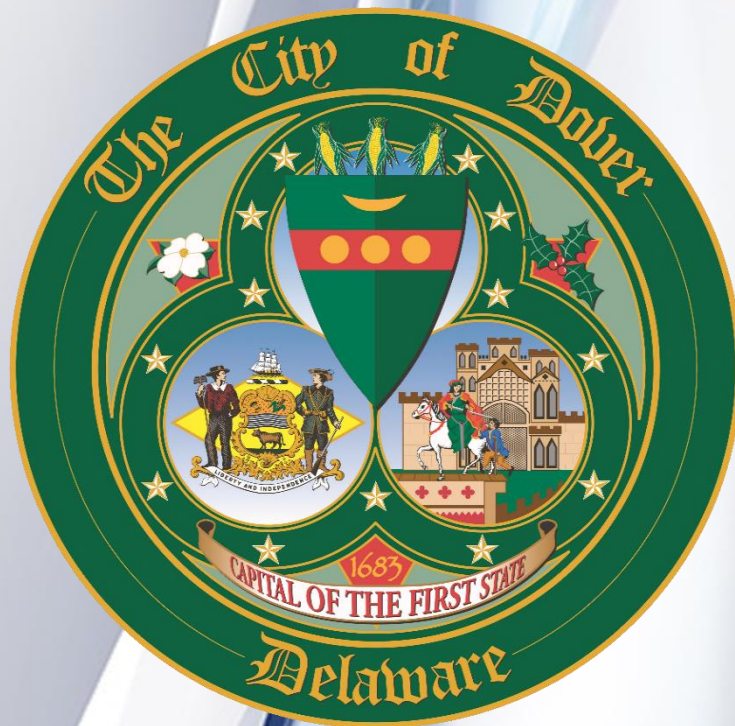


# COMPREHENSIVE ANNUAL FINANCIAL REPORT

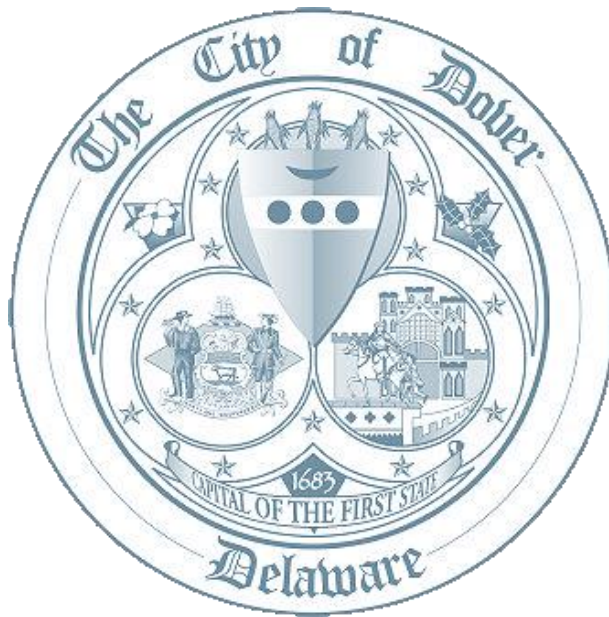
FOR THE YEAR ENDED JUNE 30, 2020



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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by the Finance Department  
Lori Peddicord, Controller/Treasurer

# ACKNOWLEDGEMENTS

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THE CITY OF DOVER'S COMPREHENSIVE ANNUAL FINANCIAL REPORT WAS PREPARED BY THE  
FINANCE DEPARTMENT

---

*TRACEY LISIECKI*

FINANCIAL REPORTING & ACCOUNTING MANAGER

---

*ROBIN DICKERSON*

ACCOUNTANT II

---

*DEBBIE O'BRIEN*

ACCOUNTANT I

---

*SHARON DANIEL*

ACCOUNT CLERK II

---

SPECIAL APPRECIATION IS EXTENDED TO  
*MRS. DONNA S. MITCHELL, CITY MANAGER,*  
AND ALL PERSONNEL THROUGHOUT THE CITY FOR THEIR CONTINUED  
SUPPORT OF THE FINANCE DEPARTMENT.

# CITY OF DOVER, DELAWARE

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### FISCAL YEAR 2020

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# CITY OF DOVER, DELAWARE

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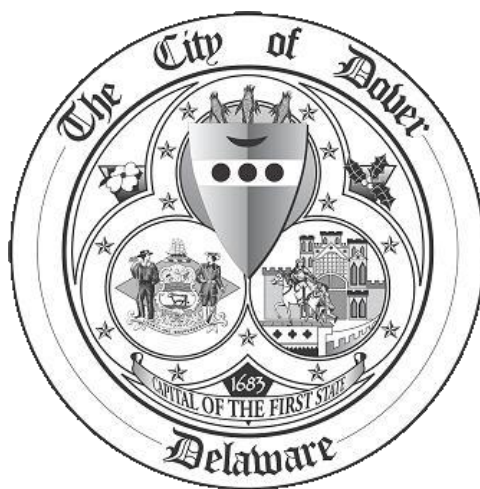
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# INTRODUCTORY SECTION



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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN  
FINANCIAL REPORTING  
MAYOR AND MEMBERS OF COUNCIL  
LIST OF ELECTED OFFICIALS  
LIST OF APPOINTED OFFICIALS  
LIST OF COMMITTEES, COMMISSIONS AND BOARDS  
ORGANIZATION CHART  
VISION

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January 31, 2021

The Honorable Mayor,  
Honorable Council President,  
Members of the City Council  
and Citizens of the City of Dover  
Dover, Delaware 19901

Ladies and Gentlemen:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Dover for the fiscal year ended June 30, 2020. This report is published to comply with the provisions of Article IV, Section 46 of the City Charter. It is also intended to provide financial data to the tax and ratepayers, bondholders, trustees, banks, federal and state agencies and the financial community at large.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements in this report have been audited by CliftonLarsonAllen LLP, an independent firm of certified public accountants as required by Section 46 of the City Charter. CliftonLarsonAllen LLP has provided an unmodified opinion on the City of Dover financial statements for the year ended June 30, 2020. The report of independent public accountants is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. Our MD&A can be found immediately following the report of our independent auditors.

## THE REPORTING ENTITY AND ITS SERVICES

---

The City of Dover was incorporated in 1829 under a Charter granted by the General Assembly. Dover is the Capital of the State of Delaware and is located in the central part of the State. It is home to the State Governor's office, legislative offices, and is the County seat for Kent County.

The City currently occupies a land area of 23.87 square miles and serves a population of approximately 38,349. Dover's governing body is composed of a Mayor and nine Council Members, with one Council Member elected by Council to serve as Council President. Two members of City Council are elected from each of the four districts; the ninth Council member of Council and the Mayor are elected at-large. The Council is responsible for all matters of policy and is the authority for levying taxes, securing revenues, authorizing expenditures of City funds and incurring City debts. The City of Dover operates under a Council – Manager form of government.

The City provides a full range of services as mandated by the Charter or adopted by the City Council. They include police protection, street, sanitation and stormwater maintenance, recreation, library, community development, economic development, public improvements, planning and zoning, safety inspections, electric power generation and distribution, water and wastewater services, legislative services and general administration.

Within the City is a volunteer fire company that is autonomous. Under established criteria, the operations of the Robbins Hose Fire Company are not a part of this report. However, the City provides financing for dispatching, personnel costs, most of the building and equipment maintenance, supplies, and contractual services. The City also provides funding to Robbins Hose for payments on fire engine no. 5. These payments are grouped under the Fire Department and are included in the General Fund.

The Fire Chief is elected by the volunteer members of the Fire Company. The City Council traditionally adopts the election and officially appoints the Fire Chief for a one-year term. Therefore, the Fire Department is included in the City organization chart.

The Capital School District does not meet the established criteria for inclusion in the reporting entity and, accordingly, is excluded from this report.

The City Council shall, on or before the second Monday of June in each year, adopt a budget for the succeeding fiscal year. This annual budget serves as the foundation for the City of Dover's financial planning and control. The budget is prepared by fund and department. With approval of the City Manager and Controller/Treasurer, Department Heads may transfer resources within or between departments, with the exception of capital project budgets. Transfers between funds and transfers of capital project budgets, however, need special approval from the City Council.

## ECONOMIC CONDITION AND FUTURE GROWTH

---

Dover continues to be the dominant center of population, employment, commerce, education, and culture in Central Delaware. Economic growth continues in all sectors with construction and permit activity occurring during the year, even with the effects of a nation-wide pandemic. Population and employment growth remain

steady, but consumer spending has been reduced and some retail closings could impact utility and other revenues.

Growth in the health care and commercial/retail sectors is especially strong, with significant new projects occurring throughout the City. Revitalization of the historic Downtown commercial core continues somewhat slowly, but increasingly successful projects to include the older nearby residential neighborhoods is ongoing.

Total value of commercial construction in FY20 was approximately \$28.6 million, up only slightly from the prior year, reflecting projects still under construction and a limited number of very large project proposals. Almost 1,400 building permits of all types were issued, along with 3,700 businesses and related licenses; both down slightly from the previous year, reflecting uncertain economic conditions in the second half of the fiscal year. Year to year comparisons are not necessarily indicative of the health of Dover's economy due to the timing of activity and the variability of general economic factors.

Growth and development trends during fiscal year 2020 are discussed below.

### Population Growth

The last decennial census was conducted in 2010 and set Dover's population at 36,047. The Delaware Population Consortium estimates that Dover's October 31, 2019 population is 38,349 (their most recent official estimate), or a 6.4% increase since the 2010 count. Dover's population is projected to reach 38,597 in 2020 and grow to 41,032 by 2030, with a sustained growth rate of about 5% during each of the next ten-year periods. Statistically, Dover's population is younger than that of the County or the State, with a slightly lower proportion of population of senior citizens as well. Working age adults (23-64) are projected to remain stable as a percentage of the City's population, making up slightly less than half of the City's population through 2030.

### Residential Development

Dover's residential construction market is still recovering from the prior recession, but older developments are seeing increased build-out and the market for apartment units has been strong. Home sales for new and pre-owned are reported to be strong as well. Significant activity occurred in the Village of Cannon Mills PND, Clearview Meadow TND, Village of Westover PND, Patriot Village, Seskinore, Oak Shadows and Chestnut Grove Farms, many of which are nearing build-out. Construction wrapped up in several multi-family residential projects including the Arbors and Leander Lakes. These projects, and general residential construction, are expected to have a positive impact on Dover's rate of population growth.

### Downtown Dover Redevelopment

Despite the limitations imposed by COVID-19, revitalization of the historic Downtown core is continuing in both commercial and residential sectors, with potential new businesses locating in existing spaces, primarily along Loockerman Street. Through the efforts of groups like National Council on Agricultural Life and Labor (NCALL) Research and Habitat for Humanity, several deteriorated and blighted residential properties have been demolished and are being replaced by new owner occupied dwellings, transforming entire block-fronts adjacent to the commercial core. During 2020, eight (8) residential units and one (1) commercial unit qualified for Downtown Development District incentives. While this is a decrease over last year (again, due chiefly to the ongoing COVID-19 pandemic), \$8,931 in City Downtown Development District incentives were awarded in 2020. In addition to the incentives, the tax abatements totaled \$2,979.

## Retail/Commercial Development

This sector continues to show significant growth with new and expanded locations along the major highway corridors and throughout the City. Construction of Capital Station (replacing a long vacant industrial building on US13) continues with new tenants including: Aldi, Starbucks, Supercuts, Red Robin, Village Optical, and others. Lidl opened a new grocery facility nearby. Century Engineering and Chesapeake Utilities completed new buildings along the Bay Road Corridor. Plans for a new facility for the Solid Waste Authority are in the works. An office for Delaware State Police/Homeland Security, and other commercial buildings and renovations are in progress in that portion of the City. Plans are also underway for several new restaurants and other businesses along US 13, and along the Route 8 corridor. Other projects include the conversion of the former Acme grocery to a Hobby Lobby craft goods store and numerous renovations throughout the City (DelDOT, Blue Hen Corporate Center, WAWA, Target, Dover Downs, etc.)

## Health Care, Institutional and Other Sectors Development

Dover's economy is well balanced across a range of sectors including health care, government and military, education, and industrial categories. Health care, again in 2020, saw significant projects underway or completed, including medical offices at Eden Hill, the Post-Acute Medical Rehabilitation Hospital on McKee Road, renovations at Bayhealth Medical Center, and a medical building at Dover Wellness Center. In education, Delaware State University completed their 620-bed dormitory complex replacing outdated existing facilities. Two large governmental projects were in preliminary development: planning for a future Family Court facility and site selection for relocation and construction of a new U.S. Post Office for Dover both proposed location within the downtown area.

## Summary

Fiscal Year 2020 saw a continuation of strong growth in the state capital. Dover remains the geographic and economic center of the County, and is well posed for future growth, development and reinvestment.

---

## LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

---

The City Council continues its focus and commitment to improving the quality and reliability of our City assets and infrastructure in order to continue to provide safe and reliable municipal services to the citizens of Dover. In FY20, the City recorded \$2.3 million in acceptance of developer contributed streets and stormwater assets in the Clearview Meadows community known as Phase 2. Other street, stormwater and infrastructure improvements totaling \$1.9 million were completed throughout the City to include: Bertrand, Bradford, Cherry, N State Street, Paul and Reese Streets, Maple Parkway, N Governors Avenue, Simon Circle, Police Station Impound Lot and the stormwater improvements to the Meeting House Branch site which will Silver Lake. Other asset additions totaling \$0.3 million included improvements to existing infrastructure at the City library, police department, and City Hall. \$1.2 million was spent on vehicle and equipment purchases.

The electric utility had fixed asset additions totaling \$1.6 million in fiscal year 2020. Many projects involved our Electric Engineering team as well as our Transmission and Distribution crews. The installation of transformers, conductors and metering work of approximately \$0.6 million completed in the areas known as Clearview Meadows, Chestnut Grove and Capital Station, as well as projects to include Dunkin Donuts, LIDL



and DNREC. There were also a number of smaller projects involving line maintenance, pole design and switchgear replacements. The City completed the Upgrade of the Van Sant Fire Suppression system at \$0.1 million. The electric utility had vehicle and equipment additions of \$0.8 million.

The water utility had capital improvements totaling \$1.0 million, of this was a developer dedication of \$0.8 million in water infrastructure this in the Clearview Meadow community development Phase 2. The City also recognized \$0.2 million of improvements to include water main replacements in the Lakewood Place area and a Wellhead Redevelopment program. There were vehicle replacements totaling \$0.62 thousand.

The wastewater utility capital improvements and replacements were approximately \$2.4 million, of this which included the developer dedication in association with the Clearview Meadow community development Phase 2 consisting of sewer main and laterals totaling \$0.6 million. The City also had pump station replacements and improvements amounting to \$1.5 million in various locations throughout the City of Dover to include; Delaware Tech, Silver Lake, Walker Woods, College Road and Kurt Drive. There was also an equipment retrofit the Eco Star System, which is a camera system used to review sewer line issues/problems. This purchase was in the amount of \$0.2 million and was included in the capital asset additions/improvements during FY2020.

The City maintains a five-year Capital Investment Plan which serves as its planning and budgeting tool to program upgrades and replacements to its equipment, facilities, and infrastructure. As part of this process, operating expenses are identified, and funding sources are determined. Managers are required to rank capital expenditures by criticality based on the impacts on customer services and revenue losses. The fiscal year 2020/2021 Capital Investment Plan includes \$1.2 million for vehicles and equipment and \$12.3 million of infrastructure and utility improvement projects. The Capital Investment Plan is presented to City Council each year during the budget workshops, and the final plan is approved by City Council along with the annual budget.

In fiscal year 2021, the General Fund capital improvements budget is \$4.1 million. The City Hall is expected to have HVAC improvements of approximately \$0.7 million. The Police department has budgeted for numerous building improvements/upgrades also to include Information Technology related items totaling \$0.8 million. The Public Works-Streets department has an approved capital project budget of \$0.9 million for Street, Concrete and Alley program items. The Public Works-Stormwater department has an approved budget of \$1.1 million for miscellaneous storm sewer, dam and basin improvements. The Parks and Recreation department has earmarked funding of \$0.4 million for park master plan and park improvements at numerous locations throughout the City. There are smaller appropriated amounts for Facilities Management, Information Technologies and the Procurement departments.

The Water Fund budget includes capital improvements of \$1.2 million. This funding will be used for various water quality improvement projects, to include the Wellhead Redevelopment program and also for the purchase of an IPlan Table.

The total Wastewater Fund capital improvements budget is \$1.1 million. There are pump station replacement projects identified to include College Road and Turnberry, as well as the Lepore sanitary sewer upgrade project. Funding of \$0.8 million is included for the inflow/infiltration removal project.

The Electric Fund is projecting \$5.4 million in capital improvements for FY21. The new development budget totals \$0.8 million. There are various infrastructure improvements scheduled for the Reed Street and Butner office locations totaling \$0.4 million. The electric engineering division has budgeted funds for numerous

replacement/upgrade projects to include the following; the Radio Infrastructure to convert from analog to digital, the ArcFM migration database upgrade project, upgrade of the system operations voice recorder system and the purchase of an IPlan Table totaling \$0.6 million. There are a number of projects totaling approximately \$1.6 million to include Garrison Oak Tech Park substation, College Road switchgear relocation, conversion of existing services from overhead to underground at the Towne Point Subdivision and smaller substation equipment test and component upgrades within the FY21 budget. \$1.0 million is budgeted to continue with the LED lighting conversion project allowing the City to continue to move forward with the upgrade from the non-LED lighting change over to LED lighting for Roadway, Decorative and Security lights. The plant decommissioning project to dismantle the McKee Run Power Plant is budgeted at \$1.0 million.

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## FINANCIAL POLICIES AND FINANCIAL PLANNING

---

Unassigned fund balances in the General Fund of 14.5% exceeded the policy guidelines of a minimum of 8% and maximum of 12% of current year operating revenues as approved by City Council in the City of Dover financial policies. This overage was attributed to lower than budgeted expenditures along all functions of the government due to attrition and vacancies, and as a result, the fiscal year 2021 budget will be adjusted to address the overage.

The water and wastewater utility guidelines are to maintain a minimum budget balance of at least 8% and no greater than 17% (two months) of the current year operating revenues. The current budget balances as of June 30, 2020 for the utilities are water at 24.9% of the actual water revenues and wastewater at 8.5% of the actual wastewater revenues. The wastewater budget balance excess will be addressed in the fiscal year 2021 budget.

The electric utility is to maintain a minimum budget balance of at least 12% (45 days) of the current year operating revenues less the Distribution of Earnings – PCA Credit. If the balances fall below the established percentages, the City Manager is required to submit budgets to bring the balances up to minimum within three years. The electric utility ended the year with a budget balance greater than the 12% at 20.4%. This was attributed to lower than projected power supply and generation cost and lower than anticipated divisional expense and interfund service fees. The fiscal year 2021 budget will continue to include a distribution of prior year earnings to the electric customers in the form of a negative power cost adjustment.

The City policies also require non-recurring revenues to be set aside for capital improvements as designated by City Council (reserve accounts) and a \$700,000 contingency reserve in the General Fund, \$250,000 each for the Water and Wastewater Fund contingency reserves and \$750,000 contingency in the Electric Revenue Fund to address unforeseeable natural disasters and insurance losses. All major funds meet the contingency reserve requirements.

The water and wastewater utilities impose impact fees, which are reserved by ordinance, on new developments or facilities to assist with financing future expansion projects. The electric utility maintains depreciation and future capacity reserves to assist with asset replacements and system expansions. Financial policies require the electric utility to maintain a minimum of \$10.0 million in each of these reserves, with replenishment over seven years when used to finance projects.

The City's financial policies also include an Electric Rate Stabilization Reserve account. The purpose of this reserve is to level off the fluctuations in the wholesale power supply market and in turn provide stable rates to the City's customers. The reserve balance shall be maintained at a minimum of 10% not to exceed 20% of

the purchase power cost in any given year. If the reserve balance exceeds the 20% maximum, a credit will be applied to the power cost adjustment.

## AWARDS AND ACKNOWLEDGEMENTS

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dover, Delaware for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the thirty-fifth (35) consecutive year that the City of Dover has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Finance Department extends our thanks to you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I also express my appreciation to the many City employees for their assistance and cooperation during the year in preparation of this report. My appreciation is extended to Mr. David S. Hugg III, City Planner for his assistance with the preparation of the local economy section, Mrs. Tracey Lisiecki for her continued years of dedication and knowledge, and the support she provides in producing this annual report. The City Finance team continues to work diligently to meet the continuous deadlines upon us as well as support and assist the numerous departments within the City with the undertaking of the implementation of a City-wide software system. The implementation is a team effort involving all functions of the City as we continue to improve the processes and procedures in order to conduct efficient and effective management of the City funds. The employees of the Finance Department are commended for their true pride and dedication as they continue to make this report and each year a success.

