for FY22 Financial Developments and Report Upgrades

Recap FY22 Financial Highlights



Summary of FY22 Modifications

- New P.1 – Net Cash and Funding Availability Summary (in thousands)
 - New page stacks the beginning and ending cash and investment balances from the Cash Rollforward p.2 into columns 1 and 2 so elements of the Restricted Cash Reserves Report on p.3 can be consolidated into a single, comprehensive executive summary.
 - The Lodging Tax Fund and the Parks & Recreation Facilities Fund were added to p.1 and p.2
- P.2 (formerly p.1) – Cash Rollforward
 - New Solid Waste Reserves Acct created by FY22 Water Fund interfund loan forgiveness; new variance indicators
- P.3 (formerly p.2) – Restricted Cash Reserves Report
 - The MSA and RTT reserves were combined into one shared summary to make room for Solid Waste Fund
 - Lines 3 & 17 added to show additions & interest earnings in the capital reserve accounts
 - Lines 12, 13, 24 & 25 feature updated MCR & ERR calculations for FY22 pursuant to cash reserve policy
 - Lines 12 & 24 updated in Feb 2022 to carve out the MCR attributable to Op Cash & report with p.1 Op Cash
- P.4 (formerly p.3) – The Enterprise Funds “P&L Style” Report features a new comparative column and four new rows
 - The rightmost column compares current vs prior FYTD periods by revenue and expense lines and subtotals
 - Rows 16-19 compare current net surplus by fund to the seasonalized budget and prior FYTD periods
 - Variance indicators added for quick reference to both P&L reports; refined in October 2021
- P.5 (formerly p.4) – The General Fund “P&L Style” Report created to complement existing Enterprise Funds P&L Report
 - Rows 19-22 compare current net surplus by major function to the seasonalized budget and prior FYTD periods
- P.6 (formerly p.5) – Planned Use of ARPA Funding by Category compared to Actual Spending added in Sept 2021
- P.7-11 – Revenue (p.7) & Expenditure/Inter-dept Reports (p.8-11) will be produced indefinitely as “legacy” reports



Financial Reporting Package
As of and For the Period Ended June 30, 2022

Net Cash and Funding Availability Summary (*in thousands*)

Cash & Investment Balance Rollforward

Restricted Cash Reserves Report

Enterprise Funds YTD Revenue & Expenditure Report

General Fund YTD Revenue & Expenditure Report

Appendix: ARPA Funding Plan vs Actual Expenses

Legacy Revenue Report with MTD & YTD vs Annual Budget

Legacy Expenditure Report with MTD & YTD vs Annual Budget

Legacy Interservice Department Cost Allocation

City of Milford, Delaware
Cash and Investment Balance¹ Rollforward
For the Period Ended June 30, 2022

1 **Operating Cash Balances**

▼ Marks Ref Closing Bal⁴

Description	Opening Balance (May 31, 2022)	Receipts	Interest Earned	Disbursements	Closing Balance (Jun 30, 2022)
General Fund	\$ 2,573,962	\$ 1,775,723	\$ 541	\$ (1,560,566) →	\$ 2,789,660
Electric Fund	2,902,494	1,928,156	1,667	(2,172,942) →	2,659,375
Water Fund	1,699,405	258,374	1,280	(210,316) →	1,748,743
Sewer Fund	981,897	415,172	592	(461,783) →	935,877
Solid Waste Fund	498,380	120,486	87	(121,158) →	497,794
Operating Cash Totals⁴	\$ 8,656,137	\$ 4,497,911	\$ 4,166	\$ (4,526,765) ●	\$ 8,631,449

9 **Federal, State and Other Special Purpose Cash Balances**

Description	Opening Balance (May 31, 2022)	Receipts	Interest Earned	Disbursements ²	Closing Balance (Jun 30, 2022)
General Improvement	\$ 537,632	\$ 15,282	\$ 96	\$ (95) →	\$ 552,915
Municipal Street Aid (MSA)	600,241	103	104	(229,332) ↓	371,117
Realty Transfer Tax (RTT)	4,632,767	82,172	812	(263,373) →	4,452,378
Economic Development	681,714	-	-	- →	681,714
Lodging Tax Fund	403,011	17,339	-	- →	420,349
ARPA Grant Fund ³	-	3,142,252	-	(402,965) ↑	2,739,287
Special Purpose Cash Totals⁴	\$ 6,855,365	\$ 3,257,148	\$ 1,012	\$ (895,765) ●	\$ 9,217,760

