

Town of Odessa

Schedule of Cash Balances, Cash Receipts, and Cash Disbursements

For the year ended,

June 30, 2023

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Boyer & Boyer, CPA  
Certified Public Accountants  
2392 Limestone Road  
Wilmington, DE 19808

To the Honorable Mayor  
and Members of the Council  
of the Town of Odessa, Delaware

**Independent Accountant's Report on Applying Agreed Upon Procedures**

We have performed the procedures enumerated below, which were agreed to by the Mayor of the Town and members of the council on the analysis and confirmation of the cash balances, cash receipts, and cash disbursements as of the fiscal year ended, June 30, 2023. The Town of Odessa is responsible for the recording of the cash receipts, cash disbursements, and reconciliation of cash balances. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose. We did not compile, review, or audit the financial statement. Accordingly, we do not express an opinion or a conclusion on this financial statement.

**The procedures and the associated findings are as follows:**

For the bank accounts of the Town of Odessa

1. Confirmation of cash disbursements, cash receipts, and verify cash balances to an external source.
2. Generate Schedule of Cash Balances, Cash Receipts, and Cash Disbursements.
3. Present findings and discrepancies to the Town and recommend corrective action in a written format.

We found no exceptions as a result of the procedures.

**Basis of Accounting and Presentation**

We draw attention to Note A of the Schedule of Cash Balances, Cash Receipts, and Cash Disbursements, which describes the basis of accounting and presentation. The schedule was prepared on the cash basis of accounting, which is a basis of accounting other than the generally accepted accounting principles of the United States of America, to comply with managements request to perform agreed upon procedures of all cash balances.

**Restriction on Use**

Our report is intended solely for the information and use of the Town of Odessa, Council, and Grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Donald L. Boyer, CPA  
November 21, 2023

**Town of Odessa**  
**Statement of Cash Balances, Cash Receipts, and Cash Disbursements**  
**For the Year Ended June 30, 2023**

	PNC OPERATING ACCOUNT	PNC COMMUNITY ACCOUNT	PNC MUNICIPAL STREET ACCOUNT
<b>Cash Receipts</b>			
Building Impact Fees	\$ 6,392	\$ -	\$ -
Cable Franchise Fees	4,452	-	-
Dividends and Interest	-	4	-
Fines	4,571	-	-
Grants	50,451	-	-
Real Estate Taxes	58,423	-	-
Rent	3,554	-	-
Transfer Taxes	40,091	-	-
Trash Assessments	54,435	-	-
Transfers-In	-	-	15,448
Non-Income Deposits	24	-	1,087
Miscellaneous Income	519	-	-
<b>Total Cash Receipts</b>	222,911	4	16,535
<b>Cash Disbursements</b>			
Returns & Allowances	5,394	-	-
Advertising	96	-	-
Bank Charges	284	-	180
Building Inspection Expense	4,400	-	-
Contributions - Fire Company	100	-	-
Dues & Subscriptions	525	-	-
Street Lighting (Electricity)	-	-	14,298
Election Expense	1,150	-	-
Insurance	5,421	-	-
Miscellaneous Expenses	2,060	-	-
Office Supplies & Postage	7,649	228	-
Parks and Recreation	21,869	1,025	-
Payroll Taxes	2,164	-	-
Professional Fees	12,405	-	-
Public Safety	3,594	-	-
Secretary/Clerk	24,409	-	-
Repairs & Maintenance	64,516	6,275	-
Transfers-Out	15,448	-	-
Trash	57,993	-	-
Tree Commission & Cleanup	6,185	-	-
<b>Total Cash Disbursements</b>	235,661	7,528	14,478
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	\$ (12,751)	\$ (7,523)	\$ 2,057
<b>Balance at July 01, 2022</b>	\$ 375,317	\$ 48,050	\$ (500)
<b>Balance at June 30, 2023</b>	\$ 362,566	\$ 40,527	\$ 1,557

*See Independent Accountant's Report*

**Town of Odessa**  
**Statement of Cash Balances, Cash Receipts, and Cash Disbursements**  
**For the Year Ended June 30, 2023**