Respectfully submitted,

*Lori Peddicord*

Lori Peddicord  
Controller/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dover  
Delaware**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

## MAYOR AND MEMBERS OF COUNCIL



**Tanner Wm. Polce,  
1st District**



**William F. Hare,  
2nd District**



**Scott W. Cole,  
3rd District**



**David L. Anderson,  
4th District**



**Matthew J. Lindell,  
1st District**



**Ralph L. Taylor, Jr.,  
2nd District**



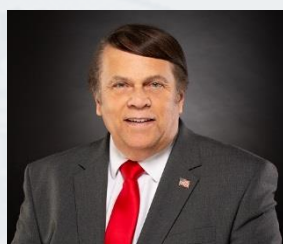
**Fred A. Neil,  
3rd District**



**Roy Sudler, Jr.,  
4th District**



**Timothy A. Slavin, At-  
Large**



**Robin R.  
Christiansen, Mayor**

## LIST OF ELECTED OFFICIALS

June 30, 2020

	<u>Length of Service</u>	<u>Term Expires</u>
<b>Mayor</b>		
Robin R. Christiansen	6 Years	May 2023
<b>City Council At-Large</b>		
Timothy A. Slavin	7 Years	May 2021
<b>First District</b>		
Matthew J. Lindell	3 Years	May 2023
Tanner Wm. Polce	3 Years	May 2021
<b>Second District</b>		
* William F. Hare	9 Years	May 2021
Ralph L. Taylor, Jr.	1 Year	May 2023
<b>Third District</b>		
Scott W. Cole	5 Years	May 2023
Fred A. Neil	5 Years	May 2021
<b>Fourth District</b>		
David L. Anderson	9 Years	May 2021
Roy Sudler, Jr.	5 Years	May 2023

\* Council President

Note: length of service does not reflect previous, non-consecutive service, or interim appointment prior to permanent appointment

## LIST OF APPOINTED OFFICIALS

June 30, 2020

	<b><u>Length of Time in Position</u></b>	<b><u>Length of Time with the City</u></b>
City Clerk/Assistant Treasurer – Traci A. McDowell	14 Years	32 Years
City Manager/Civil Defense Director – Donna S. Mitchell	2 Years	19 Years
City Solicitor – Nicholas H. Rodriquez	52 Years	52 Years
Deputy City Solicitor – Gary E. Junge	1 Month	1 Month
Council President – William F. Hare	1 Year	9 Years
City Assessor – Cheryl A. Bundek	11 Years	28 Years
City Building Inspector – David S. Hugg III	2 Years	2 Years
City Planner – David S. Hugg III	2 Years	2 Years
Controller/Treasurer – Lori Peddicord	2 Years	5 Years
Fire Chief - Ronald W. Rhodes, Sr.	2 Years	2 Years
Fire Marshal - Jason A. Osika	4 Years	18 Years
Police Chief – Thomas Johnson	4 Months	4 Months

Note: length of service does not reflect previous, non-consecutive service, or interim appointment prior to permanent appointment



## LIST OF COMMITTEES, COMMISSIONS, AND BOARDS

### Awards Committee

Peggy Angel  
Ronald R. Gough  
Georgia Van Sant

### Board of Adjustment

K.C. Sheth, Chair  
Arthur G. Ericson, Vice Chair  
William A. Hufnal  
James N. Keller  
Richard D. Senato

### Board of Assessment Appeals

William Garfinkel, Accounting, Chair  
Thomas Burns, Real Estate Brokerage of Sales  
James Galvin, Undesignated  
Vacancy  
Todd Stonesifer, Real Estate Brokerage of Sales  
Vacancy, Property Appraisal/Assessments

### Construction and Property Maintenance Code Board of Appeals

Councilman David L. Anderson, Chair  
Councilman Fred A. Neil  
Charles Martin  
Vacancy  
Vacancy

### Dover Fourth of July Celebration Committee

Mayor Robin R. Christiansen, Chair  
Vacancy  
Andrea Maucher, Vice-President  
Jeffrey C. Dill, Treasurer/Secretary  
Susan Betts  
Carolyn D. Courtney  
Gail Nemcic  
Vacancy  
Sarah Zimmerman

### Dover Housing Authority

Mark Harmon  
Enrico LePore  
Robert F. Merritt  
Audrey Daniels  
Phillip McGinnis  
Sandra Taylor  
Rufus Mincey, Interim Executive Director/Secretary

### Dover Public Library Advisory Commission

Councilman Scott W. Cole  
Zachery C. Carter  
Gertrude Jackson  
Beth Petit De Mange  
Jill B. Street  
Robert S. Wetherall

### Dover/Kent County MPO Council

Mayor Robin R. Christiansen

### Downtown Dover Partnership Board of Directors

City Manager, Donna S. Mitchell  
City Planner, David S. Hugg III  
Mayor Robin R. Christiansen  
Councilman David L. Anderson, Chair  
Councilman Fred A. Neil

### Economic Development Committee

Mayor Robin R. Christiansen, Chair  
Councilman Matthew J. Lindell  
Councilman Scott W. Cole  
Kim I. Adams  
Clayton E. Hammond II  
City Manager, Donna S. Mitchell  
City Planner, David S. Hugg III  
Diane Laird

### Election Board

At Large: Juanita F. Walker  
First District: Anita L. McDowell Boyer  
Second District: Cherritta L. Matthews  
Third District: James W. Brockton  
Fourth District: M. Milford Caldwell, Jr.  
Traci A. McDowell, City Clerk (Liaison Member)

### Ethics Commission

Thomas C. Jackson, Chair  
Robin F. Case  
Gary Coy  
Lisa M. Enright  
Vacancy



## LIST OF COMMITTEES, COMMISSIONS, AND BOARDS (CONT'D)

### General Employee Pension Plan Board of Trustees

Councilman David L. Anderson  
Councilman Ralph L. Taylor, Jr.  
Donna S. Mitchell  
Lori Peddicord  
Robert Gedney  
Carolyn Courtney  
Samuel C. "Carter" Knotts

### Historic District Commission

Joseph McDaniel (Chair) Business Rep./Resident  
Ann Baker Horsey, (Vice-Chair) Professional/Resident  
Eric S. Czerwinski, Professional  
Mary Terry Mason, Resident  
Jonathan N.H. Street, Professional

### Human Relations Commission

At-Large: Sara Herbert  
First District: Paul Fleming  
First District: Gerald Rocha, Sr.  
Second District: Vacancy  
Second District: Vacancy  
Third District: Alan Gaddis, Chair  
Third District: Wanda Mullen  
Fourth District: Rita Mishoe Paige  
Fourth District: Vacancy

### Kent County Tourism Board of Directors

Councilman Fred A. Neil

### Kent Economic Partnership Board of Directors

Mayor Robin R. Christiansen

### Legislative, Finance, and Administration Committee

Councilman Matthew J. Lindell, Chair  
Jonathan D. Contant  
Daniel T. Shevock

### Other Post-Employment Benefits (OPEB) Board

Councilman David L. Anderson  
Councilman Ralph L. Taylor, Jr.  
City Manager, Donna S. Mitchell  
Controller/Treasurer, Lori Peddicord  
Human Resources Director, Kimberly Hawkins

### Parks, Recreation and Community Enhancement

Councilman David L. Anderson, Chair  
M. Milford Caldwell, Jr.  
Thomas J. Dix

### Planning Commission

At-Large: Dr. Bobby Jones  
First District: Kathleen Welsh, Vice Chair  
First District: Deborah L. Edwards  
Second District: Robert Hartman  
Second District: Andrea Maucher  
Third District: Nicholas A. Adams  
Third District: Frederick Tolbert, Chair  
Fourth District: John H. Baldwin, Sr.  
Fourth District: Kenneth Roach

### Police Pension Plan - Retirement Committee

Councilman David L. Anderson  
Councilman Ralph L. Taylor, Jr.  
City Manager, Donna S. Mitchell  
Police Chief Tom Johnson  
(Ret. Lt.) Timothy Mullaney, Sr., Chair  
(Ret. Captain) Larry Gray  
(Ret. Sgt.) Steve Rogers

### Public Advisory Committee of the Dover/Kent County MPO

Dr. Carlton L. Cannon, Jr.  
Jonathan Contant  
Karen McGloughlin  
Albert W. Holmes, Jr. (At-Large Alternate)

### Safety Advisory and Transportation Committee

Councilman Ralph L. Taylor, Jr., Chair  
C.C. Bud Wagner  
Dana Shelton

### Silver Lake Commission

Tricia K. Arndt, Chair  
Vacancy  
Zachery C. Carter  
Vacancy  
Lyle Allen Jones  
Marie E. Kozel  
Michael W. Lewis

### St. Jones Greenway Commission

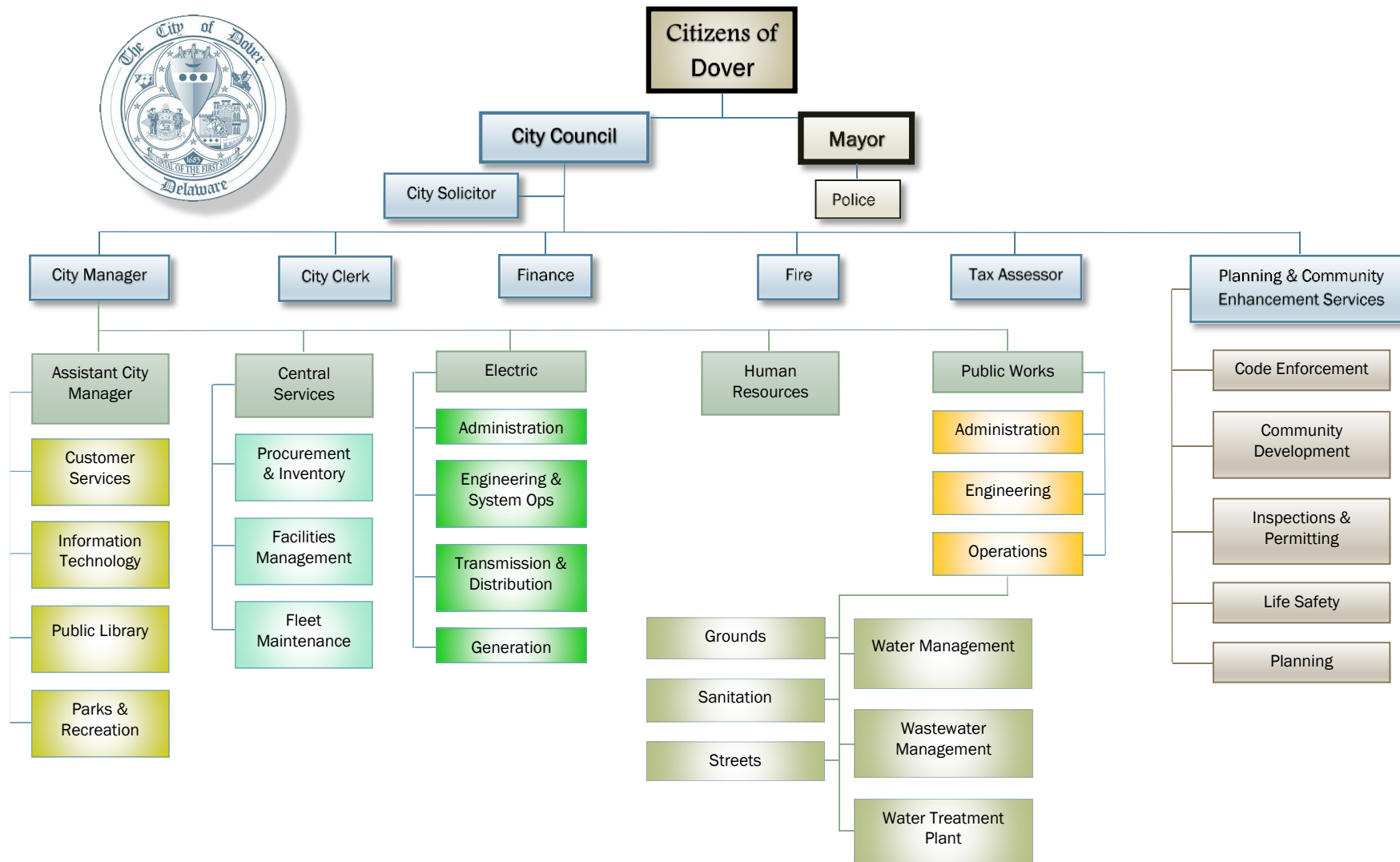
Vacancy  
Michael P. Mercer  
City Parks and Recreation Director, Robin Eaton

### Utility Committee

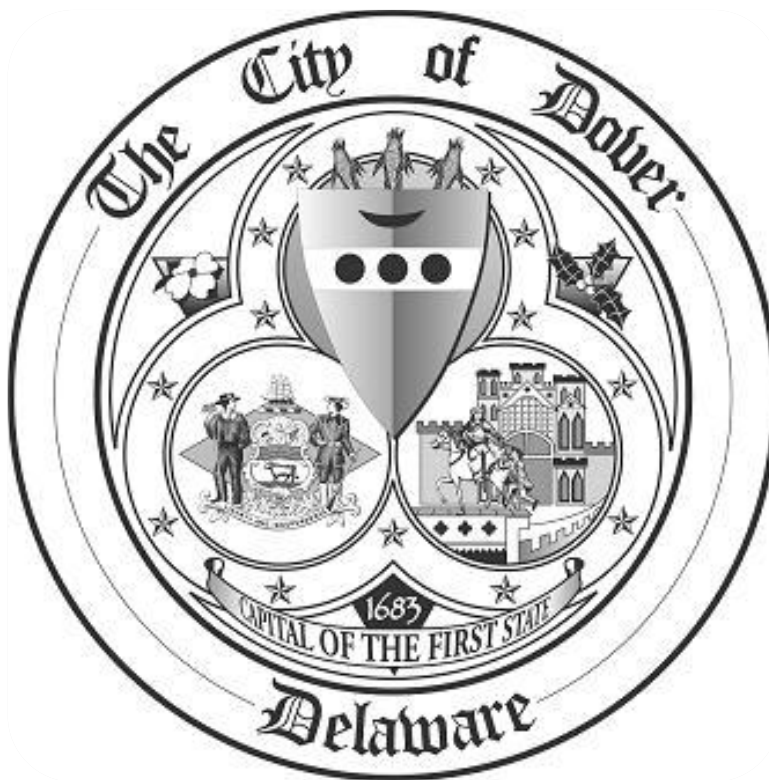
Councilman Scott W. Cole, Chair  
Vacancy  
Andrea B. Maucher

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# FY2020 ORGANIZATION CHART

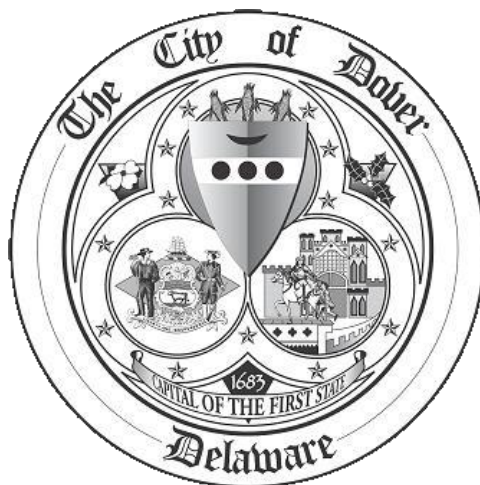


## VISION



The City of Dover is a place where people want to live! Through the team effort of its elected officials, employees, and citizens, Dover is a clean and safe community, with a future of balanced growth and opportunity where all citizens are heard, enjoy a high quality of life, and diversity is valued.

# FINANCIAL SECTION



## THIS SECTION INCLUDES THE FOLLOWING:

PART A – REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

PART B – MANAGEMENT’S DISCUSSION AND ANALYSIS

PART C – BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

PART D – REQUIRED SUPPLEMENTARY INFORMATION

PART E – SUPPLEMENTARY INFORMATION

Combined Fund Statements

Budgetary Schedules

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## PART A



# REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the  
City Council of Dover, Delaware  
Dover, Delaware

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Delaware (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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.

### **Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 City'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 City'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.



The Honorable Mayor and Members of the  
City Council of Dover, Delaware

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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, the General fund-schedule of revenues, expenditures, and changes in fund balance-budget and actual; the schedules of changes in net pension liability, related ratios for the police pension plan and the general employee pension plan; the schedule of employer contributions for the police pension plan and the general employee pension plan, the schedule of the City of Dover's proportionate share of the net pension liability for the county and municipal police and firefighters pension plan; the schedule of the City of Dover's contributions for the county and municipal police and firefighters pension plan; and the schedule of changes in net OPEB liability, related ratios for the OPEB plan, schedule of City Contributions for the other post-employment plan, and the Schedule of investment returns for the police pension plan, general employee pension plan, and OPEB plan 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 City's basic financial statements. The introductory section, combining and individual fund schedules, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and budgetary comparison schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor and Members of the  
City Council of Dover, Delaware

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 28, 2021

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## PART B



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## The City of Dover

# Management’s Discussion and Analysis

## For the Year Ended June 30, 2020

The following is a discussion and analysis of the City of Dover’s (the City’s) financial activities for the fiscal year ended June 30, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information provided in our letter of transmittal, which can be found on pages 3-9 of this report, and the City’s financial statements which follow this section.

### Financial Highlights

The City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$229.8 million (net position). Included in this amount is a negative \$2.9 million balance in “unrestricted net position”. The total Net Position represents the funds available to meet the City’s ongoing obligations to citizens and creditors. The general government reported an unrestricted deficit of \$23.7 million and the business-type activities, Water, Wastewater and Electric funds, reported a positive \$20.8 million unrestricted net position. The difference between the unrestricted amounts and the total net position is \$232.7 million, of which \$71.5 million is restricted primarily for debt and capital construction purposes, and \$161.2 million is net investment in capital assets. Total Assets increased for both the governmental and business-type activities in the amounts of \$4.6 million and \$13.9 million respectively. Deferred Outflows for the governmental activities increased \$0.9 million and for the business-type activities it increased \$0.4 million. Deferred Inflows decreased for both the governmental and business-type activities by \$1.6 million and \$0.5 million respectively. Liabilities also decreased for both the governmental activities business-type activities by \$0.7 million and \$0.2 million respectively.

- For governmental activities, the City reported: an increase of \$2.0 million invested in capital assets, an increase in restricted net assets of \$0.2 million, and an increase of \$5.6 million in unrestricted net position. As a result of its operations, the City recognized a positive change in net position of governmental activities of \$7.8 million. The current year’s change in net position is \$0.1 million lower than the previous years’ change in net position and is primarily due to increases in expenses across most functions of government totaling \$1.9 million with an offsetting \$1.8 million increase in revenues from the prior year.
- For business-type activities the City reported: a decrease of \$4.6 million invested in capital assets, an increase in restricted net position of \$16.6 million and an increase of \$3.0 million in unrestricted net position. As a result of its operations, the City recognized a positive change in net position of business-type activities of \$15.0 million, which is an increase over last years’ positive change of \$3.4 million driven primarily by reductions of \$4.3 million in energy costs, \$1.0 million reduction in wastewater treatment expense with an offset of \$0.4 million increase in water treatment expense. Other contributing factors include a \$1.4 million increase in infrastructure contributions dedicated by contractors and \$0.4 million increase in investment earnings with offsetting decreases in revenue across all three utilities as follows: \$0.7 million in Water charges, \$0.4 million in wastewater charges and \$2.2 million in electric charges for services.

## Overview of the Financial Statements

This discussion and analysis section is intended to serve as an introduction to the City’s Comprehensive Annual Financial Report (CAFR). The CAFR consists primarily of three *required* components: 1) management’s discussion and analysis (this section), 2) the basic financial statements; and 3) required supplementary information. The CAFR also includes *optional* supplementary information that provides summary and detail level information, and a statistical section.

The basic financial statements are presented in two categories that present different views of the City’s financial condition:

- The two *government-wide financial statements* (pages 47-48) provide both long-term and short-term information about the City’s overall financial position and operations.
- The remaining (pages 49-57) *fund financial statements* focus on specific activities of City government, reporting the City’s operations in more detail than the government-wide statements. The City financial statements can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.
  - The governmental fund statements (pages 49-52) tell how general government services, like community services, planning, public safety, and public works, were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements (pages 53-55) offer short and long-term financial information about the activities the government operates like businesses, which for the City of Dover are the Electric, Water & Wastewater Funds.
  - The Fiduciary fund statements (pages 56-57) provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee, or fiduciary, for its Employee and Police Pension plans and Other Post-Employment Benefits plan and acts in an agency capacity for the Dover Downtown Partnership, Fourth of July Celebration Committee, and Dover Days Celebration Fund, none of which are component units of the City. All the City’s Fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City’s other financial statements because the City may not use these assets to finance its operations. The City is responsible for insuring that the assets reported in these funds are used for their intended purposes.

The financial statements also include notes (pages 61-120) that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information (pages 121-134) that further explains and supports the information in the financial statements. Other supplementary information includes details on non-major funds and other information that can be found on pages 135 through 166.

The following page summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder



of this overview section of management’s discussion and analysis explains the structure and content of each of the statements:

### Major Features of City’s Government-wide and Fund Financial Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as public safety and public works	Activities the City operates similar to private businesses, such as electric, water and wastewater funds	Instances in which the City is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

Continued

Continued

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter, no capital assets, or long-term liabilities included	All assets deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City of Dover’s assets, liabilities, and deferred inflows and outflows of resources with the difference reported as net position. Net position is one way to measure the City’s financial health or position. Over time, increases or decreases in the City’s net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City’s property tax base and the condition of the City’s physical assets and infrastructure. The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City’s basic services are included here, such as general government, public safety, planning and code enforcement, public works, library and recreation, community and economic development, central services and financial administration. Property taxes, business licenses, permits, sanitation fees, fines, utility transfers and state and federal grants finance most of these activities.
- *Business-type activities*—The City charges fees to customers to help it cover the costs of certain services it provides. The City’s electric, water, and wastewater services are included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant funds—not the City as a whole. Funds are accounting devices that the City uses to keep track of

specific sources of funding and spending for particular purposes. Some funds are required by State law and by covenants. The City Council may also establish other funds to control and manage spending for other purposes.