18 **Reserve Fund Cash Balances**

Description	Opening Balance (May 31, 2022)	Receipts ²	Interest Earned	Disbursements ²	Closing Balance (Jun 30, 2022)
General Fund Capital Reserves	\$ 2,015,952	\$ 99,273	\$ -	\$ (63,522) →	\$ 2,051,703
Water Fund Capital Reserves	3,220,962	905,517	-	(1,260,828) ↓	2,865,651
Sewer Fund Capital Reserves	3,959,249	10,000	-	(57,820) →	3,911,429
Solid Waste Fund Capital Reserves	281,856	-	-	(3,278) →	278,578
Electric Fund Capital Reserves	15,166,963	1,140	-	(40,381) →	15,127,722
Reserve Fund Cash Totals⁴	\$ 24,644,981	\$ 1,015,930	\$ -	\$ (1,425,829) ●	\$ 24,235,081

26 **Impact Fees and Police/General Facilities Cash Balances**

Description	Opening Balance (May 31, 2022)	Receipts	Interest Earned	Disbursements ²	Closing Balance (Jun 30, 2022)
Police & General Gov't Facilities	\$ 176,446	\$ 2,534	\$ -	(99,273) ↓	\$ 79,706
Carlisle Fire Co Permit Fund	549,890	845	-	- →	550,735
Parks & Recreation Facilities	144,100	400	-	- →	144,500
Water Impact Fee Reserves	4,758,092	20,768	-	- →	4,778,860
Sewer Impact Fee Reserves	2,725,391	10,972	-	- →	2,736,363
Electric Impact Fee Reserves	1,099,740	600	-	- →	1,100,340
Impact Fees & Police/GF Totals⁴	\$ 9,453,660	\$ 36,118	\$ -	\$ (99,273) ●	\$ 9,390,504

Grand Totals⁴	\$ 49,610,143	\$ 8,807,106	\$ 5,179	\$ (6,947,633) ✓	\$ 51,474,795
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¹Balances are not indicative of funding availability; see enclosed Restricted Cash Reserves and Net Cash & Funding Availability Reports for detail.

²\$1.2 million disbursed from Water Reserves (line 21) reflects progress on the Combined Utility & Street Project, \$0.9 million of which is offset by transfers in from MSA, RTT & ARPA funding (lines 12, 13 & 16, respectively). Line 28 reflects Police Facility design spending in May and June, 2022.

³The second tranche of ARPA funding was distributed just before the end of the fiscal year.

⁴Closing Balance Indicator sets **Red**, **Yellow** and **Green** signify month-to-month cash variance as follows:



-10% ≤ Variance ≤ 10%



-5% ≤ Variance ≤ 5%



-2.5% ≤ Variance ≤ 2.5%

City of Milford, Delaware
 Net Cash and Funding Availability Summary (in thousands)¹
 For the Period Ended June 30, 2022

Operating Cash Balances

▼ Marks Ref Closing Bal⁴

Description	Opening Balance (May 31, 2022)	Closing Balance (Jun 30, 2022)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
General Fund	\$ 2,574 →	\$ 2,790	\$ (497)	\$ -	\$ (1,236)	\$ 1,056
Electric Fund	2,902 →	2,659	54	-	(1,652)	1,062
Water Fund	1,699 →	1,749	15	-	(280)	1,484
Sewer Fund	982 →	936	39	-	(200)	775
Solid Waste Fund	498 →	498	6	-	(175)	328
Operating Cash Totals⁴	\$ 8,656 →	\$ 8,631	\$ (383)	\$ -	\$ (3,543)	\$ 4,705

Federal, State and Other Special Purpose Cash Balances

Description	Opening Balance (May 31, 2022)	Closing Balance (Jun 30, 2022)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
General Improvement	\$ 538 →	\$ 553	\$ -	\$ (500)	\$ -	\$ 53
Municipal Street Aid (MSA)	600 ↓	371	0	(371)	-	-
Realty Transfer Tax (RTT)	4,633 →	4,452	0	(2,580)	(1,041)	831
Economic Development	682 →	682	-	(106)	-	576
Lodging Tax Fund ³	403 →	420	11	(431)	-	-
ARPA Grant Fund ³	- ↑	2,739	3,167	(5,906)	-	-
Special Purpose Cash Totals^{2,4}	\$ 6,855 →	\$ 9,218	\$ 3,178	\$ (9,895)	\$ (1,041)	\$ 1,460

Reserve Fund Cash Balances¹

Description	Opening Balance (May 31, 2022)	Closing Balance (Jun 30, 2022)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
General Fund Capital Reserves	\$ 2,016 →	\$ 2,052	\$ 2,000	\$ (1,036)	\$ (212)	\$ 2,804
Water Fund Capital Reserves	3,221 ↓	2,866	100	(353)	(2,580)	33
Sewer Fund Capital Reserves	3,959 →	3,911	-	(9)	(3,362)	540
Solid Waste Fund Capital Reserves	282 →	279	-	-	(279)	-
Electric Fund Capital Reserves	15,167 →	15,128	-	(5,558)	(4,779)	4,791
Operating Cash Totals⁴	\$ 24,645 →	\$ 24,235	\$ 2,100	\$ (6,956)	\$ (11,212)	\$ 8,167