	M&T CHECKING ACCOUNT	M&T TAX ACCOUNT	M&T IMPACT FEE ACCOUNT	M&T HISTORIC PRESERVATION FUND ACCOUNT
<b>Cash Receipts</b>				
Building Impact Fees	\$ -	\$ -	\$ -	\$ -
Cable Franchise Fees	-	-	-	-
Dividends and Interest	-	94	7	6
Fines	-	-	-	-
Grants	-	-	-	-
Real Estate Taxes	-	-	-	-
Rent	-	-	-	-
Transfer Taxes	-	-	-	-
Trash Assessments	-	-	-	-
Transfers-In	-	-	-	-
Non-Income Deposits	-	-	-	-
Miscellaneous Income	-	-	-	-
<b>Total Cash Receipts</b>	<b>-</b>	<b>94</b>	<b>7</b>	<b>6</b>
<b>Cash Disbursements</b>				
Returns & Allowances	-	-	-	-
Advertising	-	-	-	-
Bank Charges	45	-	150	150
Building Inspection Expense	-	-	-	-
Contributions - Fire Company	-	-	-	-
Dues & Subscriptions	-	-	-	-
Street Lighting (Electricity)	-	-	-	-
Election Expense	-	-	-	-
Insurance	-	-	-	-
Miscellaneous Expenses	-	-	-	-
Office Supplies & Postage	-	-	-	-
Parks and Recreation	-	-	-	-
Payroll Taxes	-	-	-	-
Professional Fees	-	-	-	-
Public Safety	-	-	-	-
Secretary/Clerk	-	-	-	-
Repairs & Maintenance	-	-	-	-
Transfers-Out	-	-	-	-
Trash	-	-	-	-
Tree Commission & Cleanup	-	-	-	-
<b>Total Cash Disbursements</b>	<b>45</b>	<b>-</b>	<b>150</b>	<b>150</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>\$(45)</b>	<b>\$94</b>	<b>\$(143)</b>	<b>\$(144)</b>
<b>Balance at July 01, 2022</b>	<b>\$ 4,855</b>	<b>\$ 111,251</b>	<b>\$ 8,972</b>	<b>\$ 7,599</b>
<b>Balance at June 30, 2023</b>	<b>\$ 4,810</b>	<b>\$ 111,345</b>	<b>\$ 8,829</b>	<b>\$ 7,455</b>

*See Independent Accountant's Report*

**Town of Odessa**  
**Statement of Cash Balances, Cash Receipts, and Cash Disbursements**  
**For the Year Ended June 30, 2023**

	CAPITAL ONE RE TRANSFER TAX ACCOUNT	CASH ON HAND	Total
<b>Cash Receipts</b>			
Building Impact Fees	\$ -	\$ -	6,392
Cable Franchise Fees	-	-	4,452
Dividends and Interest	162	-	274
Fines	-	-	4,571
Grants	-	-	50,451
Real Estate Taxes	-	-	58,423
Rent	-	-	3,554
Transfer Taxes	-	-	40,091
Trash Assessments	-	-	54,435
Transfers-In	-	-	15,448
Non-Income Deposits	-	-	1,111
Miscellaneous Income	-	-	519
<b>Total Cash Receipts</b>	<b>162</b>	<b>\$ -</b>	<b>\$ 239,720</b>
<b>Cash Disbursements</b>			
Returns & Allowances	-	-	5,394
Advertising	-	-	96
Bank Charges	-	-	809
Building Inspection Expense	-	-	4,400
Contributions - Fire Company	-	-	100
Dues & Subscriptions	-	-	525
Street Lighting (Electricity)	-	-	14,298
Election Expense	-	-	1,150
Insurance	-	-	5,421
Miscellaneous Expenses	-	-	2,060
Office Supplies & Postage	-	-	7,877
Parks and Recreation	-	-	22,894
Payroll Taxes	-	-	2,164
Professional Fees	-	-	12,405
Public Safety	-	-	3,594
Secretary/Clerk	-	-	24,409
Repairs & Maintenance	-	-	70,791
Transfers-Out	-	-	15,448
Trash	-	-	57,993
Tree Commission & Cleanup	-	-	6,185
<b>Total Cash Disbursements</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 258,014</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>\$ 162</b>	<b>\$ -</b>	<b>\$ (18,294)</b>
<b>Balance at July 01, 2022</b>	<b>\$ 162,057</b>	<b>\$ 103</b>	<b>\$ 717,704</b>
<b>Balance at June 30, 2023</b>	<b>\$ 162,219</b>	<b>\$ 103</b>	<b>\$ 699,411</b>

*See Independent Accountant's Report*

**Town of Odessa**  
**Notes to Statement**  
**June 30, 2023**

**NOTE A: ORGANIZATION, NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Town of Odessa is presented to assist in understanding the special report. The special report and notes are representations of the Town's management, who is responsible for their integrity and objectivity.

**II. Nature of Business**

The Town of Odessa (the Organization) was incorporated in 1991, as a Municipal Corporation, under the provisions of the laws of the State of Delaware. The Town operates under a Mayor-Council form of government and provides the following services as authorized by its Charter: public safety, trash collections, culture and recreation, planning and inspection, and general government responsibilities.