The City has three kinds of funds:

- **Governmental Funds** - Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on a separate schedule, which explains the relationship (or differences) between them.
  - Governmental Fund Balance classifications are reported to the extent to which they are constrained as promulgated by Governmental Accounting Standards Board Statement No. 54.
  - The City’s General Fund is the only governmental fund considered to be a major fund under the requirements of Governmental Accounting Standards Board Statement No. 34.
- **Proprietary Funds** – Services, for which the City charges customers a fee, are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
  - The City’s enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
  - The City’s Electric enterprise fund is considered a major fund under the requirements of GASB Statement No. 34.
  - The City’s Water & Wastewater funds are considered non-major funds under the requirements of GASB Statement No. 34.
- **Fiduciary Funds** – The City is responsible for certain assets which, because of a trust arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City’s fiduciary activities are reported separately in a statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

## Financial Analysis of the City as a Whole

The City produces government-wide financial statements using the full accrual basis of accounting and economic resource management focus. As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The Net Position of the City of Dover as of June 30, 2019 and 2020 are presented below (in millions of dollars):

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Assets</b>						
Non-Capital Assets	\$ 17.9	\$ 20.8	\$ 114.0	\$ 130.4	\$ 131.9	\$ 151.2
Capital Assets	60.0	61.7	137.9	135.4	197.9	197.1
Total Assets	77.9	82.5	251.9	265.8	329.8	348.3
<b>Deferred Outflow of Resources</b>	4.9	5.8	1.0	1.4	5.9	7.2
<b>Liabilities</b>						
Current Liabilities	4.5	5.9	12.6	12.0	17.1	17.9
Non-Current Liabilities	42.0	39.9	55.5	55.9	97.5	95.8
Total Liabilities	46.5	45.8	68.1	67.9	114.6	113.7
<b>Deferred Inflow of Resources</b>	11.0	9.4	3.1	2.6	14.1	12.0
<b>Net Position</b>						
Net investment in Capital						
Assets	54.3	56.3	109.5	104.9	163.8	161.2
Restricted	0.3	0.5	54.4	71.0	54.7	71.5
Unrestricted	(29.3)	(23.7)	17.8	20.8	(11.5)	(2.9)
Total Net Position	\$ 25.3	\$ 33.1	\$ 181.7	\$ 196.7	\$ 207.0	\$ 229.8

The Changes in Net Position for the City of Dover as of June 30, 2019 and 2020 are presented below (in millions of dollars):

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 10.7	\$ 9.7	\$ -	\$ -	\$ 10.7	\$ 9.7
Water/Wastewater Charges for Services	-	-	16.0	14.9	16.0	14.9
Electric Charges for Services	-	-	83.7	81.5	83.7	81.5
Operating Grants and Contributions	2.4	3.7	-	-	2.4	3.7
Capital Grants and Contributions	0.4	0.6	-	1.4	0.4	2.0
<b>General Revenues</b>						
Property Taxes	13.5	14.8	-	-	13.5	14.8
Transfer Taxes	1.6	1.8	-	-	1.6	1.8
Earnings on Investments-Other	0.8	0.6	3.8	4.2	4.6	4.8
<b>Total Revenues</b>	<b>29.4</b>	<b>31.2</b>	<b>103.5</b>	<b>102.0</b>	<b>132.9</b>	<b>133.2</b>
<b>Expenses</b>						
General Government	4.4	5.3	-	-	4.4	5.3
Public Safety	17.6	19.7	-	-	17.6	19.7
Public Works	6.9	5.1	-	-	6.9	5.1
Library and Recreation	3.2	3.7	-	-	3.2	3.7
Community and Economic Development	0.5	0.5	-	-	0.5	0.5
Central Services	1.4	1.4	-	-	1.4	1.4
Financial Administration	3.3	3.3	-	-	3.3	3.3
Interest Charges	0.2	0.1	-	-	0.2	0.1
Plus (less) Indirect Expense Allocation	(5.2)	(4.9)	5.2	4.9	-	-
Water/Wastewater	-	-	10.9	10.6	10.9	10.6
Electric	-	-	65.0	60.7	65.0	60.7
<b>Total Expenses</b>	<b>32.3</b>	<b>34.2</b>	<b>81.1</b>	<b>76.2</b>	<b>113.4</b>	<b>110.4</b>
Change in Net Position before Transfers	(2.9)	(3.0)	22.4	25.8	19.5	22.8
Transfers	10.8	10.8	(10.8)	(10.8)	-	-
Change in Net Position	7.9	7.8	11.6	15.0	19.5	22.8
Net Position, beginning of year	17.4	25.3	181.3	181.7	198.7	207.0
Prior Period Adjustment - ARO	-	-	(11.2)	-	(11.2)	-
Net Position, Beginning of Year restated	17.4	25.3	170.1	181.7	187.5	207.0
<b>Net Position, End of Year</b>	<b>\$ 25.3</b>	<b>\$ 33.1</b>	<b>\$ 181.7</b>	<b>\$ 196.7</b>	<b>\$ 207.0</b>	<b>\$ 229.8</b>

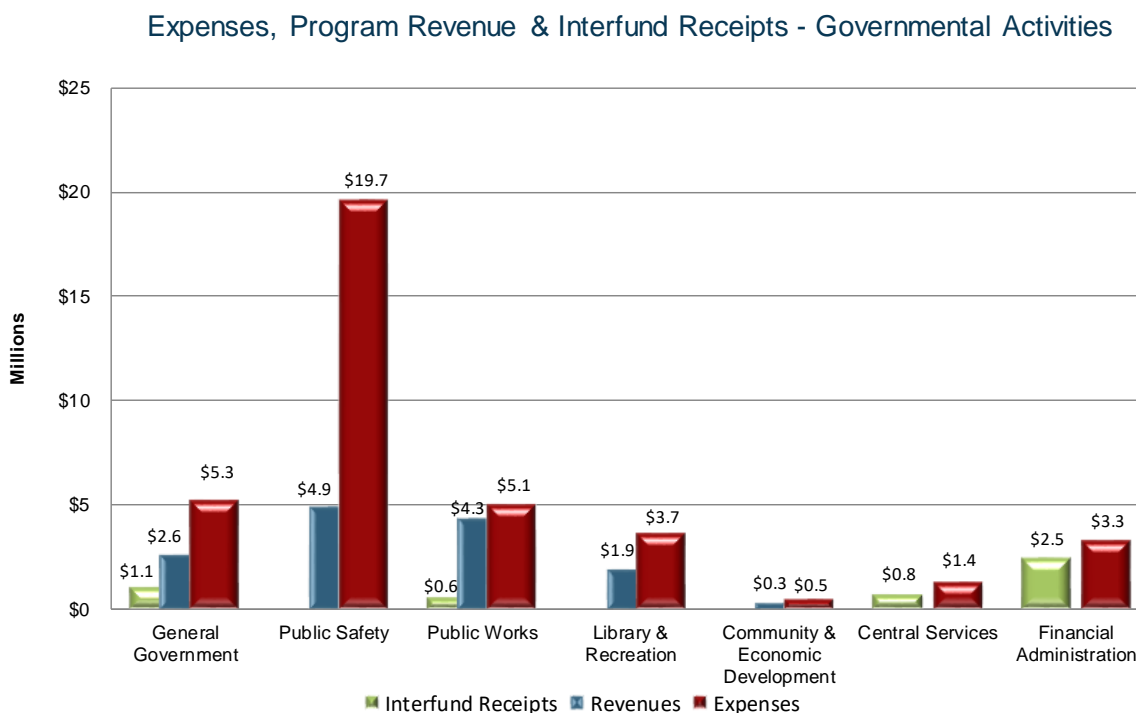
## Governmental Activities

The preceding table shows changes in net position for the year ended June 30, 2020 compared to the year ended June 30, 2019. Governmental net position increased by \$7.8 million; this is a decrease of \$0.1 million from the prior years’ positive change in net position of \$7.9 million.

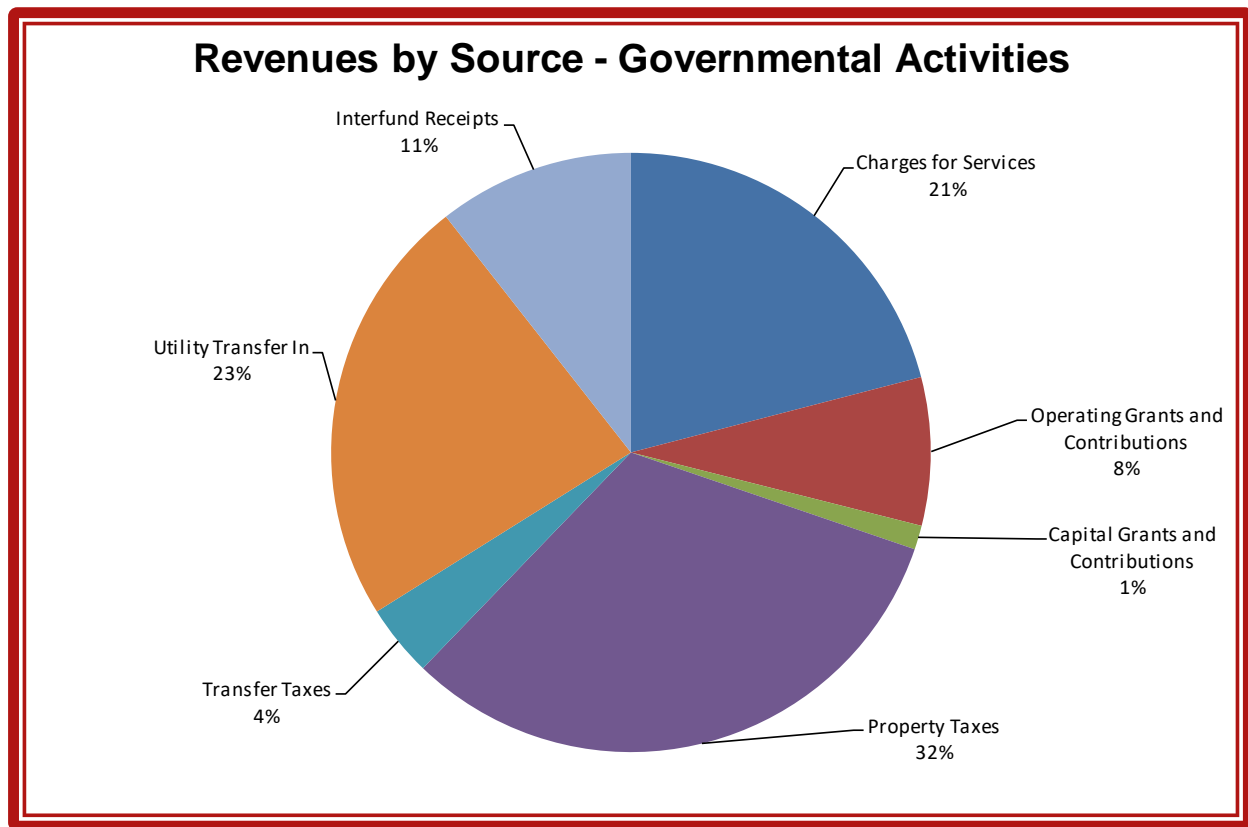
Total revenues of \$31.2 million were more than the prior year by \$1.8 million. The increase in revenues is primarily due to increases in: operating grants and contributions, property tax receipts and transfer tax receipts, which exceeded the FY’19 revenues by \$2.9 million. The increases were partially offset by decreases in investment earnings, license and permit revenue and miscellaneous services totaling \$1.2 million. Minor increases and decreases in other revenue categories were offsetting.

Total expenses of \$34.2 million reflects an increase from the prior year of \$1.9 million across all but one function of government – Public Works – which decreased its FY’20 spending by about \$1.8 million driven by a decrease in expense for streets and sanitation expense as well as a decrease in road construction and maintenance. General Government, Public Safety and Library & Recreation functions all increased expense from prior year by \$3.5 million driven by the loss on sale of the old library, as well as the change in Net OPEB and Pension liabilities.

The chart that follows allocates revenues to program costs as applicable. It shows that some City functions are in part self-supporting either through customer charges or inter-fund receipts through the utilities (presented in millions of dollars):



The following chart shows the sources of funding for program costs for the last fiscal year. As can be seen, a substantial portion of funding for governmental operations is provided by property taxes, charges for services and transfers from the utilities.



### Business-Type Activities

The business-type activities generated an increase in net position of \$15.0 million, which exceeds the previous year's \$11.6 million change in net position by \$3.4 million. The improvement was driven by the combination of \$1.5 million in total revenue decreases offset by expense reductions totaling \$4.9 million. Transfers included \$1.3 million transferred out of the water & wastewater funds and net transfers of \$9.8 million out of the electric fund, which included \$10.0 million transferred to the general fund net of \$0.2 million transferred in. The indirect expense allocation decreased by \$0.3 million.

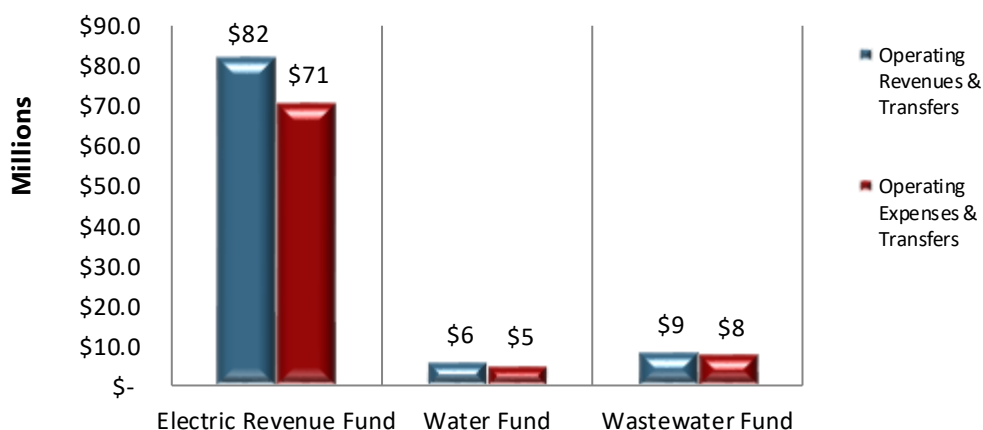
The water utility realized a positive change in net position of approximately \$1.8 million; a decrease from prior year of \$0.3 million. Operating revenues decreased by \$0.7 million primarily due to a decrease in impact fees of over \$0.5 million and a decrease in water fees of over \$0.1 million compared to the previous year. There was a system-wide decrease in consumption for water which in turn resulted in lower billable usage of approximately 39 million total gallons. Consumption decreases were primarily driven by customer usage. The average billing rate in the water division was flat from the previous year. Operating expenses in the water fund increased by \$0.6 million, which was driven mostly by a \$0.4 million increase in water treatment fees. Other contributors to the increase in operating expenses were the water and administration fees exceeding FY'19 by \$0.1 million in each division. Nonoperating contributors to the increase in net position was the \$0.8 million in

infrastructure contributions from developers. Finally, the transfers out remained constant at over \$0.6 million.

The wastewater utility realized a positive change in net position of approximately \$1.7 million; an increase from the prior year of over \$1.0 million. Operating revenues decreased by \$0.4 million primarily due to a decrease in: impact fees of \$0.5 million and water fees of \$0.1 million offset by an increase in wastewater treatment fees of \$0.2 million. There was a system-wide decrease in consumption for wastewater which in turn resulted in lower billable usage of approximately 26 million total gallons. Consumption decreases were primarily driven by customer usage. The average billing rate in the wastewater division was flat from the previous year. Operating expenses in the wastewater fund decreased from the prior year by just short of \$0.9 million. The driving factor to the decrease in operating expense was a \$1.0 million reduction in Kent County wastewater treatment expense. Cost increases were spread relatively evenly over wastewater operations and engineering divisions. Nonoperating contributors to the increase in net position was just under \$0.6 million in infrastructure contributions from developers. Finally, the transfers out remained constant at over \$0.6 million.

The electric utility realized a positive change in net position of \$11.4 million. Operating revenues decreased by \$2.2 million attributed to a decrease in power consumption of 28.5 million Kwh resulting in a reduction of \$2.0 million in charges for services across all customer types. Additionally, there was a reduction in miscellaneous receipts of \$0.2 million driven by rent reductions and lower billable customer installations. Operating Expenses in the Electric Fund decreased by about \$4.1 million. A significant \$4.3 million reduction in power supply and generation costs, coupled with a \$0.3 million reduction in administrative expenses and non-cash depreciation expense, were offset by decreases across all division expenses totaling \$0.6 million. As with the water and wastewater utility, nonoperating revenues in the electric utility increased by \$0.4 million versus the previous year on higher interest earnings and investment gains. Finally, nonoperating expenses were \$0.5 million lower than FY’19 due to normalized customer distributions and reduced interest expenses to round out the positive change in net position.

### Operating Revenues, Expenses and Transfers - Business-Type Activities





## Financial Analysis of the City's Funds

### Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government funds focus on expendable resources and near-term inflows and outflows of those resources. As such, fund balance is generally a good indicator of net resources available for spending at the end of the fiscal year, subject to any stated restrictions on its use.

The combined fund balance of the City's governmental funds as of June 30, 2020, was nearly \$14.1 million. This represented an increase of almost \$1.0 million during the year. Approximately 45% of the combined fund balances, \$6.4 million, constitutes unassigned fund balance, which is available to meet the City's current and future needs. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for operational spending because it is constrained by legally enforceable contracts, other governmental agreements and legislation, City Council resolution, management, or it is not convertible to cash within a reasonable period of time. Further detail of fund balances is presented in the Notes to the Basic Financial Statements in Note 7.

The General Fund is the primary operating fund of the City, accounting for such activities as general government, public safety, public works, library, recreation, planning, community and economic development, central services and financial administration. The General Fund balance as of June 30, 2020, was \$13.6 million. Revenue increased by \$1.2 million, due primarily to increases in property tax receipts, grant revenue, sanitation fees and rebates and Court of Chancery fees totaling in excess of \$2.3 million. The increases were partially offset by decreases in license and permit revenue, Library revenue, franchise fees, police fines, police extra-duty revenue and investment income, which combined to fall short of FY'19 revenues by \$1.1 million.

Total expenses of \$41.0 million reflect an increase from the prior year of \$1.0 million, which was driven primarily by expense increases of \$0.7 million in recreational services, \$0.2 million in public works \$0.3 million in Garage and Stores, \$0.1 million in interest and fiscal charges, \$0.1 million in insurance expense, and \$0.1 million in library services. The expense increases were offset by \$0.5 million in reductions to streets and sanitation services, \$0.1 million in Engineering services and \$0.1 million in public safety and law enforcement, while minor differences in all other functional areas round out the expense variance.

### Proprietary Funds

The City's proprietary funds provide the same type of information found in the government- wide financial statements, but in more detail.

As of June 30, 2020, the water fund has a net position of \$32.7 million, of which \$4.5 million is unrestricted. The fund's net position increased \$1.8 million as explained on page 37. As of June 30, 2020, the wastewater fund had a net position of \$32.9 million, of which a negative \$0.1 million is unrestricted. The fund's net position increased \$1.7 million during the year as explained on page 38. As of June 30, 2020, the electric revenue fund has a net position of

\$131.1 million, of which \$16.3 million is unrestricted. This fund experienced an increase in net position of \$11.4 million during the year as explained on page 38.

### **General Fund Budgetary Highlights**

During this fiscal year, the City Council amended the budget three times. The budget amendment ordinances were primarily for the following purposes:

1. To re-appropriate budget balances for ongoing capital projects.
2. To amend the grant budgets and reserve accounts for the actual results from the prior fiscal year and all carried forward budget balances for the major operating funds from the prior fiscal year, as well as program revenues and expenses based on changes in program revenues, expenses based on actual amounts.
3. To amend revenue and expense accounts based on actual experience during fiscal year 2020.

The General Fund financials in the Governmental Funds Balance Sheet (page 49) and Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (page 51) include both the General Fund operating activities and the Governmental Capital Project Fund activities.

The General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget & Actual is included in Part D – Required Supplementary Information (pages 123-124).

The Governmental Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual is included in Part E – Supplementary Information (page 140).

The Combining Statements – Combining General Fund Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund and the Governmental Capital Projects Fund is included in Part E – Supplementary Information (pages 138-140).

The Final General Fund Budget incorporated an increase in beginning budget balance of \$1.8 million carried forward from the prior fiscal year.

Budgeted expenditures were revised to reflect an aggregate decrease of \$1.3 million. The expenditure decreases were primarily across all operating divisions totaling \$1.5 million. Operating divisions with budgeted increases were Library, Life Safety, Police, Sanitation, Procurement and Inventory and Human Resources all totaling \$0.1 million. Additionally, the only non-divisional expenditure that increased was for insurance in the amount of \$0.1 million, no other expenditure line item budgets were changed.

Actual revenues and other financing sources received were below the final budgeted amounts in the General Fund by less than \$0.1 million for the current fiscal year. The more significant negative variances were in permits and other fees, interfund service receipts and fines & police revenue. These revenue decreases were mostly offset by increases in franchise fees, court of chancery fees, Investment income, police related grants, and transfer taxes. The General Fund budget balance carry forward was \$0.7 million higher than originally budgeted a result of the above variances.

## Capital Asset and Debt Administration

At the end of the current fiscal year, the City’s governmental and proprietary funds had invested \$61.7 million and \$135.4 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule, which exhibits a net increase of \$1.7 million for governmental activities and a net decrease of \$2.5 million for the business-type activities. The increase in assets reported within Governmental Activities is attributable to equipment and vehicle acquisitions \$0.1 million and general infrastructure assets, \$2.2 million. The decrease in assets reported was in buildings (\$0.5 million) and in furniture & fixtures (\$0.1 million). The value of construction projects that remained open as of June 30, 2020 was basically unchanged and land had a small reduction for sale of a small park. The decrease in Business-Type Activities is due primarily to increased depreciation expenses recorded in the electric fund in anticipation of the retirement of the City’s McKee Run generating plant. The water fund added \$2.8 million to its construction projects that remained open as of June 30, 2020. Additional detailed data for all capital assets of the City is presented in the Notes to the Basic Financial Statements in Note 4. The following schedule is presented in millions of dollars.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Depreciable Assets, Net</b>						
Buildings	\$ 22.4	\$ 21.9	\$ -	\$ -	\$ 22.4	\$ 21.9
Equipment & Vehicles	4.6	4.7	6.5	5.9	11.1	10.6
General Infrastructure	26.7	28.9	-	-	26.7	28.9
Utility, Plant, Buildings, and Infrastructure	-	-	118.9	114.4	118.9	114.4
Other	0.4	0.3	1.4	1.2	1.8	1.5
<b>Non-depreciable Assets</b>						
Land	4.7	4.7	1.6	1.6	6.3	6.3
Construction in Progress	1.2	1.2	9.5	12.3	10.7	13.5
	<u>\$ 60.0</u>	<u>\$ 61.7</u>	<u>\$ 137.9</u>	<u>\$ 135.4</u>	<u>\$ 197.9</u>	<u>\$ 197.1</u>

The chart below shows that the City’s Total Net OPEB Liability decreased by \$5.1 million, with the majority of \$4.0 million attributable to the Governmental Activities and the balance attributable to the Business-Type Activities. The City’s Total Net Pension Liability increase of \$3.6 million was mostly attributable to the Governmental Activities \$2.4 million and the balance attributable to the Business-Type Activities \$1.2 million. Additional detailed information regarding the City’s Other Post-Employment Benefits and Retirement Plans is presented in the Notes to the Basic Financial Statements in Notes 15 and 17, respectively.