Impact Fees and Police/General Facilities Cash Balances

Description	Opening Balance (May 31, 2022)	Closing Balance (Jun 30, 2022)	Projected Cashflows	Commitments & Restrictions	Minimum Cash Requirement/ERR	Uncommitted / Unrestricted
Police & General Gov't Facilities	\$ 176 ↓	\$ 80	\$ -	\$ (80)	\$ -	\$ -
Carlisle Fire Co Permit Fund	550 →	551	-	(551)	-	-
Parks & Recreation Facilities ³	144 →	145	-	(145)	-	-
Water Impact Fee Reserves	4,758 →	4,779	-	(4,779)	-	-
Sewer Impact Fee Reserves	2,725 →	2,736	-	(2,736)	-	-
Electric Impact Fee Reserves	1,100 →	1,100	-	(1,100)	-	-
Impact Fees & Police/GF Totals⁴	\$ 9,454 →	\$ 9,391	\$ -	\$ (9,391)	\$ -	\$ -

Grand Totals⁴	\$ 49,610 →	\$ 51,475	\$ 4,895	\$ (26,241)	\$ (15,796)	\$ 14,332
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¹New report merges Cash Roll (p.2) and Restricted Reserves (p.3) into one single reference for net funds available after commitments & restrictions.

²The decrease in Special Purpose Cash Balances in March was driven by the application of ARPA funding to capital projects. Please see Appendix for ARPA Spend (line 15) vs Plan Detail.

³The Parks & Recreation Facilities and Lodging Tax Fund have historically not been represented on the monthly finance reports but were added in February 2022 and will be included going forward for comprehensiveness and transparency.

⁴Closing Balance Indicator sets Red, Yellow and Green signify month-to-month cash variance as follows:



-10% ≤ Variance ≤ 10%



-5% ≤ Variance ≤ 5%



-2.5% ≤ Variance ≤ 2.5%

City of Milford, Delaware
Restricted Cash Reserves Report
As of June 30, 2022

General Fund Capital Reserves	Amount
Cash/Investment Balance (6/30/22)	\$ 2,051,703
Expected Contributions & Interest	-
Restricted Funds:	
Vehicle & Equipment Replacement	(137,000)
Building Upgrades	(205,415)
Parking Enhancements	(200,000)
Parkland, Trails & Recreation	(348,295)
2020 Combined Utilities	-
OpEx Support (Tax R/A & PD R/M)	(145,000)
Support Policy with RTT ¹	2,000,000
Draft Reserve (MCR) Policy ²	-
Equipment Replacement Reserve ²	(212,000)
Uncommitted Reserve Balance	\$ 2,803,993

Electric Fund Capital Reserves	Amount
Cash/Investment Balance (6/30/22)	\$ 15,127,722
Expected Contributions & Interest	-
Restricted Funds:	
Electric Vehicles & Equipment	(6,171)
Lighting & System Improvements	(495,457)
Traffic Signal Upgrades	(350,000)
Citywide Projects ⁶	(646,812)
Redeem / Defeasement Bond (Jan 2022)	(4,060,000)
Draft Reserve (MCR) Policy ^{3,7}	(4,693,372)
Equipment Replacement Reserve ³	(85,400)
Uncommitted Reserve Balance	\$ 4,790,510

Water Fund Capital Reserves	Amount
Cash/Investment Balance (6/30/22)	\$ 2,865,651
Expected Contributions & Interest	100,000
Restricted Funds:	
Vehicle & Equipment Replacement	(145,164)
Vehicle Cost Increase - Post Budget	(20,000)
Streets 2020 Utility Engineering	-
Milford Business Campus	(171,359)
Balance of FY20-21 Projects	(16,008)
Draft Reserve (MCR) Policy ^{3,7}	(2,414,939)
Equipment Replacement Reserve ³	(165,164)
Uncommitted Reserve Balance	\$ 33,016

Solid Waste Reserves	Amount
Cash/Investment Balance (6/30/22)	\$ 278,578
Expected Contributions & Interest	-
Restricted Funds:	
Draft Reserve (MCR) Policy ^{4,7}	-
Equipment Replacement Reserve ⁴	(278,578)
Uncommitted Reserve Balance	\$ -