**III. Basis of Accounting Policies**

The Town of Odessa presents the Statement of Cash Balances, Cash Receipts, and Cash Disbursements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenue is recognized when received rather than when earned, and certain expenses are recognized when paid rather than when incurred.

**IV. Statement of Cash Balances, Cash Receipts, and Cash Disbursements**

The Town of Odessa requested a special report on the Cash Balances, Cash Receipts, and Cash Disbursements that occurred from July 01, 2022 through June 30, 2023. In response to their request, the accompanying schedule was prepared to assist in our analysis of the procedures agreed upon in our engagement.

Accordingly, our report is intended solely for the information and use of the Town of Odessa, Council, and Grantors, and is not intended to be and should not be used by anyone other than these specified parties.

**V. Currency Presentation**

The Organization's functional currency is the United States dollar, all amounts presented have been rounded to the nearest whole dollar.

**VI. Risk and Uncertainties**

Concentration of Credit Risk - the Organization maintains its cash in bank accounts which, at times, may exceed the insured Federal Deposit Insurance Corporation. At June 30, 2023, the Organization had approximately \$154,650 in excess of the Federal Deposit Insurance limits. The Organization has not experienced any credit losses in such accounts.

**VII. Income Taxes**

The Town of Odessa is exempt from state and federal income taxes because it is incorporated as a municipality of the State of Delaware.

**NOTE B: CASH BALANCES**

**I. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions. The current cash balance represents the reconciled balances with PNC Financial Corporation, Manufacturers and Traders Trust Company (M&T), Capital One, and cash on hand. As of June 30, 2023, cash and cash equivalents represents a total balance of \$699,411. Please refer to the accompanying schedule of Cash Balances, Cash Receipts, and Cash Disbursements for a year end balance and transactions that occurred in each account maintained by the Town of Odessa.

For the purposes of reporting cash flows, Town of Odessa considers all highly liquid investments with a maturity of one year or less to be cash equivalents.

*See Independent Accountant's Report*

**Town of Odessa  
Notes to Statement  
June 30, 2023**

**II. Restricted Cash Balances**

Funds received and deposited into certain accounts are legally restricted by outside parties for a specific purpose. The accounts and restricted purposes are as follows:

<u>Account</u>	<u>Purpose</u>
PNC Municipal Street Aid	Street Improvements
PNC Odessa Community	Old Academy Building
M&T Historic Preservation Fund	Preservation Interest
M&T Impact Fee	Impact Fee Interest

**NOTE C: CASH RECEIPTS**

**I. Building Impact Fees**

Town of Odessa imposes "impact fees" on all new development and construction due to the increased impact on public safety, roads and sidewalks, historic preservation, and general demand of services. Impact fees are paid for the fire company, parks, public safety, sidewalks and roadways, historic preservation, library, and general demand for services. Total impact fees collected by the Organization for the year ended June 30, 2023 was \$6,392.

**II. Cable Franchise Fees**

The Organization entered into a cable franchise agreement with Atlantic Broadband and Verizon. In return for allowing these cable providers to operate their cable systems in Town limits, Town of Odessa collects franchise fees from them. The total amount of franchise fees received by Town of Odessa for the year ended June 30, 2023 was \$4,452.

**III. Dividends and Interest**

Interest Income is earned on a time proportionate basis using the effective interest rate method. As of June 30, 2023 interest income earned from deposits held at PNC Bank, M&T Bank, and Capital One totaled \$274.

**IV. Fines**

Town of Odessa collects fees from tickets that the Delaware State Police issue to traffic violators. For year ending June 30, 2023, total collections from fines was \$4,571.

**V. Grants**

Town of Odessa receives funding in the form of a Grant from State of Delaware Department of Transportation. This restricted grant is to be used for the Municipal Street Aid Program. The total grant received by the Organization for year ending June 30, 2023 was \$50,451.

**VI. Real Estate Taxes**

Town of Odessa collects Real Estate Taxes assessed on the value of residential and commercial property located within the town limits. For fiscal year 2022-2023, the tax rate for real estate taxes was set at .25 and .90 per one hundred dollars of the assessed value for residential and commercial properties, respectively. Total real estate taxes collected by the Organization for the year ended June 30, 2023 was \$58,423.