The City Charter limits the amount of general obligation debt the City can issue in any one year to 25% of the taxable assessed value of real property within the City. The aggregate of amounts borrowed for which the full faith and credit of the City is pledged cannot exceed 5.0% of assessed value of real property within the City boundaries. The City has used 3.28% of its debt limit. The City of Dover’s non-current liabilities as of June 30, 2019 and 2020 are presented below (in millions of dollars):

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Non-current liabilities</b>						
Police Officer Separation Agreement	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ 0.1	\$ 0.1
Liability for Compensated Absences	2.5	2.5	0.7	0.8	3.2	3.3
Bonds (Net of Discount/Issuance Cost)	5.7	5.4	28.9	29.4	34.6	34.8
Bond Premium	-	-	1.2	1.1	1.2	1.1
Net OPEB Liability	21.2	17.2	4.5	3.4	25.7	20.6
Net Pension Liability	14.1	16.5	10.2	11.4	24.3	27.9
Asset Retirement Obligation	-	-	11.9	11.9	11.9	11.9
	<u>\$ 43.6</u>	<u>\$ 41.7</u>	<u>\$ 57.4</u>	<u>\$ 58.0</u>	<u>\$ 101.0</u>	<u>\$ 99.7</u>

Additional detailed data for all debt of the City is presented in the Notes to the Basic Financial Statements in Note 5.

### Economic Factors and Next Year’s Budgets and Rates

The City developed the fiscal year 2020 budget in accordance with the City’s financial policies ensuring all budgets are balanced and reserve requirements were adhered to. The following changes over fiscal year 2020 were incorporated into the fiscal year 2021 budget.

- Due to uncertainty of the General Fund revenues this budget:
  - Reduces the transfer to the General Governmental Capital Project Fund
  - Cuts the General Fund CIP from \$6.57 million requested to \$4.87 million recommended
  - Budgets only 2% raises for the Non-bargaining employees; 0% increase in Health Care
- Implementation of rate increases in water and wastewater for needed improvements to infrastructure as well as establishing a prudent reserve in the wastewater fund over time.
- This budget maintains staffing added last year for maintenance of basic public works such as ditch maintenance, streets, stormwater culverts, catch basins, vegetation/tree maintenance, building inspections and code enforcement.
- This budget anticipates holding the gains in personnel from last year, but due to stagnant revenues, no additional full-time personnel are recommended.
- Long range plans are continuing to address the aging facilities, park improvements and upgrades to HVAC systems in the City facilities.
- A self-funding Stormwater Utility is not included in this budget. The City will still have to address stormwater infrastructure maintenance and operational requirements as required by Federal and State regulations, but any additional fees will require discussion during FY21 for implementation in late FY21 or in FY22.
- Increases in wages based on collective bargaining agreements were included.
- Increased the PCA credit for electric rates which offset the increase in the water and wastewater rate increases.
- In March of 2020, the World Health Organization declared the spread of COVID-19 a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing. To date, the city has received \$0.3 million in COVID-19-related grants, some of which will be carried forward to next year, as they

are on a reimbursement basis.

- Decommissioning of McKee Run Power Plant #3 during FY21 – FY23.
- Secure Solar energy PPA’s for 25 years.

The General Fund operating revenues are projected to decrease by 0.3%, or \$0.1 million, with expenditures decreasing by 1.0%, or \$0.4 million. The property tax rate is decreasing to offset the increase in reassessments. The tax rate is going back to the previous rate from FY’18 of \$0.4050 a rollback of \$0.0350 which due to new construction, is expecting to generate an increase of \$0.3 million over the FY’20 budgeted revenue. The property tax increase is offset by anticipated reductions in permits and other fees revenue. Grants revenue is increasing by \$0.1 million with offsetting decreases in transfers in and interfund transfers. The decreased expenditures were attributed to a lower budgeted transfer to the capital project fund of \$1.2 million, offset by increased expenditures to support police operations, code enforcement, grounds maintenance and information technology with offsetting expense increases in the tax assessor, public works administration and engineering, and streets and stormwater divisions netting a total decrease of \$0.8 million. Other expense increases were in retiree healthcare and transfers to uncollectible reserves and insurance which rounds out the total decrease in expenditures.

Water operating revenues are projected at \$7.3 million, which is an increase of \$0.8 million, or about 11.9% above the prior year’s original budget of \$6.5 million. Total expenses are projected to decrease by 0.8% to \$7.1 million, or about \$0.1 million lower than FY’20. The revenue increase is driven by increased water service rates and an increase in interest income based on trends. The expense essentially remains flat with increases in direct divisional expenses of \$0.2 million and other expenses of \$0.1 million with offsetting decreases in transfers out to the capital project fund and electric revenue project fund as funding for the ERP system was completed in FY’20.

Wastewater operating revenues are expected to increase by \$1.0 million to \$10.3 million in FY’21, representing an increase of 10.9%. Total expenses are projected to decrease by 4.6%, or less than \$0.5 million to \$9.0 million. All major revenue categories are driving the revenue increase except for miscellaneous service fees, but the \$0.8 million increase in wastewater services is leading the way, while the other revenues, including impact fees, wastewater services and the groundwater inflow adjustment, combine for the remaining \$0.2 million increase. Kent County Treatment Charges are expected to exceed \$4.3 million in FY’21, which represents an \$0.8 million decrease from FY’20 which is returning to previous levels. The offsetting principal component of the budgeted increases is for the transfer to the capital project fund.

Total Electric Fund revenues are projected to remain relatively flat with a slight increase of \$0.1 million to \$85.1 million, which is about 0.1% higher than FY’20 anticipated revenue. Total expenses are projected to decrease by 6.3% or \$5.3 million versus the prior budget year. Revenue increases are driven almost entirely by a transfer from the Rate Stabilization reserve of \$2.5 million offset by the customer sales projections that fall short of the prior year budget by \$2.3 million, which is attributable to rate changes as the FY’21 billing rates are reduced from the prior year. Other revenue sources are flat or modestly lower than FY’20 budgeted revenue. The PPA credit rate is increasing which offsets increases the distribution to customers by \$3.3 million which is 24.5% higher than the previous year. The energy component of electric utility expense is \$5.6 million lower in FY’21, driven by sharply offsetting movements in power supply expenses (decrease of \$2.4 million) and generation/capacity costs (increase of \$0.3 million). Direct expenditure categories combine for cost increases of \$0.3 million, with the principal increases in transmission & distribution operations and administration. The remaining divisions also increased except for the metering division. Reductions in contractual services (\$0.2 million) and interfund service fees (\$0.1 million) help further reduce expenses versus FY’20.

However, the added transfer to the Rate Stabilization reserve of \$2.0 million offset by the reduction of transfer to the depreciation reserve of \$5.0 million rounded out the decrease in the utilities expenses. The budgeted transfer to the general fund is \$10 million in FY'21 and unchanged from the prior three fiscal years.

The City continues to closely monitor the local economy and its impact on growth and revenues. Revenue enhancements, rate increases, and potential cost reductions will continue to be reviewed in order to maintain the City's financial policies.

### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Lori Peddicord, Controller/Treasurer at 302-736-4452 (TTY/TDD Operator 1-800-855-1155).

## PART C



# FINANCIAL STATEMENTS

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**City of Dover, Delaware**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 8,237,002	\$ 13,565,988	\$ 21,802,990
Investments	10,200,651	37,049,743	47,250,394
Receivables, Net	171,558	5,054,353	5,225,911
Internal Balances	1,061,190	(1,061,190)	-
Due from Other Governments	297,290	-	297,290
Inventory	110,234	4,364,467	4,474,701
Prepaid Items	80,639	478,513	559,152
Restricted Cash and Cash Equivalents	601,665	13,530,525	14,132,190
Restricted Investments	18,954	57,467,769	57,486,723
Capital Assets, Not Being Depreciated	5,920,596	13,903,174	19,823,770
Capital Assets, Net of Depreciation	55,716,987	121,461,422	177,178,409
Total Assets	82,416,766	265,814,764	348,231,530
<b>Deferred Outflows of Resources:</b>			
Pension related Deferred Outflows	4,670,701	890,361	5,561,062
OPEB related Deferred Outflows	1,176,177	248,401	1,424,578
ARO related Deferred Outflows	-	243,180	243,180
Total Deferred Outflows of Resources	5,846,878	1,381,942	7,228,820
<b>Liabilities:</b>			
Accounts Payable and Accrued Liabilities	3,816,729	6,467,217	10,283,946
Unearned Revenue	210,437	459,337	669,774
Customer Deposits	-	2,543,083	2,543,083
Other	255,654	403,533	659,187
Liabilities Due within One Year	1,686,921	2,174,485	3,861,406
Non-Current Liabilities			
Due in more than One Year	6,281,500	29,067,372	35,348,872
Due in more than One Year - OPEB	17,182,610	3,465,852	20,648,462
Due in more than One Year - Pension	16,541,272	11,388,529	27,929,801
Due in more than One Year - ARO	-	11,915,849	11,915,849
Total Liabilities	45,975,123	67,885,257	113,860,380
<b>Deferred Inflows of Resources:</b>			
Pension related deferred inflows	796,134	83,554	879,688
OPEB related Deferred Inflows	8,606,504	2,537,656	11,144,160
Total Deferred Inflows of Resources	9,402,638	2,621,210	12,023,848
<b>Net Position:</b>			
Net Investment in Capital Assets	56,266,299	104,913,375	161,179,674
Restricted for:			
Capital Projects	112,949	70,998,294	71,111,243
Public Safety Grants	161,731	-	161,731
Verizon Grant	36,629	-	36,629
Library Grant	33,689	-	33,689
Community Development Grants	1,828	-	1,828
Unrestricted	(23,727,242)	20,778,570	(2,948,672)
Total Net Position	\$ 32,885,883	\$ 196,690,239	\$ 229,576,122

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

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Financial Section – Part C – Financial Statements

**City of Dover, Delaware**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Functions/Programs</b>								
Governmental Activities								
General Government	\$ 5,301,953	\$ (1,111,953)	\$ 2,571,127	\$ 17,738	\$ -	\$ (1,601,135)	\$ -	\$ (1,601,135)
Public Safety	19,670,023	-	3,636,312	1,073,786	-	(14,959,925)	-	(14,959,925)
Public Works	5,071,449	(606,497)	3,080,960	793,731	473,317	(116,944)	-	(116,944)
Library and Recreation	3,736,306	-	457,674	1,362,816	98,500	(1,817,316)	-	(1,817,316)
Community and Economic Development	531,306	-	-	338,936	-	(192,370)	-	(192,370)
Central Services	1,413,753	(787,494)	-	-	-	(626,259)	-	(626,259)
Financial Administration	3,344,576	(2,458,081)	-	-	-	(886,495)	-	(886,495)
Interest Charges	132,711	-	-	-	-	(132,711)	-	(132,711)
Total Governmental Activities	39,202,077	(4,964,025)	9,746,073	3,587,007	571,817	(20,333,155)	-	(20,333,155)
Business Type Activities								
Water	3,942,555	929,918	6,152,724	-	811,744	-	2,091,995	2,091,995
Wastewater	6,625,619	700,605	8,754,314	-	597,401	-	2,025,491	-
Electric	60,720,616	3,333,502	81,488,206	-	-	-	17,434,088	17,434,088
Total Business Type Activities	71,288,790	4,964,025	96,395,244	-	1,409,145	-	-	-
Total Primary Government	\$ 110,490,867	\$ -	\$ 106,141,317	\$ 3,587,007	\$ 1,980,962	(20,333,155)	21,551,574	1,218,419
General Revenues								
Taxes								
Property Taxes						14,796,554	-	14,796,554
Transfer Taxes						1,825,438	-	1,825,438
Earnings on Investments						551,771	4,179,682	4,731,453
Total General Revenues						17,173,763	4,179,682	21,353,445
Transfers						10,741,590	(10,741,590)	-
Total General Revenues and Transfers						27,915,353	(6,561,908)	21,353,445
Changes in Net Position						7,582,198	14,989,666	22,571,864
Net Position Beginning						25,303,685	181,700,573	207,004,258
Net Position Ending						\$ 32,885,883	\$ 196,690,239	\$ 229,576,122

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

**City of Dover, Delaware**  
**Governmental Funds Balance Sheet**  
**June 30, 2020**

	General Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 6,905,218	\$ -	\$ 6,905,218
Restricted Cash and Cash Equivalents	-	601,665	601,665
Investments	8,637,793	-	8,637,793
Restricted Investments	18,954	-	18,954
Receivables, Net			
Accounts	88,966	787	89,753
Taxes	76,805	-	76,805
Due from Other Funds	1,270,754	-	1,270,754
Temporary Advances	70,000	-	70,000
Due from Other Governments	-	297,290	297,290
Prepaid Items	80,639	-	80,639
Inventory	110,234	-	110,234
Total Assets	<u>\$ 17,259,363</u>	<u>\$ 899,742</u>	<u>\$ 18,159,105</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 3,196,499	\$ 158,790	\$ 3,355,289
Unearned Revenue	56,156	154,281	210,437
Due to Other Funds	47,676	208,834	256,510
Temporary Advances	-	70,000	70,000
Other	255,654	-	255,654
Total Liabilities	<u>3,555,985</u>	<u>591,905</u>	<u>4,147,890</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue	99,697	-	99,697
Total Deferred Inflows of Resources	<u>99,697</u>	<u>-</u>	<u>99,697</u>
<b>Fund Balances:</b>			
Non-Spendable	212,467	-	212,467
Restricted	38,989	307,837	346,826
Committed	2,145,574	-	2,145,574
Assigned	4,823,060	-	4,823,060
Unassigned	6,383,591	-	6,383,591
Total Fund Balances	<u>13,603,681</u>	<u>307,837</u>	<u>13,911,518</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 17,259,363</u>	<u>\$ 899,742</u>	<u>\$ 18,159,105</u>

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

**City of Dover, Delaware**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**June 30, 2020**

Amounts reported for governmental activities in the statement of net position (page 47) are different because:

Total fund balances for governmental funds (Page 49)	13,911,518
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	61,637,583
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Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Deferred inflows of resources	99,697	99,697
-------------------------------	--------	--------

The Net Pension Liability & OPEB Liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	4,670,701	
Deferred Inflows - Pension	(796,134)	
Deferred Outflows - OPEB	1,176,177	
Deferred Inflows - OPEB	(8,606,504)	(3,555,760)

An internal service fund (page 53) is used by the City to charge the cost of the workers' compensation fund. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	2,484,886
--	-----------

Accrual basis of bond interest paid	262
-------------------------------------	-----

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the statement of net position.

Compensated absences represent amounts accrued for sick leave for those employees who are vested and accrued vacation for all employees.

The Net Pension Liability and OPEB Liability are not a use of current financial resources, and therefore, are not reported in the governmental funds.

Current-		
General Obligation Bonds	(335,760)	
Compensated Absences	(1,313,661)	
Police Officer separation agreement	(37,500)	
	(1,686,921)	
Long-Term-		
General Obligation Bonds	(5,035,524)	
Compensated Absences	(1,208,476)	
Police Officer separation agreement	(37,500)	
Net Pension Liability	(16,541,272)	
Net OPEB Liability	(17,182,610)	
	(40,005,382)	(41,692,303)

Total net position of governmental activities (Page 47)	\$ 32,885,883
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The notes to financial statements are an integral part of this statement.

**City of Dover, Delaware**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds**  
**For the Year Ended June 30, 2020**

	General Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>			
Fines	\$ 470,993	\$ 430,204	\$ 901,197
Library Revenue - General	99,089	-	99,089
Library Revenue County Reimbursement	230,412	-	230,412
Licenses and Permits	2,554,826	-	2,554,826
Sanitation Fees and Rebates	3,080,960	-	3,080,960
Recreation	-	43,203	43,203
Miscellaneous Services	1,319,371	-	1,319,371
Property Taxes	14,758,590	-	14,758,590
Transfer Taxes	-	1,825,438	1,825,438
Grants Received	1,697,260	2,461,563	4,158,823
Court of Chancery Fees	1,602,360	-	1,602,360
Investment Income	466,848	8,203	475,051
<b>Total Revenues</b>	<b>26,280,709</b>	<b>4,768,611</b>	<b>31,049,320</b>
<b>Expenditures</b>			
Current:			
General Government	1,770,930	-	1,770,930
Library Services	1,836,686	271,583	2,108,269
Public Safety and Law Enforcement	22,083,981	339,784	22,423,765
Public Works	2,567,009	497,570	3,064,579
Recreational Services	1,754,771	-	1,754,771
Streets and Sanitation Services	3,979,021	-	3,979,021
Engineering Services	209,197	-	209,197
Financial Administration	815,956	-	815,956
Garage and Stores	742,353	-	742,353
Insurance	376,584	-	376,584
Retiree Health Care	1,894,900	-	1,894,900
Community and Economic Development	150,000	381,306	531,306
Street Lights	807,794	-	807,794
Debt Service:			
Principal Retirement	328,716	-	328,716
Interest and Fiscal Charges	135,352	-	135,352
<b>Total Expenditures</b>	<b>39,453,250</b>	<b>1,490,243</b>	<b>40,943,493</b>
Excess (deficiency) of Revenues over Expenditures	(13,172,541)	3,278,368	(9,894,173)
<b>Other Financing Sources (Uses)</b>			
Transfers In	14,277,336	-	14,277,336
Transfers Out	(250,000)	(3,285,746)	(3,535,746)
Total other Financing Sources (Uses)	14,027,336	(3,285,746)	10,741,590
Net Change in Fund Balances	854,795	(7,378)	847,417
Fund Balances at Beginning of Year	12,748,886	315,215	13,064,101
Fund Balances at End of Year	<b>\$ 13,603,681</b>	<b>\$ 307,837</b>	<b>\$ 13,911,518</b>

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

**City of Dover, Delaware**  
**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, 2020**

Amounts reported for governmental activities in the statement of activities (page 48) are different because:

Net change in fund balances--total governmental funds (Page 51)	\$	847,417
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Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capitalization of net capital asset expenditures including CIP	\$ 6,190,215		
Loss on assets disposed of during the year	(879,922)		
Current year depreciation	<u>(3,682,450)</u>		1,627,843

Governmental funds report the repayment of principal of general long-term debt as an expenditure but the repayment reduces the liability in the statement of net position.	328,716
--	---------

Revenues that are not available to pay for current period expenditures are not reported as revenues in the funds.	(47,381)
---	----------

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense	(2,497,744)
--	-------------

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	1,589,684
--	-----------

Decreases in operating expenses due to the decrease in OPEB expense for the amortization of deferred outflows and inflows of resources related to the net OPEB liability.	994,942
---	---------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for the transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, assets are not recognized in governmental funds unless they represent current financial resources but are recognized in the statement of activities as they accrue. The following differences, therefore, occur

Increase in compensated absences	\$ (27,322)		
Police separation agreement payout	35,700		
Bond interest accrual	2,643		
Decrease in OPEB Liability	<u>4,044,624</u>		4,055,645

An internal service fund is used by the City to charge the costs of workers' compensation insurance to individual funds. The change in net position of the internal service fund is transferred to the governmental funds and amounts attributable to internal charges are then allocated to functional expenditures. Net revenue is allocated back to respective functions and business type activities, as appropriate.

683,076

Change in net position of governmental activities (Page 48)	\$	<u><u>7,582,198</u></u>
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The notes to financial statements are an integral part of this statement.