Sewer Fund Capital Reserves	Amount
Cash/Investment Balance (6/30/22)	\$ 3,911,429
Expected Contributions & Interest	-
Restricted Funds:	
Sewer Vehicles & Equipment	-
Citywide Projects & Engineering	(9,284)
Utility Engineering	-
NE/NW Front St Sewer Rehab, net of Change Order Credit	-
Draft Reserve (MCR) Policy ^{3,7}	(3,127,195)
Equipment Replacement Reserve ³	(235,000)
Uncommitted Reserve Balance	\$ 539,950

MSA & RTT Reserves	Amount
RTT Balance (6/30/22)	4,452,378
MSA Balance (6/30/22)	371,117
MSA & RTT Est Receipts thru FY22:	
MSA: Street & Bridge Improvements	(378,175)
RTT: Transfer to Police Dept	-
RTT: Sidewalk Project Funding	(140,000)
MSA & RTT: Mispillion Street Group	-
MSA & RTT: 2020 Combined Utilities	-
RTT: Support GF Policies ¹	(2,000,000)
RTT: Draft Reserve Policy ⁵	(1,041,454)
Uncommitted Reserve Balance	\$ 1,263,866

¹Approved GF Reserve Policies permit support from an eligible funding source; portion of RTT balance pledged to support GF Reserves for foreseeable future

²Approved GF Reserve Policies recommend MCR of 45 days OpEx & Equip Repl Res minimum of 110% of upcoming CIP budget

³Approved Reserve Policies split Minimum Cash Req'd from COS study into new MCR & Equip Repl Reserve (20% of CIP)

⁴Solid Waste Reserves initiated in FY22 with seed funding from interfund loan forgiveness. Through at least FY23, 100% of balance will be reserved for purchase of new vehicle per FY22-26 approved CIP

⁵Approved Reserve Policies recommend dynamic MCR based on average of trailing-three-year RTT receipts

⁶This \$0.6 million includes only the remaining FY22 CIP projects following the settlement of the Sharp property

⁷The Days Operating Expenditures (Days OpEx) piece of MCRs reclassified from Reserve balances here to Operating Cash; the Total MCR has not changed, except Solid Waste (\$170m added to MCR for OpEx)

City of Milford, Delaware
Enterprise Funds: Statement of Revenues & Expenditures
For the YTD Period Ended June 30, 2022 vs Prior FYTD & Current Budget (in thousands)

Enterprise Funds Profit & Loss (P&L) Statement	Electric	Water	Sewer	Solid Waste	Total	FY22 Total (as % of Rev)	FY21 Total (as % of Rev)
Operating Revenue	\$ 25,474	\$ 3,126	\$ 4,816	\$ 1,469	\$ 34,885	100.0%	100.0%
Cost of Revenue ¹	(17,773)	(318)	(2,557)	(321)	(20,970)	-60.1%	-60.3%
Gross Margin	7,700	2,808	2,260	1,147	13,915	39.9%	39.7%
Operating Expenses							
Operations & Maintenance	(2,406)	(1,019)	(989)	(709)	(5,123)	-14.7%	-13.0%
Personnel	(1,212)	(347)	(337)	(249)	(2,146)	-6.2%	-5.8%
Total Operating Expenses	(3,618)	(1,366)	(1,326)	(958)	(7,269)	-20.8%	-18.8%
Operating Income	\$ 4,082	\$ 1,442	\$ 933	\$ 189	\$ 6,646	19.1%	20.9%
Non-Operating Revenue (Expense)	61	14	6	1	82	0.2%	-0.2%
Surplus (Deficit) for debt service & capital	4,143	1,456	939	190	6,728	19.3%	20.7%
Debt Service - Principal & Interest	(322)	(365)	(411)	-	(1,098)	-3.1%	-3.4%
Capital Spending / Contributions from (to) Reserves	(94)	-	(125)	-	(219)	-0.6%	-2.3%
Surplus (deficit) available for transfers	3,728	1,091	403	190	5,411	15.5%	15.0%
Transfers Out	(2,500)	(300)	-	-	(2,800)	-8.0%	-7.3%
Net Surplus (Deficit) - FYTD through Jun 2022	\$ 1,228	\$ 791	\$ 403	\$ 190	\$ 2,611	7.5%	7.6%
Net Surplus (Deficit) - FYTD through Jun 2021	\$ 1,882	\$ 1,100	\$ (518)	\$ 140	\$ 2,603	7.6%	
Current vs Prior - Favorable (Unfavorable)²	↓ \$ (654)	↓ \$ (309)	↑ \$ 921	↑ \$ 50	→ \$ 8	↓ -0.2%	
Net Surplus (Deficit) - Current FYTD Budget	\$ (0)	\$ 267	\$ (0)	\$ 0	\$ 267	0.8%	
Current vs Budget - Favorable (Unfavorable)²	↑ \$ 1,228	↑ \$ 524	↑ \$ 403	↑ \$ 190	↑ \$ 2,344	↑ 6.7%	

¹Cost of Revenue reported in the electric fund reflects wholesale cost of power and serves as an ideal revenue offset to arrive at gross margin. Cost of revenue in the water, sewer and solid waste funds are estimated based on a limited set of known, direct inputs to the cost of providing the utility services billed. Aside from Kent County sewer treatment charges, costs of revenue in the water, sewer and solid waste funds are likely understated.