**VII. Rental Revenues**

The Town of Odessa received rental revenues from Stanley Properties, LLC. who leased a portion of the first floor and the entire second floor located in the Old Academy Building. The Mayor and the Council of Odessa entered into a leasing agreement with Stanley Properties LLC February 2022, which expired on January 31, 2023. At the time of the lease renewal, a month to month basis agreement took effect between Town of Odessa and Stanley Properties, LLC . The rental revenues received are deposited into the Odessa Community Account: A Restricted Account. The total rental revenue received for the year ending June 30, 2023 was \$3,554. All cash receipts and disbursements for the account are Council approved and are dedicated for use on the Old Academy building.



**Town of Odessa**  
**Notes to Statement**  
**June 30, 2023**

**VIII. Transfer Taxes**

Upon the transfer of Real Property within the Town limits, Town of Odessa imposes a transfer tax equal to the greater of 50% of the transfer tax imposed by the State of Delaware or 1% of the sales price of the property. For year ended June 30, 2023, total transfer taxes collected by the Organization was \$40,091.

**IX. Trash Assessments**

Residents within the Town of Odessa pay the Organization for trash services rendered to their homes and businesses. Assessments are invoiced on an annual basis. For year ending June 30, 2023, Town of Odessa collected \$54,435 in trash assessments.

**X. Transfers-In**

Transfers-In represents cash deposited into bank accounts from another Organization bank account. In year ending June 30, 2023, Town of Odessa transferred \$15,448 from the PNC Operating Account to the PNC Municipal Street Account. When Transfers-In are netted with Transfers-Out, the overall effect to cash should equal zero. See Note D(IV) for information related to Transfers-Out.

**XI. Non-Income Deposits**

For the year ending June, 30 2023 non-income deposits totaling \$1,111. consists of refunds for overpaid Town expenses. During the fiscal year there was an electricity overpayment refund in the amount of \$1,087 and professional fees refund in the amount of \$24.

**XII. Miscellaneous Income**

Miscellaneous income represents sources of income derived from annual Town events. As of ending June 30, 2023, Town of Odessa had \$519 in miscellaneous income \$419 was attributable to Halloween in the Park, the remaining \$100 was attributable to Christmas in Odessa.

**NOTE D: CASH DISBURSEMENTS**

**I. Returns & Allowances**

Returns and Allowances consists of returns due to residents and non-residents for overpaid utilities, property taxes, and traffic fines during the fiscal year. The total of Returns and Allowances as of June 30, 2023 was \$5,394

**II. Advertising**

Advertising costs are routinely disbursed as incurred. As of June 30, 2023, cash disbursements paid for advertising totaled \$96.

**III. Repairs & Maintenance**

Repairs and Maintenance are disbursed as incurred. All disbursements related to repairs and maintenance are for the Old Academy Building. For the year ended June 30, 2023, total disbursements for repairs and maintenance was \$70,791 of which \$69,616 was for building maintenance and \$1,175 was for lawn maintenance.

**IV. Transfers-Out**

Transfers-Out represents cash moved from one bank account to another within the Organization. In year ending June 30, 2023, Town of Odessa transferred \$15,448 from the PNC Operating Account to the PNC Municipal Street Account. When Transfers-Out are netted with Transfers-In, the overall effect on cash should equal zero. See Note C(X) for information related to Transfers-In.

**NOTE E: SUBSEQUENT EVENTS**

Monetary and non-monetary subsequent events of Town of Odessa have been evaluated for disclosures or adjustments in its financial statement for the year ended June 30, 2023 through November 21,2023 which is the date the Statement of Cash Balances, Cash Receipts, and Cash Disbursements was available to be issued.

*See Independent Accountant's Report*

Boyer & Boyer, CPA  
Certified Public Accountants  
2392 Limestone Road  
Wilmington, DE 19808

### **INDEPENDENT ACCOUNTANT'S FINDINGS & RECOMMENDATIONS**

Upon completing our agreed upon procedure engagement, Boyer & Boyer concluded that the Town of Odessa Cash Balances, Cash Receipts, and Cash Disbursements for the year ended June 30, 2023, appears to be reasonable, accurate, and complete. No material modification to our report were required.

1. Boyer & Boyer recommends refunds due to overpayment of residential property taxes, utilities etc.. be recorded as an expense in an account entitled "Returns and allowances".

2. During our engagement we found a deminimus understatement in the Payroll Tax Expense account. The employee and employers matching portion of payroll tax expense was understated by \$7.96. This understatement was corrected with a reclassification and deminimus Wage adjustment. The overall cash disbursement totals were correctly stated.

Furthermore, we found deminimus adjustments were required to record missing bank transactions, such as: interest income, insurance & building repairs. It is our recommendation that the Town Members oversee the timely completion of monthly bank reconciliations, as well as, verify Quick Books deposits and withdraws match the bank reconciliation.

*See Independent Accountant's Report*