**City of Dover, Delaware**  
**Statement of Net Position - Proprietary Funds**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Electric Revenue Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,467,201	\$ 3,098,787	\$ 13,565,988	\$ 1,331,784
Investments	28,532,658	8,517,085	37,049,743	1,562,858
Receivables, Net	4,252,062	802,291	5,054,353	5,000
Due from Other Funds	9,002	149	9,151	46,946
Inventory	4,292,365	72,102	4,364,467	-
Prepaid Items	478,219	294	478,513	-
Total Current Assets	48,031,507	12,490,708	60,522,215	2,946,588
Non-Current Assets:				
Restricted Assets				
Cash	13,032,907	497,618	13,530,525	-
Investments	49,155,439	8,312,330	57,467,769	-
Capital Assets, Not Being Depreciated	5,539,062	8,364,112	13,903,174	-
Capital Assets, Net of Depreciation	63,136,233	58,325,189	121,461,422	-
Total Non-Current Assets	130,863,641	75,499,249	206,362,890	-
Total Assets	178,895,148	87,989,957	266,885,105	2,946,588
<b>Deferred Outflows of Resources:</b>				
Pension Related Deferred Outflows	558,098	332,263	890,361	-
OPEB Related Deferred Outflows	157,625	90,776	248,401	-
Asset Retirement Oblig. Deferred Outflows	243,180	-	243,180	-
	958,903	423,039	1,381,942	-
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable and Accrued Expenses	4,898,628	1,568,589	6,467,217	461,702
Due to Other Funds - Charges	707,294	363,047	1,070,341	-
Unearned Revenue	459,337	-	459,337	-
Accrued Interest Payable	306,600	96,933	403,533	-
Customer Deposits	2,543,083	-	2,543,083	-
Revenue Bonds Payable	785,000	1,021,254	1,806,254	-
Liability for Compensated Absences	254,929	113,302	368,231	-
Total Current Liabilities	9,954,871	3,163,125	13,117,996	461,702
Non-Current Liabilities:				
OPEB Liability	2,137,379	1,328,473	3,465,852	-
Net Pension Liability	7,538,637	3,849,892	11,388,529	-
Asset Retirement Obligation	11,915,849	-	11,915,849	-
Revenue Bonds Payable	15,330,093	13,314,874	28,644,967	-
Liability for Compensated Absences	300,901	121,504	422,405	-
Total Non-Current Liabilities	37,222,859	18,614,743	55,837,602	-
Total Liabilities	47,177,730	21,777,868	68,955,598	461,702
<b>Deferred Inflows of Resources:</b>				
Pension Related Deferred Inflows	55,078	28,476	83,554	-
OPEB Related Deferred Inflows	1,564,060	973,596	2,537,656	-
Total Deferred Inflows of Resources	1,619,138	1,002,072	2,621,210	-
<b>Net Position</b>				
Net Investment in Capital Assets	52,560,202	52,353,173	104,913,375	-
Restricted for Capital Construction	62,188,346	8,809,948	70,998,294	-
Unrestricted	16,308,635	4,469,935	20,778,570	2,484,886
Total Net Position	\$ 131,057,183	\$ 65,633,056	\$ 196,690,239	\$ 2,484,886

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

**City of Dover, Delaware**  
**Statement of Revenues, Expenses and**  
**Changes in Fund Net Position - Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-type Activities			Governmental Activities
	Electric Revenue Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>Operating Revenues</b>				
Charges for Services	\$ 79,898,697	\$ 14,085,834	\$ 93,984,531	\$ -
Miscellaneous Services/Income	1,506,053	836,368	2,342,421	966,825
Total Operating Revenues	81,404,750	14,922,202	96,326,952	966,825
<b>Operating Expenses</b>				
Water	-	686,001	686,001	-
Wastewater	-	1,013,053	1,013,053	-
Water Treatment Plant	-	1,724,238	1,724,238	-
Water/Wastewater Engineering	-	326,115	326,115	-
Kent County Wastewater Treatment	-	3,769,636	3,769,636	-
General Administrative	4,577,077	1,713,045	6,290,122	184,374
Power Supply	41,063,150	-	41,063,150	-
Transmission/Distribution	3,185,002	-	3,185,002	-
Engineering	1,077,676	-	1,077,676	-
Metering	441,598	-	441,598	-
Systems Operations	560,110	-	560,110	-
Utility Tax	1,223,240	-	1,223,240	-
Depreciation	7,953,193	2,363,680	10,316,873	-
Contractual Services	-	-	-	13,448
Taxes	-	-	-	34,707
Retirees Health Care	721,400	226,300	947,700	-
Self Insurance-Workers' Compensation	-	-	-	127,940
Total Operating Expenses	60,802,446	11,822,068	72,624,514	360,469
Operating Income/Loss	20,602,304	3,100,134	23,702,438	606,356
<b>Non-Operating Revenues (Expenses)</b>				
Interest Earned:				
Operating Funds	467,317	186,946	654,263	-
Reserve Funds	1,146,762	228,517	1,375,279	42,320
Net Increase in Fair Value of Investments	1,806,406	343,734	2,150,140	34,400
Interest and Fiscal Charges	(524,295)	(376,629)	(900,924)	-
Distribution of Earnings - PCA Credit	(2,727,377)	-	(2,727,377)	-
Gain (Loss) on Sale of Assets	83,456	(15,164)	68,292	-
Total Non-Operating Revenue (expenses)	252,269	367,404	619,673	76,720
Income before Contributions and Transfers	20,854,573	3,467,538	24,322,111	683,076
Contractor Contributions - Infrastructure	-	1,409,145	1,409,145	-
Transfers In	556,410	-	556,410	-
Transfers Out	(10,000,000)	(1,298,000)	(11,298,000)	-
Total transfers	(9,443,590)	(1,298,000)	(10,741,590)	-
Change in Net Position	11,410,983	3,578,683	14,989,666	683,076
Total Net Position--Beginning	119,646,200	62,054,373	181,700,573	1,801,810
Total Net Position--Ending	\$ 131,057,183	\$ 65,633,056	\$ 196,690,239	\$ 2,484,886

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



2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Financial Section – Part C – Financial Statements

**City of Dover, Delaware**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Electric Revenue Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 87,919,765	\$ 14,821,865	\$ 102,741,630	\$ -
Payments to Suppliers (including Purchased Power)	(44,819,258)	(6,456,989)	(51,276,247)	(180,768)
Payments to Employees	(4,516,477)	(2,346,114)	(6,862,591)	-
Payments of Personnel Related Costs	(2,227,755)	(1,446,378)	(3,674,133)	916,348
Internal Activity-Payments from (to) Other Funds	387,912	(451,078)	(63,166)	-
Other Receipts (Payments) including Claims Paid	(1,644,006)	(439,388)	(2,083,394)	(213,272)
Net Cash Provided by (used for) Operating Activities	<u>35,643,486</u>	<u>3,681,918</u>	<u>39,325,404</u>	<u>522,308</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers Out	(10,000,000)	(1,298,000)	(11,298,000)	-
Transfers In	556,410	-	556,410	-
Distribution to Customers - PCA Credit	(2,727,377)	-	(2,727,377)	-
Net Cash Used for Noncapital Financing Activities	<u>(12,170,967)</u>	<u>(1,298,000)</u>	<u>(13,468,967)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and Construction of Capital Assets	(1,902,518)	(4,477,056)	(6,379,574)	-
Proceeds of issuance of debt	-	1,979,958	1,979,958	-
Bond Issuance Costs	-	(4,582)	(4,582)	-
Principal Paid on Revenue Bond Maturities	(650,000)	(841,525)	(1,491,525)	-
Interest Paid on Capital Debt	(524,295)	(372,047)	(896,342)	-
Net Cash Used for Capital and Related Financing Activities	<u>(3,076,813)</u>	<u>(3,715,252)</u>	<u>(6,792,065)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	467,317	186,946	654,263	-
Redemption of Investment Securities	131,356	-	131,356	-
Purchase of Investment Securities	(15,933,590)	(1,125,717)	(17,059,307)	10,132
Interest on Restricted Cash	1,146,762	228,517	1,375,279	-
Net Cash Provided by (used for) Investing Activities	<u>(14,188,155)</u>	<u>(710,254)</u>	<u>(14,898,409)</u>	<u>10,132</u>
Net Increase/Decrease in Cash and Cash Equivalents	6,207,551	(2,041,588)	4,165,963	532,440
Cash and cash equivalents July 1 (incl. \$466,393 for Non-Major Enterprise Funds and \$6,938,727 for Electric fund reported in restricted accounts)	17,292,557	5,637,993	22,930,550	799,344
Cash and cash equivalents June 30 (incl. \$497,618 for Non-Major Enterprise Funds and \$13,032,907 for Electric fund reported in restricted accounts)	<u>\$ 23,500,108</u>	<u>\$ 3,596,405</u>	<u>\$ 27,096,513</u>	<u>\$ 1,331,784</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income	\$ 20,602,304	\$ 3,100,134	\$ 23,702,438	\$ 606,356
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:				
Depreciation Expense	7,953,193	2,363,680	10,316,873	-
Effect of Changes in Operating Assets and Liabilities:				
Receivables	570,602	(101,334)	469,268	-
Due from other funds	5,808,320	997	5,809,317	(46,946)
Due from other funds - Advances	-	(400,000)	(400,000)	-
Inventory	70,933	(2,726)	68,207	-
Prepaid items	29,951	502	30,453	-
Deferred outflow of resources Pension	(313,690)	(191,011)	(504,701)	-
Deferred outflow of resources OPEB	(44,684)	(29,805)	(74,489)	-
Deferred outflow of resources ARO	243,181	-	243,181	-
Accounts payable and accrued expenses	17,577	(1,068,916)	(1,051,339)	(37,102)
Unearned revenue	89,139	-	89,139	-
Due to other funds	696,274	(252,600)	443,674	-
Due to other funds - Advances	-	400,000	400,000	-
Customer Deposits	46,954	-	46,954	-
Liability for Compensated Absences	58,362	52,435	110,797	-
Net OPEB Liability	(634,296)	(452,303)	(1,086,599)	-
Net pension liability	763,154	464,675	1,227,829	-
Deferred inflow of resources Pension	(202,441)	(120,353)	(322,794)	-
Deferred inflow of resources OPEB	(111,347)	(81,457)	(192,804)	-
Net Cash Provided by Operating Activities	<u>\$ 35,643,486</u>	<u>\$ 3,681,918</u>	<u>\$ 39,325,404</u>	<u>\$ 522,308</u>
Non-Cash Investing, Capital and Financing Activities:				
Change in Fair Value of Investments	\$ 1,806,406	\$ 343,734	\$ 2,150,140	\$ 34,400
Capital Contributions - Infrastructure	-	1,409,145	1,409,145	-

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

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Financial Section – Part C – Financial Statements

**City of Dover, Delaware**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	Police Pension Trust	Employee Pension Trust	OPEB Trust Fund	Pension and Other Post-Employment Benefit Trust Funds	Agency Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,347,732	\$ 2,779,491	\$ 1,347,503	\$ 5,474,726	\$ 888,341
Investments at Fair Value - Mutual Funds	12,614,269	42,025,958	41,416,054	96,056,281	-
Receivables	262,900	102,095	-	364,995	9,016
Total Assets	<u>\$ 14,224,901</u>	<u>\$ 44,907,544</u>	<u>42,763,557</u>	<u>101,896,002</u>	<u>897,357</u>
<b>Liabilities</b>					
Vouchers Payable & Deposit Payable	-	-	91,023	91,023	47,590
Due to Agencies	-	-	-	-	849,767
Total Liabilities	<u>-</u>	<u>-</u>	<u>91,023</u>	<u>91,023</u>	<u>\$ 897,357</u>
<b>Net Position</b>					
Net Position Restricted for Pensions	14,224,901	44,907,544		59,132,445	
Net Position Restricted for Health Benefits			42,672,534	42,672,534	
Total Net Position	<u>\$ 14,224,901</u>	<u>\$ 44,907,544</u>	<u>\$ 42,672,534</u>	<u>\$ 101,804,979</u>	

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

**City of Dover, Delaware**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

	<b>Pension and Other Postemployment Benefit Trust Funds</b>
<b>Additions:</b>	
Net Investment Income	\$ 3,860,572
City's Contribution-Payroll Based	4,089,597
City's Contribution-Lump Sum	3,362,200
Employee Contribution	183,146
State Grants	513,549
Total Additions	<u>12,009,064</u>
<b>Deductions:</b>	
Benefit Payments	8,412,429
General Administration	<u>33,967</u>
Total Deductions	<u>8,446,396</u>
Change in Net Position	3,562,668
Net Position - Beginning	<u>98,242,311</u>
Net Position - Ending	<u><u>\$ 101,804,979</u></u>

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

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## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020

### 1. FINANCIAL REPORTING ENTITY

#### A. The City of Dover, Delaware

The City of Dover, Delaware (the City) was incorporated in 1829 and is a municipal corporation governed by an elected mayor and a nine-member council. The accompanying financial statements present the financial position and operating results for fiscal year ended June 30, 2020.

#### B. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in Generally Accepted Accounting Principles in the United States of America (GAAP). The criterion used is that set forth by Statement of Governmental Accounting Standards (GASB) number 14 and as updated by GASB 61 which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon this criterion, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

*Included within the reporting entity:*

The City provides many services as follows - police protection, street maintenance, sanitation, storm water maintenance, recreation, library, community development, public improvements, planning, safety inspections, electric generation and distribution, water and wastewater services, legislative services and general administration, including employee benefits. These functions are part of the City's daily operations and therefore are not legally separate component units.

*Not included within the reporting entity:*

The City joined the State of Delaware Police Pension Plan for uniformed police officers employed by the City after September 1, 1982. The plan is completely managed by the State of Delaware and, therefore, is not included in the financial statements.

The Robbins Hose Volunteer Fire Company and the Capital School District are not included within the financial reporting entity because they do not meet the criteria for inclusion set forth by GAAP.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. A summary of the more significant policies follows:

## A. Basis of presentation

**Government-wide Statements:** The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally funded by taxes and other City revenue, from business-type activities (BTAs), generally funded in whole or in part with fees charged to external users. Eliminations have been made for the doubling-up effect of certain internal activities, however, interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statement of activities presents a comparison between direct program expenses and program revenues for each function of the City's governmental activities and for each of the City's identifiable business-type activities. Direct expenses are those that are specifically associated with a program, function or activity. Program revenues include a) charges paid by the recipients or beneficiaries of goods or services offered by the programs and b) grants and contributions that are restricted for meeting the operational or capital requirements of particular programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The City allocates the costs of certain governmental services to the costs of business-type activities (indirect expense allocation). These costs include allocated amounts of city management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, fleet and building maintenance, procurement contracting and oversight, investing and cash management, personnel services, etc. The allocations are charged to the BTAs based on the use of these services. As a matter of policy, the costs of certain governmental functions are not allocated to the business-type activities such as tax assessor, planning and zoning, public safety, library and recreation and community services.

**Fund Financial Statements:** The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the City's funds, including fiduciary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental fund:

### **General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.



The City reports the following major proprietary fund:

*Electric Revenue Fund*

This fund incorporates all transactions related to the generation, transmission and distribution of electricity. The City has contracted with both The Energy Authority and North American Energy Services to manage the City's power supply and generation assets.

The City reports the following non-major funds:

*Water Fund*

This fund accounts for transactions related to water services. The City also holds lease agreements with cell phone companies for equipment placed on City water towers.

*Wastewater Fund*

This fund accounts for transactions related to wastewater services, including the payment of fees to Kent County for the treatment of sewage.

*Internal Service Fund*

The City has created one internal service fund to account for the activities related to self-insured Workers' Compensation. Receipts are provided from contributions by the City's three enterprise funds. Expenses are related to payment of claims, premiums, and administration costs. Actuarial analyses are completed every three years to ensure sufficient reserves for claims for the Workers' Compensation Fund.

*Special Revenue Funds*

The City has eight Special Revenue Funds to account for proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Fiduciary Funds*

Fiduciary funds consist of trust and agency funds and are used to report assets held by the City in a trustee or agency capacity for other purposes. These funds are, therefore, not available to support City programs.

The City is the trustee for the City's two pension plans, the Police Pension Fund and the Employee Pension Fund, as well as the Other Post-Employment Benefit Trust. The activity of these plans is accounted for in the Basic Financial Statements.

*Agency Funds*

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations or other governments. The City has two agency funds.

The City acts as the receiving and paying agent for the Downtown Dover Partnership and the Fourth of July Celebration Committee.

## **B. Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Their revenues are recognized when they become measurable and available as net current assets.

Revenues that are susceptible to accrual include property taxes, grants and billable service charges. All other revenues are accounted for when they are received.

Property taxes are recognized in the fiscal period during which they are levied, provided they are “available;” meaning they are collected in the current period or are expected to be collected soon enough thereafter to satisfy liabilities in the current period. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end, except for trash collection, which has a thirty-day collection period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is principal and interest on general long-term debt which is recognized when due. Also, claims and judgments and compensated absences are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The government-wide financial statements as well as all proprietary and fiduciary trust funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. Agency funds have no measurement focus but utilize the accrual basis of accounting for reporting of assets and liabilities.

A reconciliation of the governmental fund financial statements prepared on the modified accrual basis of accounting to the government-wide financial statements prepared on the accrual basis of accounting is also provided on pages 50 & 52. The types of transactions included in program revenues in the government-wide statement of activities include charges for services, operating grants and capital grants.

Operating income reported in the proprietary fund financial statements includes revenue and expenses related to the continuing operations of the funds. Charges to customers for sales and services constitute the principal operating revenue for proprietary funds.

Principal operating expenses are the costs of providing goods and services, which include purchased power, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## **C. New Pronouncements**

During the fiscal year ended June 30, 2020, GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delayed the implementation date of previously issued standards. In accordance with this standard, the City postponed the implementation of any previously issued applicable standards until their new required implementation date. Therefore, there were no new accounting pronouncements implemented during the fiscal year.

## D. Capital Assets and Long-Term Liabilities

Capital assets used in Governmental Fund type operations (general capital assets) are accounted for in the government-wide financial statements rather than in the funds. Public domain ("infrastructure") general capital assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized in the government-wide financial statements along with other general capital assets. The capitalization threshold for the City's assets is \$5,000. Personal computers and related hardware valued under \$5,000 are manually controlled by the Information Technology Department. All capital assets are valued at historical cost and donated capital assets are shown at acquisition value based on the developers' cost of the infrastructure. Depreciation has been provided on general capital assets and is shown in Note 4. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 years
Infrastructure	20 – 50 years
Vehicles	5 – 7 years
Equipment, Furniture & Fixtures	5 – 15 years

Long-term liabilities expected to be financed from governmental funds and the long-term estimated liabilities for compensated absences are accounted for in the government-wide financial statements, but not in the governmental funds.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is shown in Note 4 of this section. Depreciation in the proprietary funds has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are presented below:

Building, Mains & Plant	25 – 90 years
Improvements	15 – 20 years
Equipment	5 – 15 years
Vehicles	5 – 7 years

The remaining useful life for certain buildings, vehicles, equipment and plant assets recorded in the Electric Fund is being shortened to coincide with the estimated retirement date of the City's principal generation assets.

Capital assets are maintained substantially and reported in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) for the Electric Fund and the National Association of Regulatory Utility Commissioners (NARUC) for the Water and Wastewater Fund.

## E. Budget Procedures

Legally adopted budgets are prepared for the General Fund, Water Fund, Wastewater Fund, Electric Revenue Fund, the Internal Service Fund and the following non-major special revenue funds: Municipal Street Aid Fund, Electronic Red-Light Safety Program Fund, Community Development Block Grant Fund (Federal), State Department of Transportation Grants Fund

(Community Transportation), Police Grant Funds, Substance Abuse Prevention Program Fund, Realty Transfer Tax Fund and Library Grants Fund.

The General Governmental Capital Projects Fund provides for separate budgets to cover the planning and control of capital items for the governmental programs. The financial transactions of this fund are included in the financial statements of the General Fund. The Electric Improvement and Extension Fund the Water Improvement and Extension Fund and the Wastewater Improvement and Extension Fund are sections of each utility enterprise. These sections are required by bond resolutions. Separate budgets for these funds cover the planning and control of only the capital items of the utilities. The financial transactions of these funds are included in the financial statements of the Electric Revenue Fund the Water Fund and the Wastewater Fund.

The City prepares the budget for the General Fund revenues on a basis consistent with the modified accrual basis. The expenditures are accounted for when the purchase orders are issued. The budget and actual schedule in the legal budget format (non-GAAP), adopted by the City for the General Fund, the City's major governmental fund, is presented in the required supplementary information section of this report.

Budgets for the Electric Revenue Fund, Water Fund, Wastewater Fund and Internal Service Fund are prepared on an accrual basis. Budgets are prepared under the assumption that the principal redemption of long-term debt must be assumed by Enterprise Fund activity in conformity with the bond ordinance.

The Combining General Fund Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund as well as the budget and actual schedules of the other funds are also presented in the supplementary information section of this report because they are not required to be presented elsewhere.

According to the City's procedures, the preceding year's ending net budgetary balances are considered as resources for the following year. The beginning balances become operating items of revenues in the budgets. Estimated ending budgetary balances provide the balancing amount for each budget. In accordance with the City's financial policies, adopted by City Council, the General and Water and Wastewater funds are required to maintain an 8% minimum ending budget balance and the Electric fund is required to maintain a 12% minimum. These percentages are expressed as a percentage of operating revenues, excluding the beginning budget balance.

Unassigned fund balances as a percentage of current year operating revenues on a budgetary basis for the General Fund, Water and Wastewater Funds and Electric Fund are 14.5%, 24.9%, 8.5% and 20.4% respectively, and all are exceeding the financial policy maximum for each fund except for Wastewater, which is within policy. Per the Financial policy, the three funds with overages will be addressed in the next year's budget.

The City Manager may approve transfers of savings from completed CIP items to non-completed CIP items. Any transfers that cause the particular item or project to exceed its original budget 10% or greater will be communicated to Council and the Controller/Treasurer. The City Manager may approve intra-fund transfers (i.e. within the General Fund) of up to five percent per annum, except for line items associated with salary and benefits. Budget amendments exceeding that authorized above or that affect budget balances shall be referred

to the City Council. (Source: City of Dover Policy Manual, Budget Administration – Policy for Operating Departments, 2014).

The following activities exceeded their budget:

1. The police department was over budget by \$566,650 due to overtime pay and promotions. Approximately \$225,000 of this overage is specifically identified with the pay period at the onset of the COVID pandemic in mid-March, when the Governor implemented an emergency declaration. The remaining overage would be a result of overtime and promotions combined.
2. The Recreation Department was over budget \$268,378 due to:
  - a. Three (3) employee transfers from the Grounds department, which is under budget by \$261,181. These are new positions within the Recreation department. And,
  - b. A senior staff member was transferred from Public Works-Administration to fill the Director position. The Public Works-Administration department is under budget by \$44,859.
3. The Finance Department was over budget by \$18,923 for temporary help due to understaffing.
4. The Customer Services Department was over budget by \$6,882 due to a retirement.
5. Insurance exceeded the budget by \$26,507.
6. Bank and credit card fees exceeded the budget by \$2,534.
7. A \$500 annual fee is charged by Moody's every year except for the first year for bond issuance, which was not in the budget.
8. Transfer to Cable Franchise Reserve of \$11,758 was not budgeted.
9. Appropriation to Police-State Grant is passed through this fund, and \$68,549 more was received than budgeted.