²Comparative Indicators **Green**, **Yellow** and **Red** signify favorable variance greater than 5%, marginal variance within ±5%, and unfavorable variance below -5%, respectively, for departmental comparisons. Total variance carries tighter bounds of >2.5%, ±2.5% and <2.5%, while the percentage variance uses >1.0%, ±1.0% and <1.0%, respectively.

City of Milford, Delaware

General Fund: Statement of Revenues & Expenditures¹

For the YTD Period Ended June 30, 2022 vs Prior FYTD & Current Budget (in thousands)

General Fund Sources and Uses of Funding	Admin & Council	Public Safety	Parks & Rec	Planning & All Other	Total	FY22 Total (as % of Rev)	FY21 Total ³ (as % of Rev)
Sources of Funding:							
Real Estate (Property) Taxes	\$ 4,749	\$ -	\$ -	\$ -	\$ 4,749	41.4%	42.8%
Permits, Licensing & Franchise Fees	377	-	-	456	832	7.3%	6.4%
Fines, Fees & Misc Revenue	63	467	-	-	529	4.6%	5.9%
General Revenue Subtotal	5,188	467	0	456	6,111	53.3%	55.1%
Utility Transfers & Cost Allocation	3,936	-	-	-	3,936	34.3%	34.4%
Grant Revenue	934	90	-	-	1,024	8.9%	0.0%
Application of Reserve Balances	-	400	-	-	400	3.5%	10.5%
General Fund Operating Support	4,870	490	0	0	5,360	46.7%	44.9%
Total Sources of Funding	\$ 10,058	\$ 956	\$ -	\$ 456	\$ 11,471	100.0%	100.0%
Uses of Funding:							
Operations & Maintenance	1,218	804	478	596	3,096	27.0%	19.7%
Personnel	765	5,361	566	1,599	8,291	72.3%	72.7%
Total Operating Expenses²	1,983	6,165	1,044	2,195	11,387	99.3%	92.3%
Surplus (Deficit) for Debt Svc & Capital	\$ 8,076	\$ (5,209)	\$ (1,044)	\$ (1,739)	\$ 84	0.7%	7.7%
Debt Service - Principal & Interest	-	-	-	-	-	0.0%	0.0%
Capital Spending / Transfers from (to) Reserves	35	12	153	46	246	2.1%	3.6%
Net Surplus (Deficit) - FYTD through Jun 2022	\$ 8,041	\$ (5,221)	\$ (1,197)	\$ (1,785)	\$ (162)	-1.4%	4.1%
Net Surplus (Deficit) - FYTD through Jun 2021³	\$ 7,333	\$ (4,548)	\$ (975)	\$ (1,397)	\$ 413	4.1%	
Current vs Prior - Favorable (Unfavorable)⁴	↑ \$ 708	↓ \$ (673)	↓ \$ (222)	↓ \$ (388)	↓ \$ (575)	↓ -5.5%	
Net Surplus (Deficit) - Current FYTD Budget	\$ 8,269	\$ (5,673)	\$ (2,073)	\$ (2,145)	\$ (1,622)	-15.5%	
Current vs Budget - Favorable (Unfavorable)⁴	→ \$ (228)	↑ \$ 452	↑ \$ 876	↑ \$ 361	↑ \$ 1,460	↑ 14.0%	

¹This Statement presents the same general fund financial performance available in the legacy Revenue and Expenditure Reports in a one-page consolidated executive summary. The common size reporting (two rightmost columns) benefits readers in two ways; first, each line is scaled with total revenue to add context, and second, the common size format is comparable across fiscal years and budgets. This report should be considered a working draft that will be improved over time to improve its usefulness to readers.

²The General Fund Operating Expenses totaling \$11.4mm reported in row 14 ties to the legacy expenditure report in row 58 totaling \$11.5mm, less \$0.2mm in Capital.

³This format presents expenditures in the context of funding sources while comparing subtotals (rightmost column) and the net surplus (deficit) to the prior YTD period (rows 19 & 20)

⁴Comparative Indicators **Green**, **Yellow** and **Red** signify favorable variance greater than 5%, marginal variance within ±5%, and unfavorable variance below -5%, respectively, for departmental comparisons. Total variance carries tighter bounds of >2.5%, ±2.5% and <2.5%, while the percentage variance uses >1.0%, ±1.0% and <1.0%, respectively.

Appendix: Planned Use of Funding vs Spending by Category
American Rescue Plan Act of 2021 ("ARPA")

Actual Spending by Category vs Plan, as Amended

ARPA Eligibility Categories	Plan (1/31)	Plan (5/31)	Actual (6/30)	Remaining	Notes
COVID-19 Health Impact	\$ 1,033,514	\$ 1,073,014	\$ 281,474	\$ 791,540	
Operational Facilities	491,776	516,776	74,674	442,102	Revised Plan Reflects Take-Home Vehicle Cost @ 50%
Administering COVID-19 Response	213,690	228,379	6,334	222,045	Pro Rata portion of DE Treasury ARPA Attorney
Behavioral Health Care	180,000	180,000	135,056	44,944	Primarily Personnel Costs
Air Quality & Ventilation	147,450	147,262	64,812	82,450	HVAC Replacement Project in Finance Building
COVID-19 Mitigation	598	598	598	-	Vaccination Incentive; COVID test kits
COVID-19 Economic Impact	\$ 861,157	\$ 861,157	\$ 538,296	\$ 322,861	
Assistance to Community (Annual)	324,460	324,460	130,914	193,546	DMI, Armory, Museum
Assistance to Community & Households	256,929	256,929	157,640	99,289	MHDC, CFC, Food Bank, Library
Critical Ops Staffing / Retention	236,476	236,476	236,476	-	December 2021 Initiative
Aid Tourism Recovery	25,483	25,483	7,845	17,638	Signage / Banner Upgrade
Operational Facilities	15,184	15,184	2,796	12,388	
Parks & Rec Programming	2,625	2,625	2,625	-	Signage cost share with DMI
Infrastructure	\$ 4,334,460	\$ 4,329,460	\$ 2,749,573	\$ 1,579,887	
Water Quality	2,902,074	2,877,074	2,076,712	800,363	Mispyllion St Project; NE Front St Water Line Replacement
Flood/Pollution Control	724,600	724,600	197,702	526,898	4th St Drainage & Mispyllion St Project
Improve Resilience to Disasters	435,000	435,000	242,729	192,271	Pump Station Upgrades, Spare Pumps & IT Initiatives
Improve Wastewater Treatment	272,785	292,785	232,430	60,355	Sewer component of Mispyllion St Project
Revenue Recovery	\$ 104,762	\$ 70,262	\$ -	\$ 70,262	
Parks & Rec Programming	97,000	62,500	-	62,500	
Economic Development	7,762	7,762	-	7,762	
Public Safety Operations	-	-	-	-	
Grand Total	\$ 6,333,893	\$ 6,333,893	\$ 3,569,343	\$ 2,764,549	

City of Milford, Delaware
 Legacy Revenue Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2022

100.0% of Year Elapsed

Account / Function	FY'22 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget
General Fund:				
Economic Development Fund	\$ 105,860	\$ -	\$ -	0.0%
General Fund Reserves	1,967,500	-	-	0.0%
ARPA Funding - Operating Support	568,233	542,259	998,341	175.7%
Realty Transfer Tax - Police	400,000	33,333	400,000	100.0%
Real Estate Tax	4,770,043	50,115	4,748,982	99.6%
Business License	72,000	3,400	67,490	93.7%
Rental License	103,000	3,750	122,150	118.6%
Building Permits	316,300	16,914	137,113	43.3%
Planning & Zoning	52,200	2,295	112,897	216.3%
Leases and Franchise Fees ¹	397,612	70,126	376,810	94.8%
Grasscutting Revenue	16,000	1,333	16,000	100.0%
Police Revenues	431,500	138,558	466,671	108.2%
Misc. Revenues ¹	20,499	6	25,233	123.1%
Transfers In	3,835,178	328,013	3,936,159	102.6%
Total General Fund Revenue	\$ 13,055,925	\$ 1,190,102	\$ 11,407,846	87.4%
Enterprise Funds:				
Water Fund Revenues	\$ 2,824,888	\$ 292,454	\$ 3,147,851	111.4%
Sewer Fund Revenues	2,893,047	264,677	2,779,861	96.1%
Kent County Sewer	1,974,629	196,922	2,043,311	103.5%
Solid Waste Fund Revenues	1,479,370	125,149	1,470,115	99.4%
Electric Fund Revenues	25,250,410	2,218,448	25,531,617	101.1%
Total Enterprise Fund Revenue	\$ 34,422,344	\$ 3,097,650	\$ 34,972,755	101.6%
Other Enterprise Revenue	\$ -	\$ 11,145	\$ 101,231	
Other Enterprise Expense	-	(9,202)	(63,400)	
Total General & Enterprise Fund Revenue	\$ 47,478,269	\$ 4,289,695	\$ 46,418,432	97.8%