In all cases, the increase was needed to meet operational requirements of the City.

## **F. Major Transfers**

The Electric Revenue Fund, Water Fund and Wastewater Fund annually transfer a budgeted portion of their revenues to the General Fund. Transfers are also made from the Realty Transfer Tax Fund, Municipal Street Aid Fund, Electronic Red-Light Safety Program (ERLSP) Fund and Police Grant Funds to the General Fund. The purpose of these transfers is to provide routine subsidies to the General Fund for operating functions, capital project expenditures and debt service requirements.

Several Special Revenue Funds represent a pass-through of revenues collected by the State of Delaware on behalf of the City or other State revenues provided for in Delaware Code. These receipts are subsequently transferred to the General Fund in support of public safety, City maintenance of State roads and other public services.

Several transfers between the General Fund and the non-major governmental funds are netted in the government-wide financial statements.

## **G. Inventories and Prepaid Items**

Both inventories and prepaid items are accounted for using the consumption method. Inventories are treated as operational expenditures at the time of use rather than at the time of purchase for both the governmental and proprietary funds. Prepaid items are reflective of insurance policies and commitments due on July 1 for the following fiscal year.

The warehouse inventories, consisting mostly of parts and supplies, are maintained on a perpetual inventory basis. Inventories of all funds are valued at cost and net of reserves, utilizing a weighted moving average method of valuation. The City maintains inventory reserves to charge off any damaged or obsolete items.

The Electric Revenue Fund maintains fuel inventory for the generating assets on a perpetual basis and utilizes the weighted average method of valuation.

## **H. Cash and Investments**

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the acquisition date. Investments consist of notes and bonds issued by the United States Government and its agencies, corporate debt instruments, common stock and open-end mutual funds. The fair value of investments is determined in accordance with GASB 72 *Fair Value Measurements*.

## **I. Accounts Receivable**

Allowances for uncollectible accounts are maintained and uncollectible accounts are charged off against these allowances. The authority to write off accounts is vested with the City Council. Current balances of allowances are as follows:

General Fund	\$506,910
Water Fund	20,360
Wastewater Fund	14,274
Electric Revenue Fund	961,371

## **J. Restricted Assets**

Certain assets are restricted because their use is limited by bond covenants, endowments, or other similar third-party restrictions.

Restricted assets as of June 30, 2020 total \$71,618,913 including cash and cash equivalents of \$14,132,190 and \$57,486,723 in investments. Of this amount, \$620,619 is attributed to governmental activities and \$70,998,294 is attributable to business-type activities.

## **K. Unbilled Service Receivables**

The City follows a policy of billing for services in accordance with billing cycle procedures. All known services rendered are billed and incorporated in the books at the end of the fiscal year.

## **L. Bond Accounts/Issuance Costs**

The City recognizes issuance costs in governmental funds, as well as the proprietary funds, as a current period expense in accordance with GASB 65. All unamortized bond discounts and issuance costs held by the general fund and the proprietary funds have been expensed in prior years.

## **M. Deferred Outflows/Inflows of Resources**

The statement of net position, in addition to reporting assets and liabilities, reports a separate section for deferred outflows / inflows of resources. Deferred outflows / inflows of resources represent either a consumption or acquisition of net position that applies to a future period(s) and will not be recognized as an outflow / inflow (expense / revenue) of resources until that period.

The City's deferred outflows / inflows of resources are reported on the government-wide statement of net position and proprietary funds statement of net position for pension, Other Post-Employment Benefits (OPEB), and asset retirement obligations. For purposes of measuring the OPEB and pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense, information about the fiduciary net position of the OPEB and pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the City of Dover's OPEB Trust and pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The OPEB and pension systems report investments at fair value. Deferred inflows of resources related to OPEB and pensions are explained in Notes 15 and 17, respectively.

The City also reports unavailable revenue only in the governmental funds balance sheet, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from property taxes, demolitions, general billings, grass cutting, police extra-duty, and State grants.

In addition to the above deferred inflows / outflows, the City is reporting a deferred outflow of resources for asset retirement obligation on the Electric Revenue Fund, due to the retirement of the McKee Run Generating Facility.

## **N. Fund Balances and Net Position**

Governmental fund balances are reported based on a hierarchy of constraints on the nature or specific purpose to which the funds can be spent. The classifications of fund balance are as follows:



- The non-spendable fund balance classification includes 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.
- The restricted fund balance classification includes amounts that can be spent only for specific purposes defined by the City Charter, the City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.
- The committed fund balance classification includes amounts that can be used only for specific purposes determined by the formal action by City Council through a motion or an adopted City Ordinance which is approved by a majority vote of City Council, the City's highest level of decision-making authority.
- The assigned fund balance classification includes amounts authorized and established by City Council. The City's financial policies as adopted by City Council includes the purpose and description of all classes of fund balance. Modifications require City Council approval.
- The unassigned fund balance classification includes amounts that have not met the criteria of the aforementioned fund balance classifications. The unassigned fund balance is available for expenditures as they are incurred. The general fund is the only fund that reports a positive unassigned fund balance amount.

The City considers restricted, committed, or assigned amounts to have been spent when a related expenditure is incurred.

Proprietary funds report net position in three categories:

- 1) Net investment in capital assets
- 2) Restricted and
- 3) Unrestricted

Fund balances and net position are further explained in Note 7.

## **O. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **P. Net Position Flow Assumption**

Sometimes the City will fund outlays for a specific purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position and fund balance in the government-wide, proprietary fund, and governmental fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.



### 3. DEPOSITS AND INVESTMENTS

#### A. Cash in Bank and Cash Equivalents

*Custodial credit risk – deposits.* The City's depository institutions collateralize the City's deposits over and above those covered by the \$250,000 FDIC Insurance limit with specific securities, which are 'marked to market' daily against the aggregate balances. The market value of the collateral is at a minimum of or equal to 102% of the amount of applicable deposits. Collateral consists solely of full faith and credit obligations of the United States Government or fixed rate obligations of agencies or instruments of the United States Government.

On June 30, 2020, the carrying amount of unrestricted cash and cash equivalents totaled \$21,802,990, and the bank cash balances totaled \$21,582,250. The carrying amount of restricted cash totaled \$14,132,190 and the bank cash balances on restricted accounts totaled \$14,183,391. Therefore, \$2,813,718 of the bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. Fiduciary funds cash and cash equivalents carrying value of \$6,363,067 included \$6,374,425 of cash deposits, \$612,895 of the bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. The restricted deposits are held by the City for bond related transactions, special purpose operating and capital grants.

#### B. Investments

The City Council has adopted an investment policy which is reviewed every two years and updated as needed to meet best practices. The Pension Boards have adopted their own distinct investment policies to govern the Pension Trust funds because the objectives differ from those of the City. The City's investments are segregated from the Pension Trust investments for clarity. As of June 30, 2020, the City had the following investments:

##### i. Investments Held by Third Party Custodian

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City's government wide investments are held in several different investment capacities from mutual funds and certificate of deposit with a significant investment in debt securities.

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The City recorded the following investments as of June 30, 2020:

Investment Type	Weighted Average Maturity (Years)	June 30, 2020	Fair Value Measurements Using:	
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Government-Wide:				
Investments by fair value level				
Debt securities:				
U.S. Government Treasuries	1.93	\$ 25,850,725	\$ -	\$ 25,850,725
Federal Agency Bond / Note	3.22	24,502,546	838,431	23,664,115
Municipal Obligations	2.80	3,753,670	-	3,753,670
Domestic Fixed Income	2.65	34,490,992	-	34,490,992
International Fixed Income	0.42	5,345,299	-	5,345,299
Federal Agency mortgage backed security*	12.52	4,275,890	340,501	3,935,389
Total Investments by fair value level	2.92	\$ 98,219,123	\$ 1,178,933	\$ 97,040,190
Other Investments, at amortized cost:				
Money Market Mutual Funds & Equity Stock		1,255,940		
Certificates of Deposit		5,262,054		
Total other investments		6,517,994		
Total Government-Wide Investments		104,737,117		

**Interest rate risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates the City's investment policy limits U.S. Government securities and most other investments to a maximum maturity of 10 years from the date of purchase. Commercial Paper, Bankers' Acceptances and Repurchase Agreements all have a much shorter investment period ranging from 90 days to 365 days. Short-term cash flow balances are invested up to one year. The portfolio's weighted average maturity is 2.82 years.

\* For asset backed and Agency mortgage backed securities, the maximum maturity shall be defined as the weighted average life ("WAL"). WAL is a convention that estimates the expected weighted amount of time, in years, for the principal amount of an issue to be fully paid. For Agency mortgage backed securities, WAL shall be limited to 10 years, measured at the settlement date, provided by Bloomberg Financial Markets. As of June 30, 2020, Federal Agency mortgage backed security WAL is 3.15.

**Credit risk:** The City's investment policy applies the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

As of June 30, 2020, the City's fixed income and short-term investments carried the following S&P Global Credit Ratings as compared to the policy's minimum ratings:

Authorized Investments	Policy Minimum Rating Category	Portfolio Ratings	Percent Allocation
U.S. Government	N/A	AAA	24.68%
U.S. Government Agency	N/A	AA+ to AAA	27.48%
Certificates of Deposit and Time Deposits	Short-Term A-1 Long-Term AA	Short-Term A-1 to A-1+ N/A	0.00% 0.00%
Corporate Debt	Issued by a US Corporation		
Commercial Paper	A-1	N/A	0.00%
Corporate Notes/Bonds	A	BBB+ to AAA	32.93%
International Fixed Income	A	AAA	5.10%
Repurchase Agreements	ST A-1; LT AA	N/A	0.00%
Registered Investment Companies (Money Market Funds)	AAAm	AAAm	6.22%
Municipal Obligations	A	A to AAA	3.58%

**Concentration of credit risk:** As of June 30, 2020, United States Treasury Notes represented 23.67% of the portfolio, United States Treasury Bills represented 5.69% of the portfolio, Federal National Mortgage Association represented 8.80% of the portfolio and Federal Home Loan Mortgage Association represented 9.82% of the portfolio. No other issuer exceeded 5% of the portfolio.

## ii. Investments Held by Trustee for Other Post-Employment Benefits & Pensions

The Pension Trusts and OPEB Trust invest exclusively in open-end mutual funds. The fair value is measured using the net asset value (NAV) as quoted in active markets in a manner consistent with the measurement principles for investment companies calculated as of June 30, 2020.

Investment Type	June 30, 2020			
Other Postemployment Benefits (OPEB) & Pension Funds (Trustee held):	Employee's Plan	Police Plan	OPEB Trust	Total
<b>Investments measured at the net asset value (NAV)</b>				
Money market funds	\$ 2,658,835	\$ 941,300	\$ 1,241,549	\$ 4,841,684
<b>Fixed Income:</b>				
Short-term bond funds	2,220,971	808,662	2,495,182	5,524,815
Intermediate-term bond funds	1,788,130	406,925	1,887,216	4,082,271
Long-term bond funds	2,245,707	680,574	1,698,935	4,625,217
Inflation-protected bond funds	2,234,948	678,120	1,677,213	4,590,281
High yield bond funds	2,198,152	667,075	2,104,697	4,969,925
Nontraditional bond funds	1,776,400	404,263	1,922,633	4,103,296
Total Fixed Income	12,464,309	3,645,619	11,785,876	27,895,805
<b>Equities:</b>				
Large cap value funds	3,518,750	1,067,670	3,321,649	7,908,069
Large cap growth funds	4,961,278	1,504,117	4,820,121	11,285,516
Mid-cap value funds	1,747,903	530,317	3,304,732	5,582,951
Mid-cap blend funds	1,781,065	540,401	-	2,321,466
Small-cap value funds	3,589,919	1,089,152	4,511,692	9,190,763
International growth funds	3,197,571	970,543	3,131,469	7,299,584
World stock funds	3,180,883	965,259	3,064,248	7,210,390
Diversified emerging market funds	5,432,392	1,648,245	5,369,519	12,450,156
Real estate funds	2,151,887	652,946	2,106,748	4,911,582
Total Equities	29,561,649	8,968,650	29,630,178	68,160,476
Total investments measured at the NAV	\$42,025,958	\$12,614,269	\$ 41,416,054	\$ 96,056,281

The City recorded the following OPEB and Pension investments as of June 30, 2020:

Investment Type	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)
Other Postemployment Benefits (OPEB) & Pension Funds		
Investments by fair value level		
Mutual Funds	\$ 96,056,281	\$ 96,056,281
<b>Other Investments at amortized Cost</b>		
Money Market Mutual Funds	4,841,684	4,841,684
	<u>\$ 100,897,965</u>	<u>\$ 100,897,965</u>

Limits on investments are as follows:

Category Allocation	Target Percentage		
	Employee's Plan	Police Plan	OPEB Trust
Cash & Short Term Bonds	11.00%	13.00%	9.00%
Non-traditional Bonds	4.00%	3.00%	4.50%
Inflation Protected Bonds	5.00%	5.00%	4.00%
Intermediate Term Bonds	4.00%	3.00%	4.50%
Long Term Bonds	5.00%	5.00%	4.00%
High Yield Bond	5.00%	5.00%	5.00%
Large Cap Value	8.00%	8.00%	8.00%
Large Cap Growth	11.00%	11.00%	11.00%
Mid Cap	8.00%	8.00%	8.00%
Small Cap	8.00%	8.00%	11.00%
Real Estate Investment	5.00%	5.00%	5.00%
Foreign Equity	14.00%	14.00%	14.00%
Emerging Markets	12.00%	12.00%	12.00%
	100.00%	100.00%	100.00%

**Custodial Credit Risk** is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To avoid custodial credit risk, the City requires all investments held with a third-party custodian to be registered in the City's name.

**Interest Rate Risk** is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Pension and OPEB Plans' investment policies formally address interest rate risk. As of June 30, 2020, the Pension and OPEB plans had \$27,895,805 in fixed income investments. The weighted average maturity for all of its fixed income funds was 6.62 years.

**Credit Risk:** The OPEB Plan's investments are exposed to both market risk, the risk arising from changes in fair value, and credit risk, the risk of failure by another party to perform according to

the terms of a contract. The Pension and OPEB Plan's investment balances at June 30, 2020 consisted of open-ended mutual funds.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The Pension and OPEB Plan's investment policies do not formally address concentration of credit risk. The Pension and OPEB Plans held no positions of five percent or more in securities of any single issuer at June 30, 2020.

**Foreign Currency Risk** is the risk that changes in the exchange rate of investments will adversely affect the fair value of an investment. As of June 30, 2020, the Pension and OPEB Plans had no investments that were denominated in foreign currency.

## 4. CAPITAL ASSETS

A summary of the capital asset activity for the year ended June 30, 2020 is presented below and on the following two pages:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 4,739,562	\$ -	\$ 15,500	\$ -	\$ 4,724,062
Construction in progress	1,196,119	1,376,409	1,375,994	-	1,196,534
Total capital assets, not being depreciated	5,935,681	1,376,409	1,391,494	-	5,920,596
Capital assets, being depreciated:					
Buildings	29,379,049	349,084	943,411	-	28,784,722
Furniture and fixtures	821,678	-	-	-	821,678
Equipment	8,777,598	695,534	514,805	307,498	9,265,825
Vehicles	6,531,853	693,042	560,293	-	6,664,602
Lights	655,647	-	-	-	655,647
Improvements other than buildings	57,090,519	4,144,642	101,941	-	61,133,220
Total capital assets, being depreciated	103,256,344	5,882,302	2,120,450	307,498	107,325,694
Less accumulated depreciation for:					
Buildings	(7,012,859)	(591,714)	650,119	-	(6,954,454)
Furniture and fixtures	(598,444)	(65,337)	-	-	(663,781)
Equipment	(6,562,861)	(393,765)	271,929	(281,911)	(6,966,608)
Vehicles	(4,147,134)	(619,527)	533,551	-	(4,233,110)
Lights	(526,553)	(11,576)	-	-	(538,129)
Improvements other than buildings	(30,334,434)	(2,000,531)	82,340	-	(32,252,625)
Total accumulated depreciation	(49,182,285)	(3,682,450)	1,537,939	(281,911)	(51,608,707)
Total capital assets, being depreciated, net	54,074,059	2,199,852	582,511	25,587	55,716,987
Governmental activities capital assets, net	\$ 60,009,740	\$ 3,576,261	\$ 1,974,005	\$ 25,587	\$ 61,637,583

The capital asset adjustments within the governmental activities section above, and the Water and Wastewater sections that follow, are due to the transfer of equipment in the amount of \$189,999 and \$117,500 from the Water and Wastewater funds respectively, to the new Stormwater utility within the General Fund.

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(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Electric Revenue Fund				
Capital assets, not being depreciated				
Land	\$ 1,458,066	\$ -	\$ -	\$ 1,458,066
Construction in progress	3,763,201	999,186	681,391	4,080,996
Total capital assets, not being depreciated	5,221,267	999,186	681,391	5,539,062
Capital assets, being depreciated				
Buildings	14,480,088	131,669	-	14,611,757
Vehicles and Equipment	28,609,036	801,413	510,454	28,899,995
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights	65,214,352	616,578	-	65,830,930
SS, Switch Yards, Switchgears	36,687,862	28,860	-	36,716,722
Boiler, Turbo Generators, Cap Int - VS	39,122,189	-	-	39,122,189
Other (Streets, EST, Swr Lines, Wells, Eng & Legal Svcs, Land Impr)	7,662,503	-	-	7,662,503
Total capital assets, being depreciated	191,776,030	1,578,520	510,454	192,844,096
Less accumulated depreciation for:				
Buildings	(11,152,317)	(805,578)	-	(11,957,895)
Vehicles and Equipment	(24,535,482)	(1,197,294)	510,454	(25,222,322)
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights/Signals	(37,254,711)	(1,783,707)	-	(39,038,418)
SS, Switch Yards, Switchgears	(15,729,410)	(986,434)	-	(16,715,844)
Boiler, Turbo Generators, Cap Int - VS	(27,292,090)	(2,994,271)	-	(30,286,361)
Other (Streets, EST, Swr Lines, Wells, Eng & Legal Svcs, Land Impr)	(6,301,114)	(185,909)	-	(6,487,023)
Total accumulated depreciation	(122,265,124)	(7,953,193)	510,454	(129,707,863)
Total capital assets, being depreciated, net	69,510,906	(6,374,673)	-	63,136,233
Total electric revenue fund capital assets, net	74,732,173	(5,375,487)	681,391	68,675,295
Water Fund				
Capital assets, not being depreciated				
Land	130,438	-	-	130,438
Construction in progress	4,717,430	2,839,306	162,197	7,394,539
Total capital assets, not being depreciated	4,847,868	2,839,306	162,197	7,524,977
Capital assets, being depreciated				
Buildings	1,964,622	-	-	1,964,622
Distribution Mains/Accessories	24,248,428	973,941	-	25,222,369
Pumping stations	13,118,280	40,986	-	13,159,266
Sewer Lines	38,284	-	-	38,284
Vehicles and equipment	5,391,729	62,533	-	5,264,263
Total capital assets, being depreciated	44,761,343	1,077,460	-	45,648,804
Less accumulated depreciation for:				
Buildings	(897,476)	(39,522)	-	(936,998)
Equipment	(3,667,359)	(197,527)	-	(3,700,474)
Distribution Mains/Accessories	(8,577,482)	(473,215)	-	(9,050,697)
Pumping Stations	(5,578,903)	(245,273)	-	(5,824,176)
Sewer Lines	(17,604)	(759)	-	(18,363)
Total accumulated depreciation	(18,738,824)	(956,296)	-	(19,530,708)
Total capital assets, being depreciated, net	26,022,519	121,164	-	26,118,096
Total water fund capital assets, net	30,870,387	2,960,470	162,197	33,643,073

(Continued)



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(Continued)

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Business-type activities:</b>					
Wastewater Fund					
Capital assets, not being depreciated					
Land	32,802	-	-	-	32,802
Construction in progress	1,052,812	1,219,271	1,465,750	-	806,333
Total capital assets, not being depreciated	1,085,614	1,219,271	1,465,750	-	839,135
Capital assets, being depreciated					
Buildings	62,040	-	-	-	62,040
Distribution Mains/Accessories	204,662	-	-	-	204,662
Pumping Stations	16,172,459	1,624,698	-	-	17,797,157
Sewer Lines	33,660,064	597,401	-	-	34,257,465
Vehicles and equipment	2,318,528	166,442	-	(117,500)	2,367,470
Total capital assets, being depreciated	52,417,753	2,388,541	-	(117,500)	54,688,794
Less accumulated depreciation for:					
Buildings	(39,324)	(2,681)	-	-	(42,005)
Equipment	(1,603,162)	(138,638)	-	-	(1,741,800)
Distribution mains, hydrant, and accessories	(12,100)	(2,868)	-	-	(14,968)
Pumping Stations	(5,199,513)	(496,381)	-	-	(5,695,894)
Sewer Lines	(14,337,717)	(766,817)	-	117,500	(14,987,034)
Total accumulated depreciation	(21,191,816)	(1,407,385)	-	117,500	(22,481,701)
Total capital assets, being depreciated, net	31,225,937	981,156	-	-	32,207,093
Total wastewater fund capital assets, net	32,311,551	2,200,427	1,465,750	-	33,046,228
Total Business-type Activities	\$ 137,914,111	\$ (214,590)	\$ 2,309,338	\$ (25,587)	\$ 135,364,596
Capital Assets, not being depreciated	\$ 11,154,749	\$ 5,057,763	\$ 2,309,338	\$ -	\$ 13,903,174
Capital Assets, being depreciated, net	126,759,362	(5,272,353)	-	(25,587)	121,461,422
Total	\$ 137,914,111	\$ (214,590)	\$ 2,309,338	\$ (25,587)	\$ 135,364,596

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 15,451
Central services	40,410
Public safety	540,399
Public works	2,404,318
Library and recreation	654,671
Financial administration	27,201
Total depreciation expense - governmental activities	<u>\$ 3,682,450</u>

## 5. LONG -TERM OBLIGATIONS

### A. Summary of Bonded Indebtedness by Issue

	<u>Original</u>	<u>Remaining</u>	<u>Interest</u>	<u>Maturity</u>	<u>Arbitrage</u>	<u>Purpose</u>
<b><u>Governmental Activities</u></b>						
2019 General Obligation Bonds	\$ 5,700,000	\$ 5,371,284	2.39%	7/18/19 - 6/30/29	No	Refund General Obligation Bonds Series 2012 and Series 2014 A, which funded public safety equipment and library, storm water and street infrastructure projects
<b><u>Business Type Activities</u></b>						
<b><u>Water Bonds</u></b>						
2010 State of Delaware - Revolving Loan Fund - Municipal Revenue	2,404,017	1,472,966	2.47%	4/1/12 - 10/1/30	No	Water quality improvements and main replacements
2013 Revenue Bonds	4,295,463	2,861,304	3.58%	7/1/14 - 7/1/33	Yes	Water and Wastewater capital project financing, refund 2003 Series WWW bonds
2018 State of Delaware - Revolving Loan Fund - Municipal Revenue	4,000,000	4,000,000	2.00%	12/1/20 - 6/1/39	No	Water Treatment Plant Improvements
<b><u>Wastewater Bonds</u></b>						
2009 State of Delaware - Revolving Loan Fund - Municipal Revenue	5,581,059	3,549,577	2.00%	12/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2011 State of Delaware - Revolving Loan Fund - Municipal Revenue	765,060	543,372	2.00%	6/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2013 Revenue Bonds	1,829,538	1,218,696	3.58%	7/1/14 - 7/1/33	Yes	Water and Wastewater capital project financing, refund 2003 Series WWW bonds
2018 State of Delaware - Revolving Loan Fund - Municipal Revenue	690,214	690,214	2.00%	20 year term once the projects are complete	No	Replacement of 3 Pump Stations: Delaware Tech, Walker Woods and Silver Lake
(Coverage ratio on Water/Wastewater Bonds requires net revenues to be at least 1.2 times the maximum annual debt service)						
<b><u>Electric Revenue Bonds</u></b>						
2018 Revenue Bonds	\$ 15,700,000	\$ 15,050,000	3 - 5%	7/1/19 - 7/1/33	Yes	Refund Electric Revenue Bonds Series 2008, which funded system expansion & upgrades
(Coverage ratio on Electric Bonds requires net revenues to be at least 1.25 times the maximum annual debt service)						

## B. Status as of June 30, 2020 – General Obligation Bonds

Long-term indebtedness of the City of Dover consists of Series 2019 General Obligation Bonds totaling \$5,371,284.