¹Recurring, budgeted revenue such as franchise fees, tower leases and pole attachment fees reclassified from miscellaneous revenues (line 14) to leases and franchise fees (line 11)

City of Milford, Delaware
 Legacy Expenditure Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2022

100.0% of Year Elapsed

Fund / Account / Divisional Groupings	FY'22 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
General Fund					
City Administration					
Personnel	\$ 715,791	\$ 80,147	\$ 730,718	102.1%	\$ (14,927)
Operation & Maintenance (O&M)	492,929	138,518	496,869	100.8%	(3,940)
Capital	230,000	-	-	0.0%	230,000
Subtotal: City Administration	1,438,720	218,665	1,227,587	85.3%	211,133
Planning & Zoning; Code					
Personnel	493,285	60,119	518,523	105.1%	(25,238)
O&M	138,135	18,575	117,818	85.3%	20,317
Capital	-	-	-	-	-
Subtotal: Planning & Zoning; Code	631,420	78,694	636,341	100.8%	(4,921)
Council					
Personnel	35,934	3,047	31,413	87.4%	4,521
Legal	35,000	11,074	25,219	72.1%	9,781
City Hall Building Expense	17,424	5,784	21,756	124.9%	(4,332)
Insurance	25,745	-	12,681	49.3%	13,064
Christmas Decorations	5,000	-	4,236	84.7%	764
Council Expense	35,000	646	23,215	66.3%	11,785
Employee Recognition	28,000	-	26,225	93.7%	1,775
Codification	15,000	-	5,123	34.2%	9,877
Carlisle Fire Company	140,000	140,000	140,000	100.0%	-
Museum	30,000	-	30,000	100.0%	-
Downtown Milford, Inc.	45,860	-	45,860	100.0%	-
Milford Public Library	25,000	-	25,000	100.0%	-
Transcription Service	15,000	-	-	0.0%	15,000
Armory Expenses	23,600	-	22,065	93.5%	1,535
Vehicle & Equipment Repl	6,500	-	-	0.0%	6,500
Resident Survey	18,500	-	17,300	93.5%	1,200
Election - Wages	6,000	-	2,727	45.5%	3,273
Election - Supplies	2,800	-	2,901	103.6%	(101)
Community Festivals	60,000	-	60,000	100.0%	-
Subtotal: Council	570,363	160,551	495,721	86.9%	74,642

City of Milford, Delaware
 Legacy Expenditure Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2022

100.0% of Year Elapsed

Fund / Account / Divisional Groupings	FY'22 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
Finance					
Personnel	456,230	51,058	434,878	95.3%	21,352
O&M	49,970	7,519	42,901	85.9%	7,069
Capital	-	-	-		-
Subtotal: Finance	506,200	58,577	477,779	94.4%	28,421
Information Technology					
Personnel	382,258	36,400	320,538	83.9%	61,720
O&M	228,241	10,830	213,819	93.7%	14,422
Capital	96,400	3,070	34,694	36.0%	61,706
Subtotal: Information Technology	706,899	50,300	569,051	80.5%	137,848
Police Department					
Personnel ¹	5,129,212	541,404	5,361,387	104.5%	(232,175)
O&M	974,498	162,536	804,031	82.5%	170,467
Capital	108,100	-	11,893	11.0%	96,207
Subtotal: Police Department	6,211,810	703,940	6,177,311	99.4%	34,499
Streets & Grounds Division					
Personnel	382,587	29,307	325,081	85.0%	57,506
O&M	508,931	129,795	417,724	82.1%	91,207
Capital	73,000	-	45,839	62.8%	27,161
Subtotal: Streets & Grounds Division	964,518	159,102	788,644	81.8%	175,874
Parks & Recreation					
Personnel	589,633	57,567	565,764	96.0%	23,869
O&M	473,362	102,779	478,306	101.0%	(4,944)
Capital	963,000	17,965	153,368	15.9%	809,632
Subtotal: Parks & Recreation	2,025,995	178,311	1,197,438	59.1%	828,557
Total General Fund Expenditures	\$ 13,055,925	\$ 1,608,140	\$ 11,569,872	88.6%	\$ 1,486,053

¹PD Personnel Expenditures exceed original budget due to post-approval initiatives (ARPA-funded COVID pay) and grant-funded special duty operations

City of Milford, Delaware
 Legacy Expenditure Report: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2022