The total General Obligation Bonds outstanding amount includes \$335,760 payable within one year.

## C. Change in Long-Term Debt

The following tables summarize the debt transactions for the year ended June 30, 2020:

### i. General Long-Term Debt

Item	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Payable within One Year
Police Officer Separation Agrmt	\$ 112,500	\$ -	\$ 37,500	\$ 75,000	\$ 37,500
Compensated Absences	2,494,815	1,489,259	1,461,937	2,522,137	1,313,661
General Obligation Bonds	5,700,000	-	328,716	5,371,284	335,760
Net OPEB Liability	21,227,234	-	4,044,624	17,182,610	-
Net Pension Liability	14,043,528	2,497,744	-	16,541,272	-
Sub-total of General Long-Term Debt	<u>\$ 43,578,077</u>	<u>\$ 3,987,003</u>	<u>\$ 5,872,777</u>	<u>\$ 41,692,303</u>	<u>\$ 1,686,921</u>

### ii. Enterprise Funds Debt – Water and Wastewater Fund

#### WATER FUND

Item	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Payable within One Year
Compensated Absences	\$ 133,126	\$ 110,481	\$ 64,405	\$ 179,202	\$ 80,542
Revenue Bonds-Water	3,113,772	-	252,468	2,861,304	262,988
State of Delaware Municipal Revenue Bond - Water	4,191,546	1,401,901	120,481	5,472,966	298,608
Net OPEB Liability	1,140,340	-	291,759	848,581	-
Net Pension Liability	2,048,316	338,039	-	2,386,355	-
Sub-total of Water Fund	<u>\$ 10,627,100</u>	<u>\$ 1,850,421</u>	<u>\$ 729,113</u>	<u>\$ 11,748,408</u>	<u>\$ 642,138</u>

#### WASTEWATER FUND

Item	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Payable within One Year
Compensated Absences	\$ 49,243	\$ 39,043	\$ 32,682	\$ 55,604	\$ 32,760
Revenue Bonds-Water	1,326,228	-	107,532	1,218,696	112,012
State of Delaware Municipal Revenue Bond - Wastewater	4,566,149	578,056	361,043	4,783,162	347,646
Net OPEB Liability	640,436	-	160,544	479,892	-
Net Pension Liability	1,336,901	126,636	-	1,463,537	-
Sub-total of Wastewater	<u>\$ 7,918,957</u>	<u>\$ 743,735</u>	<u>\$ 661,801</u>	<u>\$ 8,000,891</u>	<u>\$ 492,418</u>

## State of Delaware Water Pollution Control Revolving Fund (WPCRF) Loan and State of Delaware Drinking Water State Revolving Fund (DWSRF)

The City had one Wastewater loan that is still in the process of being drawn down because the related projects are in the construction stage. Loan outstanding as of June 30, 2020 was:

Loan #	12000090
Interest Rate	2.00%
Maximum Loan Amount	\$881,400
Outstanding as of June 30, 2020	\$690,214

The City's repayment obligation is secured by a pledge of net operating revenue of the water and wastewater system. Upon completion of each project, semi-annual payments of principal and interest shall be payable in an amount sufficient to amortize the outstanding principal balance of the loan over a twenty-year term.

### iii. Enterprise Funds Debt – Electric Revenue Fund

#### ELECTRIC REVENUE FUND

Item	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Payable within One Year
Compensated Absences	\$ 497,468	\$ 285,873	\$ 227,511	\$ 555,830	\$ 254,929
Revenue Bonds	15,700,000	-	650,000	15,050,000	785,000
Bond Premium	1,154,752	-	89,659	1,065,093	-
Net OPEB Liability	2,771,675	-	634,296	2,137,379	-
Net Pension Liability	6,775,483	763,154	-	7,538,637	-
Asset Retirement Obligation	11,915,849	-	-	11,915,849	-
Sub-total of Electric Revenue Fund	38,815,227	1,049,027	1,601,466	38,262,788	1,039,929
Sub-total of Enterprise Fund Debt	57,361,284	3,643,183	2,992,380	58,012,087	2,174,485
Grand Totals of Long-Term Debt	\$ 100,939,361	\$ 7,630,186	\$ 8,865,157	\$ 99,704,390	\$ 3,861,406

The City does not receive reimbursement for debt service from any other governmental units. The City does not have any special assessment debt or defeased bonds as of June 30, 2020. In previous years, the City has used General Fund Revenues to liquidate Net Pension and Net OPEB Liabilities in the General Fund.

## D. Debt Service Requirements

The following are the debt service requirements to maturity on the City's general obligation bonds and revenue bonds.

### i. Governmental Activities:

2019 General Obligation Bonds			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	335,760	126,434	462,194
2022	342,624	118,222	460,846
2023	349,632	109,842	459,474
2024	356,556	101,565	458,121
2025	364,092	92,569	456,661
2026	371,544	83,664	455,208
2027	379,140	74,576	453,716
2028	386,760	65,478	452,238
2029	2,485,176	55,843	2,541,019
<b>Total</b>	<b>\$ 5,371,284</b>	<b>\$ 828,193</b>	<b>\$ 6,199,477</b>

### ii. Business-type Activities

#### Water, Wastewater and Electric Revenue Funds

<b>Fiscal Year</b>	<b>2009 Municipal Revenue Bonds (Wastewater)</b>		<b>2010 Municipal Revenue Bonds (Water)</b>		<b>2011 Municipal Revenue Bonds (Wastewater)</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	277,437	69,611	123,646	37,643	38,905	19,219
2022	283,013	64,035	126,895	34,395	40,318	17,806
2023	288,702	58,346	130,228	31,061	41,783	16,341
2024	294,505	52,543	133,649	27,640	43,302	14,823
2025	300,424	46,624	137,160	24,129	44,875	13,250
2026	306,463	40,585	140,764	20,526	46,505	11,619
2027	312,623	34,425	144,461	16,828	48,195	9,930
2028	318,906	28,142	148,257	13,033	49,946	8,178
2029	325,316	21,732	152,151	9,138	51,761	6,364
2030	331,855	15,193	156,148	5,141	53,642	4,483
2031	338,526	8,522	79,607	1,039	55,592	2,534
2032	171,807	1,718	-	-	28,548	514
<b>Total</b>	<b>\$ 3,549,577</b>	<b>\$ 441,476</b>	<b>\$ 1,472,966</b>	<b>\$ 220,573</b>	<b>\$ 543,372</b>	<b>\$ 125,061</b>

(Continued)

ii. Business-type Activities (Continued)

**Water, Wastewater and Electric Revenue Funds**

<b>Fiscal Year</b>	<b>2013 Revenue Bonds Water and Wastewater</b>		<b>2018 Municipal Revenue Loan (Wastewater)</b>		<b>2018 Municipal Revenue Loan (Water)</b>		<b>2018 Revenue Bonds Electric</b>		<b>Business- Type Activities</b>
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	
2021	375,000	135,469	31,304	6,902	174,962	49,364	785,000	593,575	2,718,037
2022	385,000	124,069	31,617	6,589	178,479	46,766	820,000	553,450	2,712,432
2023	395,000	112,369	31,933	6,273	182,067	44,168	865,000	511,325	2,714,596
2024	410,000	100,294	32,252	5,954	185,726	41,570	910,000	466,950	2,719,208
2025	215,000	90,919	32,575	5,631	189,459	38,971	955,000	420,325	2,514,342
2026	220,000	84,256	32,901	5,305	193,267	36,373	1,005,000	371,325	2,514,889
2027	225,000	77,106	33,230	4,976	197,152	33,775	1,055,000	319,825	2,512,526
2028	235,000	69,281	33,562	4,644	201,115	31,177	1,110,000	265,700	2,516,941
2029	245,000	60,269	33,898	4,308	205,157	28,579	1,160,000	214,750	2,518,423
2030	255,000	50,269	34,237	3,969	209,281	25,981	1,200,000	173,550	2,518,749
2031	265,000	39,869	34,579	3,627	213,487	23,383	1,240,000	136,950	2,442,715
2032	275,000	29,069	34,925	3,281	217,779	20,785	1,275,000	99,225	2,157,651
2033	285,000	17,869	35,274	2,932	222,156	18,187	1,315,000	60,375	1,956,793
2034	295,000	6,084	35,627	2,579	226,621	15,589	1,355,000	20,325	1,956,825
2035	-	-	35,983	2,223	231,176	12,990	-	-	282,372
2036	-	-	36,343	1,863	235,823	10,392	-	-	284,421
2037	-	-	36,706	1,500	240,563	7,794	-	-	286,563
2038	-	-	37,073	1,133	245,398	5,196	-	-	288,800
2039	-	-	76,195	1,150	250,332	2,598	-	-	330,275
Total	\$ 4,080,000	\$ 997,192	\$ 690,214	\$ 74,839	\$ 4,000,000	\$ 493,638	\$ 15,050,000	\$ 4,207,650	\$ 35,946,558

## **E. Certain Asset Retirement Obligation**

The City implemented GASB Statement No. 83 Certain Asset Retirement Obligation (ARO) during the fiscal year ended June 30, 2019. An ARO is a legally enforceable liability associated with the retirement of a tangible asset. The McKee Run Generating Station is an electric generating facility owned and operated by the City since 1972 and is scheduled to be shut down on May 31, 2021. A legal obligation exists for the City to perform future retirement activities for the decommissioning of the McKee Run Generating Station, as the site contains hazardous and other materials that require special handling, based upon Federal Regulations and the Delaware Department of Natural Resources and Environmental Control (DNREC). McKee Run has an estimated remaining useful life of 10 months. The City engaged a specialist to estimate the cost of decommissioning the station, and accordingly recognized a liability of \$11,915,849, and deferred outflow of resources of \$486,361 which was amortized this year and is now \$243,180, as of June 30, 2020.

The City of Dover is utilizing the "Decommissioning Project Playbook" to begin planning the decommissioning activities and tasks. A Request for Proposal (RFP) is being developed to determine who and how decommissioning activities will occur under the direction of a contractor familiar with the decommissioning processes. This to ascertain all necessary federal and state regulations are followed and there is direct oversight of the project given the numerous variables.

There were no legally required funding or assurance provisions and there were no assets restricted for payment as of June 30, 2020.

## 6. RESTRICTED NET POSITION

In the government-wide financial statements the restricted net position of the governmental activities and business type activities are as follows:

### Governmental Activities

Grants-capital projects	This represents the State DOT grant reported in the non-major special revenue funds.	\$ 112,949
Grants-public safety	These represent the Police grants, ERLSP grant and Substance Abuse Prevention grant in the special revenue type funds.	161,731
Other Purposes	These represent all other funds reported in the special revenue type, except the grants reserved for capital construction and public safety. Also included is the interest from an endowment from Mary Elizabeth Paton and the verizon reserve.	72,146
Total Restricted Net Position		<u>\$ 346,826</u>

### Business Type Activities

Net restricted position for construction purposes - expendable		
Water and Wastewater	Restrictions on investments imposed by bond covenants	\$ 8,809,948
Electric	Restrictions on investments imposed by bond covenants	62,188,346
Total Restricted Net Position		<u>\$ 70,998,294</u>

## 7. FUND BALANCES & NET POSITION

In the governmental fund financial statements, fund balances are reported based on a hierarchy of constraints on the specific purposes for which the funds can be spent. Non-spendable fund balances represent items that are not in spendable form and not expected to be converted to cash. This criterion also applies to the corpus of permanent funds, which would include the Mary Elizabeth Paton library endowment.

Restricted fund balances represent amounts that have externally imposed restrictions by creditors, grantors, enabling legislation or laws and regulations of other governments. The fund balances of the City's grant funds fall into this category, as well as a couple of accounts that have contractual restrictions imposed by a third party.

Committed fund balances represent amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of City Council through a motion or an adopted city ordinance. These amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action to which it previously committed the amount.

Assigned fund balances represent amounts constrained by the City's intent to be used for specific purposes. These amounts represent the City's capital asset appropriations. The constraints placed on assigned fund balances are implemented through internal processes such as a budget ordinance or motion of City Council. Therefore, assigned fund balances do not have the same restrictive nature as a restricted fund balance.



Unassigned fund balance is the residual amount that has not met the criteria for the previously mentioned classifications. The unassigned fund balance is available for expenditures as they are incurred. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The composition of the City fund balances as of June 30, 2020 follows:

	General Fund	Other Governmental Funds	Total
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Inventory & Prepaids	\$ 190,873	\$ -	\$ 190,873
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
<b>Subtotal Nonspendable:</b>	212,467	-	212,467
<b>Restricted for:</b>			
Library Endowment Interest	2,360	-	2,360
Verizon cable franchise	36,629	-	36,629
Highway resurfacing	-	112,949	112,949
CDBG	-	1,828	1,828
Substance Abuse Prevention	-	88,443	88,443
Library Grants	-	31,329	31,329
Police Grants	-	73,288	73,288
<b>Subtotal Restricted for:</b>	38,989	307,837	346,826
<b>Committed to:</b>			
Contingency	788,189	-	788,189
Parkland	1,357,385	-	1,357,385
<b>Subtotal Committed to:</b>	2,145,574	-	2,145,574
<b>Assigned to:</b>			
Capital Projects	4,823,060	-	4,823,060
<b>Unassigned</b>	6,383,591	-	6,383,591
<b>Total fund balances</b>	<u>\$ 13,603,681</u>	<u>\$ 307,837</u>	<u>\$ 13,911,518</u>

As noted in the Introductory section of this report (page 7), the City has established the “City of Dover, Delaware Financial Policies” booklet, which is a standardized set of principles managed by the Finance Department to ensure that the City follows the minimum fund balance policies.

## 8. PROPERTY TAXES

Property taxes are levied under the authority of the City Charter on all real property located within the City limits. The City Assessor oversees the property assessments and the City Council levies the property tax rate. The following table provides important dates with reference to property taxes.

Beginning of fiscal year for taxes	July 1
Tax rate levied	2 <sup>nd</sup> Council Meeting in June
Taxes billed	July 1

Taxes due and payable at par	July 31
Penalty of one and one-half percent starts	August 1
Lien established on property for property taxes	July 1
Tax sales of property with unpaid taxes	2 years from date of billing

As of June 30, 2020, there were no material delinquent taxes.

## 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020 follows:

### A. Due to/from other funds – Charges and Allocations

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 200,424
	Water Fund	225,702
	Wastewater Fund	137,345
	Electric Revenue Fund	707,283
		<u>1,270,754</u>
Water Fund	General Fund	69
Wastewater Fund	General Fund	69
	Electric Revenue Fund	11
		<u>80</u>
Electric Revenue Fund	General Fund	592
	Non-Major Governmental Funds	8,410
		<u>9,002</u>
Internal Service Fund	General Fund	46,946
Total		<u>\$ 1,326,851</u>

### B. Temporary Advances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 70,000

### C. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In -</u>	
	<u>General Fund</u>	<u>Electric Revenue Fund</u>
Non-Major Governmental Funds	\$ 3,277,336	\$ 8,410
Water/ Wastewater Fund	1,000,000	298,000
Electric Revenue Fund	10,000,000	-
General Fund	-	250,000
Total	<u>\$ 14,277,336</u>	<u>\$ 556,410</u>
		<u>\$ 14,833,746</u>

Transfers are generally made to provide operating capital or debt service subsidies to the receiving fund in accordance with City policy.

## 10. RENTAL INCOME

The City is the lessor in two active lease agreements related to its Garrison Oak Business & Technology Center that result in miscellaneous revenue reported in the General Fund. The first lease is with LS Power – White Oak Solar Energy LLC, which generated \$67,850 in rental income, and the second lease is with Garrison Energy Center which generated \$34,805 in rental income.

The City's Electric Revenue Fund owns a professional office building which houses the City's Customer Service, Finance, Information Technology, Human Resources, and Public Works Departments. Lease revenue is \$89,450 in the Electric Revenue Fund consisting substation rental of \$30,000 and pole attachment rentals of \$59,450.

The City maintains several water tower leases for a group of telecommunications companies. The transactions are recorded as revenue in the Water Fund and totaled \$374,868 in the fiscal year ended June 30, 2020.

## 11. MATERIAL COMMITMENTS

**A.** The City entered into a long-term Renewable Generation Unit Power Purchase Agreement with FPS Raceway Solar, LLC effective August 24, 2020. FPS Raceway Solar, LLC will supply certain energy, REC's and capacity generated by the electric generation facility to be located in Harrington, DE. Once the project is completed it will provide power to the City of Dover for a period of 25 years.

**B.** The City is the guarantor on one loan in the original amount of \$635,300 for the Dover Fire Department; a separate entity from the City of Dover. The City also budgets financial contributions to assist the volunteer fire company with the acquisition of firefighting apparatus and maintenance of the building and other necessary equipment. The current fiscal year includes \$30,500 in expenditures for the fire station roof, \$37,522 for the HVAC unit, \$16,117 for fire station improvements, and \$77,672 for Engine No. 5.

**C.** The City entered into a three-year management contract with The Energy Authority effective July 1, 2016 to provide a market-based approach for power supply management. The City has extended the contract through June 30, 2022. The Energy Authority manages energy purchases and utilizes the City's generating assets to provide a level of rate stability and to mitigate the effects of volatility in the energy markets.

**D.** The City also entered into a management contract with North American Energy Services (NAES) to operate and maintain the generating assets of the electric utility in May 2006. The City extended the contract with NAES through June 30, 2021. The City has incorporated the budgets and financial activity of the generating assets into its procedures used for all other divisions of the electric utility. These procedures include a line item budget and adherence to City policies. All personnel are employed by NAES and personnel costs are billed to the City bi-weekly. Any capital improvements are included in the City's capital improvement plan. The contract also provides for a monthly management fee and a performance incentive based on budget and plant performance. The cost estimate for annual management fees and incentives totals \$838,631 in fiscal year 2020 and is included in the plant operating budget.

**E.** The City is the guarantor on two \$1.3 million loans held by the Downtown Dover Partnership. The loans are secured by two parcels in the downtown business district that the Downtown Dover Partnership is marketing for its redevelopment initiative. The principal and interest on both loans is paid monthly from rental receipts the Partnership receives from its current tenants on the properties.

**F.** The City owes \$75,000 to a former employee of the City due to a separation agreement. The former employee is owed this money over the next 2 years.

**G.** There are no significant encumbered amounts where the resources have already been restricted.

## 12. FORWARD CONTRACTS

Pursuant to the July 1, 2011 Energy Management Agreement between the City and The Energy Authority (TEA), the City has formed an Executive Risk Management Committee (ERMC). The ERMC has adopted a Governing Policy for Energy Commodity Risk Management (Policy) aimed at addressing the energy commodity risks and the Procedures and Controls Manual for Energy Commodity Risk Management (Procedures Manual). The Procedures Manual further describes the risk management philosophy under which TEA, the City's designated provider of energy risk management services conducts its activities.

The Procedures Manual authorizes TEA to enter into physical forward transactions which shall be governed by Edison Electric Institute (EEI), North American Energy Standards Board (NAESB), or similar agreements with counterparties approved by the City.