100.0% of Year Elapsed

Fund / Account / Divisional Groupings	FY'22 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
Enterprise Funds:					
Water Division					
Personnel	\$ 328,260	\$ 39,631	\$ 347,417	105.8%	\$ (19,157)
O&M	1,644,327	186,584	1,336,997	81.3%	307,330
Transfer to General Fund	300,000	25,000	300,000	100.0%	-
Capital	187,028	13,331	41,363	22.1%	145,665
Debt Service	365,273	46,500	365,273	100.0%	-
Subtotal: Water Division	2,824,888	311,046	2,391,050	84.6%	433,838
Sewer Division					
Personnel	\$ 319,977	38,362	337,093	105.3%	(17,116)
O&M ¹	1,993,116	204,827	1,503,182	75.4%	489,934
Capital ²	168,528	17,185	212,579	126.1%	(44,051)
Debt Service	411,426	48,898	411,425	100.0%	1
Subtotal: Sewer Division (excl. Kent County)	2,893,047	309,272	2,464,279	85.2%	428,768
Kent County Sewer ¹	1,974,629	197,066	2,043,094	103.5%	(68,465)
Subtotal: Sewer Division (Comprehensive)	4,867,676	506,338	4,507,373	92.6%	360,303
Solid Waste Division					
Personnel	334,276	33,700	249,461	74.6%	84,815
O&M	1,086,019	129,879	1,030,156	94.9%	55,863
Capital	59,075	6,988	15,506	26.2%	43,569
Subtotal: Solid Waste Division	1,479,370	170,567	1,295,123	87.5%	184,247
Subtotal: Water, Sewer & Solid Waste	9,171,934	987,951	8,193,546	89.3%	978,388
Electric Division					
Personnel	1,275,540	169,826	1,211,891	95.0%	63,649
O&M	2,759,848	377,590	2,406,512	87.2%	353,336
Transfer to General Fund	2,500,000	208,333	2,500,000	100.0%	-
Capital	1,549,021	36,282	485,941	31.4%	1,063,080
Debt Service	321,615	44,657	321,615	100.0%	-
Subtotal: Electric Division (excl. Power)	8,406,024	836,688	6,925,959	82.4%	1,480,065
Power Purchased	16,844,386	1,579,137	17,773,466	105.5%	(929,080)
Subtotal: Electric Division (Comprehensive)	25,250,410	2,415,825	24,699,425	97.8%	550,985
Total Enterprise Fund Expenditures	\$ 34,422,344	\$ 3,403,776	\$ 32,892,971	95.6%	\$ 1,529,373
Grand Total Operating Budget	\$ 47,478,269	\$ 5,011,916	\$ 44,462,843	93.6%	\$ 3,015,426

¹Sewer O&M below the FY22 budget because we experienced the lowest I&I on record following the 2nd worst on record; Kent Co fee overage offset by revenue

²Capital spending in the Sewer Fund exceeds the FY22 budget as approved because Pump Station Upgrades funded by ARPA are posted to the Capital Equipment Line

City of Milford, Delaware
 Legacy Interservice Department Expenditures: MTD and YTD Actual vs Annual Budget
 For the YTD Period Ended June 30, 2022

100.0% of Year Elapsed

Account / Divisional Groupings	FY'22 Budget, as Approved	MTD Actual	YTD Actual	YTD Actual as % of Annual Budget	Unexpended Balance
Interservice Departments					
Garage					
Personnel	\$ 123,933	\$ 10,050	\$ 94,096	75.9%	\$ 29,837
Operation & Maintenance (O&M)	120,813	10,534	92,503	76.6%	28,310
Capital	-	-	-		-
Subtotal: Garage	244,746	20,584	186,599	76.2%	58,147
Public Works					
Personnel	750,563	84,335	754,157	100.5%	(3,594)
O&M	293,510	17,170	225,289	76.8%	68,221
Capital	-	-	-		-
Subtotal: Public Works	1,044,073	101,505	979,446	93.8%	64,627
Tech Services					
Personnel	271,033	29,335	294,813	108.8%	(23,780)
O&M	472,729	46,991	415,392	87.9%	57,337
Capital	-	-	-		-
Subtotal: Tech Services	743,762	76,326	710,205	95.5%	33,557
Billing & Collections					
Personnel	632,304	64,029	597,787	94.5%	34,517
O&M	644,405	12,863	253,932	39.4%	390,473
Capital	-	-	-		-
Subtotal: Billing & Collections	1,276,709	76,892	851,719	66.7%	424,990
City Hall Cost Allocation					
O&M	45,000	4,166	53,986	120.0%	(8,986)
Capital	30,000	-	-	0.0%	30,000
Subtotal: City Hall Cost Allocation	75,000	4,166	53,986	72.0%	21,014
Interdepartmental Cost Allocation	\$ (3,384,290)	\$ (279,473)	\$ (2,781,955)	82.2%	\$ (602,335)
Net Interdepartmental Costs¹	\$ -	\$ -	\$ -		\$ -

¹All costs reported here are allocated to and entirely funded by the various departments that use the services provided internally by these shared departments.