These agreements will enable the City to hedge the forward price of purchased power, natural gas or fuel oil for delivery as needed to meet its load requirements. No speculative transactions for volumes in excess of forecasted power and fuel needs are permitted. TEA also provides advisory services to the City to determine the extent to which financial hedges would mitigate market and credit risk to the benefit of the City. These contracts meet the definition of a derivative instrument as defined by GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments* (GASB 53). However, these contracts meet the normal purchases and sales exemption of GASB 53 as the City intends to use the physical commodity in its normal utility operations to supply energy to its customers. Accordingly, these contracts are not within the scope of GASB 53 and are not recorded on the City's Statement of Net Position.

Under the Procedures manual the City will not extend credit to any potential counterparty that has a credit rating below investment grade (defined as BBB as rated by S&P Global Ratings or Baa2 as rated by Moody's Investors Service). Any counterparty that is unrated by either S&P or Moody's must be approved by the ERMC prior to the execution of any trading activities.

Credit risk is mitigated using collateral thresholds, credit limits, maximum nominal exposure and term limitations. A collateral threshold is the amount of unsecured credit granted to the counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the marked-to-market differences in value of any collateral held. Any net exposure above the collateral threshold will require the posting of collateral by the counterparty. Collateral thresholds, term limitations and credit exposure limits are subject to maximums as established by the ERMC.

A summary of the contracts outstanding as of June 30, 2020 are as follows:

## Counterparty Credit Risk (in 1,000's)

Counterparty	Counterparty or Guarantor Credit Rating	Counterparty Threshold	Line Availability	Maximum Amount of Loss due to Credit Risk w/o Respect to Collateral (\$)	Collateral Description
AEP Energy Partners, Inc.	BBB+	\$10,000	\$10,384	(\$384)	No Collateral if exposure under specified threshold
Barclays Bank, PLC	AA	\$15,000	\$15,000	\$0	No Collateral if exposure under specified threshold
BP Energy Company	A-	\$15,000	\$15,772	(\$772)	No Collateral if exposure under specified threshold
Calpine Energy Services, L.P.		No threshold	\$341	(\$341)	No Specified threshold
Citigroup Energy, Inc.	BBB+	\$7,000	\$7,000	\$0	\$10,000 guaranty from Citigroup Global Markets Holdings, threshold is \$7,000
Conectiv Energy Supply, Inc.	NR	No threshold	\$0	\$0	No Specified threshold
EDF Trading North America, LLC	BBB	\$18,000	\$18,000	\$0	Threshold is \$18 million unless guarantor's credit rating falls below Baa3
Exelon Generation Company, LLC	BBB	\$30,000	\$30,000		No Collateral if exposure under specified threshold
Constellation Energy Services, Inc.	NR	No threshold	\$0	\$0	No Specified threshold
Macquarie Energy, LLC	A	\$15,000	\$15,000	\$0	Up to \$15,000 is guaranteed by Macquarie Bank Limited
Morgan Stanley Capital Group Inc.	BBB+	\$10,000	\$14,599	(\$4,599)	Unlimited guaranty from Morgan Stanley, threshold set by table in contract
NextEra Energy Marketing, LLC.	BBB+	\$10,000	\$25,018	(\$15,018)	Guaranty from NextEra Energy Capital Holdings, threshold set by table in contract
NJR Energy Services Company		No threshold	\$3	(\$3)	No Specified threshold
PSEG Energy Resources & Trade, LLC	BBB	\$5,000	\$4,799	\$201	\$5,000 guaranty from PSEG Power LLC

## 13. INSURANCE

### A. Health Insurance – State of Delaware

The City participates in the State of Delaware Health Insurance Program. The State offers four health plan options. The administration of benefits is coordinated with Aetna and Highmark Delaware. Pre-determined premiums consisting of City and employee contributions are subsequently paid to the State of Delaware.

### B. Workers' Compensation Fund – Self-Insurance

On July 1, 1990, the City began self-insuring its Workers' Compensation insurance. For this purpose, the City has established a separate fund. Claims are processed and administered by a third-party administrator. The City manages the revenue and expenditures in this fund and maintains all records. The City maintains a fund balance reserve to cover any claims incurred but not reported.

AMI Risk Consultants completed an updated valuation in fiscal year 2014. As of June 30, 2020, \$449,515 is reserved for open claims in this fund. An appropriate umbrella policy for the excess coverage has been purchased and is in effect as of June 30, 2020.

Workers' Compensation activity is recorded in the General Fund as follows:

	2020	2019
Claims payable, beginning of year	\$ 490,800	\$ 598,030
Claims incurred	49,300	369,231
Payment of claims	(90,585)	(476,461)
Claims payable, end of year	<u>\$ 449,515</u>	<u>\$ 490,800</u>

### C. Other than Health or Workers' Compensation Insurance

The City purchases commercial insurance policies to cover risks not insured through self-insurance funds. The City has designated a contingency account to provide for uninsured losses (See Note 7). There have been no significant reductions or settlements exceeding coverage in the past five fiscal years.

## 14. COMPENSATED ABSENCES

The City grants a specific number of vacation days with pay to its employees. Upon termination or retirement, an employee is paid for accumulated vacation days. The City also grants one paid sick day per month to all employees, except for employees covered by the International Brotherhood of Electric Workers (IBEW) contract. The IBEW employees are granted eleven sick days per year.

The City of Dover follows a terminal leave policy which varies with each of the four labor unions as well as the non-bargaining group. The maximum accumulated sick days paid upon retirement is 150 days for 25 years of service. No accrued sick leave is paid when an employee is terminated.

In the government-wide and proprietary fund financial statements, unpaid compensated absences are recorded as a liability as the vested employees' benefits accrue, to the extent it is probable that the employee will be paid for sick benefits at retirement.

In governmental funds, compensated absences are recorded as expenditures as payments become due; accordingly, no liability is recorded in the Governmental Funds statement. Typically, the General Fund has been used in prior years to liquidate the liability for compensated absences recorded in governmental activities.

## 15. OTHER POST-EMPLOYMENT BENEFITS

### Plan Description

On May 11, 2009, the City of Dover Other Post-Employment Benefits Trust (OPEB Trust) was established pursuant to Section 115 of the Internal Revenue Code. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the City of Dover. No stand-alone financial report is issued for the OPEB Trust.

The City of Dover OPEB Plan is a post-retirement employee benefit program established for the purpose of funding retiree health care as provided for in Chapter 80, Article IV, Division 5 of the City Ordinances.

The OPEB Plan is a single-employer defined benefit plan. The OPEB Plan provides retirement medical coverage to pensioners and their eligible dependents in the City of Dover defined benefit and defined contribution pension plans.

### Plan Administration

Management of the plan investments are fully vested with the City of Dover OPEB Board as established in the City Code, which consists of seven members - three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

The City purchases health insurance from the State of Delaware through a cooperative purchasing arrangement permitted by State Code. The State Office of Benefits provides the City with the medical insurance premiums by type of coverage and carrier during the budget cycle each year. The City also pays a five percent risk premium and contract administration fee for each contract in addition to the premium. Any premiums paid over or under the benefits paid out for City employees revert to the State.

Membership of the plan consisted of the following at June 30, 2020:

Retirees and beneficiaries receiving benefits	272
Terminated plan members entitled to but not yet receiving the benefits	10
Active plan members	<u>313</u>
Total	<u>595</u>

Substantially all City employees become eligible for post-retirement benefits if they reach retirement age while working for the City. The costs of providing these benefits are shared between the City and the retired employee.

## Employee Benefits and Contributions

The City maintains contracts with each of the following collective bargaining units.

- As of the issuance date of the CAFR, negotiations for renewal of the International Brotherhood of Electric Workers (IBEW) union contract is ongoing.
- The American Federation of State, County, and Municipal Employees (AFSCME), Council 81 contract period is July 1, 2020 through June 30, 2023.
- The Fraternal Order of Police Lodge #15 (FOP) union contract period is July 1, 2018 through June 30, 2021.
- The Dover Organization of Employees (DOE) union contract period is July 1, 2018 through June 30, 2021.

The eligibility provisions for early retirement are as follows:

### **SUMMARY OF PRINCIPAL PLAN PROVISIONS**

#### **Benefits for Civilians:**

A. Covered Groups: Full-time DOE (formerly IUE), IBEW, AFSCME and non-union employees and their dependents are covered.

B. Eligibility: Satisfaction of either of the following eligibility requirements:

1. Unreduced Retirement: Attainment of the earlier of the following conditions:
  - a. Later of attainment of age 65 and completion of 10 years of service.
  - b. If hired prior to May 1, 1994, later of attainment of age 50 and completion of 20 years of service.
  - c. If hired prior to May 1, 1994, completion of 25 years of service.
  - d. If hired on or after May 1, 1994, later of attainment of age 55 and completion of 80 points (age plus service).
2. Reduced Retirement: For DOE, AFSCME and non-union members hired prior to July 1, 1994, attainment of age 55 and completion of 10 years of service. Other members who meet this condition have the option to pay 100% of the premiums for coverage.
3. Vested Termination: For DOE, AFSCME and non-union members hired prior to July 1, 1994, completion of 10 years of service. Coverage commences upon attainment of age 65. Coverage is not available to other members.
4. Active Death: Surviving spouses of members eligible for an unreduced pension upon death or for DOE and non-union members hired prior to July 1, 1994, completion of 10 years of service.

(Continued)



## SUMMARY OF PRINCIPAL PLAN PROVISIONS

(Continued)

C. Premium Cost Sharing: Cost-sharing varies by employee group, date of retirement and/or date of hire as follows:

1. Non-Union Employees:

- a. None if retired prior to July 1, 1991
- b. 0% for individual coverage and 25% for spouse coverage if retired on or after July 1, 1991 and prior to July 1, 2012
- c. 15% for individual and spouse coverage if retired on or after July 1, 2012

2. DOE Employees:

- a. None if retired prior to September 1, 1991
- b. 0% for individual coverage and 25% for spouse coverage if retired on or after September 1, 1991 and prior to June 1, 2013
- c. 15% for individual and spouse coverage if hired prior to December 22, 2015, upon direct retirement with an unreduced pension
- d. 20% for individual coverage if hired on or after December 22, 2015, upon direct retirement with an unreduced pension. The retiree will have the option to purchase dependent coverage under the City's group rate plan at full cost to the employee/retiree.

3. IBEW Employees:

- a. 0% for individual coverage and 25% for spouse coverage if hired prior July 1, 1986
- b. 0% for individual coverage and 100% for spouse coverage if hired on or after July 1, 1986 and prior to July 1, 2014
- c. 20% for individual coverage and 100% for spouse coverage if hired on or after July 1, 2014

4. AFSCME Employees:

- a. 0% for individual coverage and 25% for spouse coverage if retire prior to July 1, 2015
- b. 15% for individual and spouse coverage if hired prior to May 20, 2014 and retire on or after July 1, 2015
- c. 20% for individual coverage and 100% for spouse coverage if hired on or after May 20, 2014

D. Benefit Duration: Retiree coverage is provided for lifetime. Spouse coverage is provided for the spouse's lifetime.

E. Medicare Part B Reimbursement: Eligible retirees receive reimbursement of the Medicare Part B premium. The Medicare Part B standard premium was \$144.60 for 2020. Spouses are not eligible for the reimbursement. Eligible retirees are:

1. Non-union and AFSCME employees who were hired prior to July 28, 2009.
2. IBEW employees who retired prior to July 1, 2009.
3. DOE employees who retired prior to January 31, 2010.

**Benefits for Police Officers:**

A. Covered Groups: Full-time FOP employees and their dependents are covered. Only provisions for members hired on after September 1, 1982 are shown.

B. Eligibility: Satisfaction of either of the following eligibility requirements:

1. Unreduced Retirement: Attainment of the earlier of the following conditions:
  - a. Later of attainment of age 62 and completion of 10 years of service.
  - b. Completion of 20 years of service.
  - c. Later of completion of 10 years of service and 75 points (age plus service).
2. Reduced Retirement: Not applicable.
3. Vested Termination: None.
4. Active Death: Surviving spouses of members eligible for an unreduced pension upon death.

C. Premium Cost Sharing:

1. None if retired prior to July 1, 1991
2. 0% for individual coverage and 25% for spouse coverage if retired on or after July 1, 1991 and prior to July 1, 2012
3. 15% for individual and spouse coverage if retire on or after July 1, 2012.
4. Employees hired on or after October 9, 2015, contribute 20% for individual coverage. The retiree will have the option to purchase dependent coverage under the City's group rate plan at full cost to the employee/retiree.

D. Benefit Duration: Retiree coverage is provided for lifetime. Spouse coverage is provided for the spouse's lifetime.

E. Medicare Part B Reimbursement: Eligible retirees receive reimbursement of the Medicare Part B premium. The Medicare Part B standard premium was \$144.60 for 2020; for 2019, the standard premium was \$135.50. Spouses are not eligible for the reimbursement. Eligible retirees are members who retired prior to September 30, 2006.

**Employer Contributions:**

The City of Dover funds the other post-employment benefits for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. Additional funding has also been provided on an ad hoc basis. The employer contributions towards retiree health care premiums this fiscal year are as follows:

General Government	\$ 3,221,602
Water and Wastewater Fund	300,756
Electric Revenue Fund	803,772
Total Contributions	<u>\$ 4,326,130</u>

Transactions are recorded in the OPEB Trust for the payment of administrative and investment expenses and financed through investment earnings. City appropriations and other employer contributions for health care are recorded in the OPEB Trust. The OPEB Board of Trustees is responsible for the management of the trust investments.

### Contributions

The contribution rates for the employer are established annually by the budgeting process of the City. Those rates include an employer contribution based on projected pay-as-you-go financing requirements as a percent of premiums, with an additional amount to prefund benefits, which is not actuarially determined. For the year ended June 30, 2020, the City's average contribution rate was 21.4% of covered payroll of \$20,262,159.

The components of the Net OPEB liability of the City at June 30, 2020, are as follows:

### **Changes in Net OPEB Liability**

<b>Changes in Net OPEB Liability</b>	<b>Total OPEB Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances as of June 30, 2019	\$ 65,019,816	\$ 39,240,131	\$ 25,779,685
Changes for the year:			
Service cost	1,120,494	-	1,120,494
Interest	4,210,980	-	4,210,980
Differences between expected and actual exp	(4,758,240)	-	(4,758,240)
Changes of assumptions	483,313	-	483,313
Benefit payments	(2,755,367)	(2,755,367)	-
Employer contributions	-	4,326,130	(4,326,130)
Net investment income	-	1,871,140	(1,871,140)
Trust administrative expenses	-	(9,500)	9,500
Balances as of June 30, 2020	<u>\$ 63,320,996</u>	<u>\$ 42,672,534</u>	<u>\$ 20,648,462</u>
Plan Fiduciary Net Position as % of total OPEB Liability	67.4%		

**Rate of return.** For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

### Actuarial Methods and Significant Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, with liabilities projected to the June 30, 2020 measurement date on a "no loss / no gain" basis, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Level Dollars
Amortization period	28 years
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%

Inflation	2.5% per year included in payroll growth
Healthcare cost trend rates	
Pre-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Post-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Mortality	Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2019 a. Non-Police: SOA Pub-2010 General b. Police: SOA Pub-2010 Public Safety c. Surviving Spouses: SOA Pub-2010 Contingent Survivors

#### Changes in Actuarial Assumptions or Methods

The long term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

#### **OPEB Trust Long-Term Expected Rate of Return**

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash & Short-Term Bond	9.00%	0.50%
Fixed Income	22.00%	3.55%
Equity	64.00%	8.26%
Real Estate	5.00%	7.96%
Alternatives	0.00%	0.00%
Long-Term Expected Rate of Return		6.51%

\*The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice.

### Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability as of June 30, 2020, calculated using the discount rate of 6.50%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

#### **Other Post-Employment Benefits**

	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Net OPEB liability	\$ 29,294,698	\$ 20,648,462	\$ 13,588,924

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability as of June 30, 2020, calculated using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates:

#### **Health Care Trend Rates Assumptions**

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
Net OPEB liability	\$ 12,710,654	\$ 20,648,462	\$ 30,450,431

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the City recognized OPEB expense (credit) of (\$2,067,327) as calculated in the following table:

**OPEB Expense**

Service cost	\$ 1,120,494
Interest	4,210,980
OPEB plan administrative expenses	9,500
Projected earnings on OPEB plan investments	(2,600,551)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	(3,880,358)
Differences between projected and actual earnings on plan investments	(178,864)
Changes of assumptions	(748,528)
Total OPEB Expense	<u>\$ (2,067,327)</u>

At June 30, 2020, the City reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
<b>Deferred Outflows (Inflows) of Resources</b>		
Differences between expected and actual experience	\$ -	\$ (10,036,613)
Changes in assumptions	1,173,728	(1,107,548)
Net difference between projected and actual earnings on OPEB plan investments	250,850	-
<b>Total Deferred Outflows (Inflows) of Resources</b>	<u>\$ 1,424,578</u>	<u>\$ (11,144,161)</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	
2021	\$ (4,807,746)
2022	(2,752,595)
2023	(1,450,138)
2024	(709,104)

Separate Other Postemployment Benefit fund financial statements have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

**The City of Dover, Delaware**  
**Schedule of Other Post-Employment Benefits Trust Fund Net Position**  
**June 30, 2020**

	<b>Other Post-Employment Benefit Trust Fund</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 1,347,503
Receivables	-
Investments at Fair Value - Mutual Funds	41,416,054
Total Assets	<u>42,763,557</u>
<b>LIABILITIES:</b>	
Accounts Payable	91,023
Total Liabilities	<u>91,023</u>
<b>NET POSITION:</b>	
Net Position Restricted for Retiree Health Benefits	<u>\$ 42,672,534</u>

**Schedule of Changes in Other Post-Employment Benefits Trust Fund Net Position**  
**June 30, 2020**

	<b>Other Post-Employment Benefit Trust Fund</b>
<b>ADDITIONS:</b>	
Net Investment Income	\$ 1,871,140
City's Contribution-Payroll Based	1,483,530
City's Contribution-Lump Sum	2,842,600
Total Additions	<u>6,197,270</u>
<b>DEDUCTIONS:</b>	
Benefit Payments	2,755,367
General Administration	9,500
Total Deductions	<u>2,764,867</u>
Change in Net Position	3,432,403
Net Position - Beginning	39,240,131
Net Position - Ending	<u>\$ 42,672,534</u>

## 16. DEFERRED COMPENSATION PLAN

Effective November 14, 1983, the City added a self-directed 457 Deferred Compensation Plan to its employee benefit options. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Employees are eligible to make contributions to the plan not to exceed the ceiling set by federal regulations. The City later added an alternative investment option for the Deferred Compensation Plan with Nationwide Retirement Solutions.

In May 1994, the City offered the 457 Deferred Compensation Plan to employees as their pension plan in lieu of participation in the General Employee Pension Plan. At that time 41 employees opted out of the Defined Benefit Pension Plan and enrolled in the Deferred Compensation Plan. The ICMA 457 Deferred Compensation Plan has assets of \$9,728,824 (market value) as of June 30, 2020, with 151 active employees contributing \$543,558. The Nationwide plan has assets of \$3,616,368 (market value) as of June 30, 2020 with 12 active employees contributing \$97,126. Quarterly statements are mailed to each participant by the plan administrators. All administration fees are borne by the participants. All contributions are 100% vested upon election of the plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59½ could be subject to penalty.

Employees who participate in the defined benefit plan are also eligible for the 457 Deferred Compensation Plan. No matching employer contribution is made to the 457 Deferred Compensation Plan. As of June 30, 2020, there are 385 employees eligible to enroll in the 457 Deferred Compensation Plan.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan, and are not subject to the claims of the City's general creditors.

## 17. RETIREMENT PLANS

The City participates and/or manages four retirement plans on behalf of its employees. Three of the pension plans are defined benefit plans and one is a defined contribution plan. Two of the defined benefit plans are closed to new hires. All full-time employees are required to enroll in a pension plan. During fiscal year 2020, the total wages were \$24.3 million. The number of employees eligible for pension benefits as of June 30, 2020 is 385.

Following is the total of the City of Dover's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense and expenditures for the fiscal year ended June 30, 2020:



	2020			
	Police	General	DPERS	Total
Pension Assets	\$14,224,901	\$44,907,544	\$ 33,098,316	\$ 92,230,761
Pension Liabilities	18,644,121	66,031,408	35,494,016	120,169,545
Net Pension Liabilities	4,419,220	21,123,864	2,395,698	27,929,801
Deferred Outflows of Resources	268,261	1,924,894	3,367,907	5,561,062
Deferred Inflows of Resources	-	(101,935)	(777,753)	(879,688)
Pension Expense	1,134,899	3,503,678	1,602,072	6,240,649

## A. Defined Contribution Plan

Effective July 1, 2000, the City implemented an IRC 401a Money Purchase Plan “401a Plan,” a self-directed defined contribution plan, as an alternative for pension benefits. The contribution and funding requirements of the plan are both established and amended by the City. The plan is administered by the International City Management Retirement Corporation (RC). The assets are held in the name of each participant with the ICMA (International City/County Management Associations) Retirement Trust. Quarterly statements are mailed to each participant by RC. All administration fees are borne by the participants.

All eligible employees not represented in a bargaining unit may contribute to the 401a Plan from the minimum of 3% to the maximum of 6% of pensionable wages. The City provides a dollar-for-dollar match of the contribution to the 401a Plan, not to exceed 6%. The City provides an additional dollar-for-dollar match into the 401a Plan if the employee contributes to their 457 Plan, up to a maximum of 3% for a total matching contribution not to exceed 9%. (see note 17 – Deferred Compensation Plan).

The Dover Organization of Employees (DOE) union contract renewed effective July 1, 2018 through June 30, 2021. The contract changed the mandatory minimum employee contribution (MMEC) as well as the City’s minimum matching contribution as follows:

<u>Effective Date</u>	<u>Minimum Employee Contribution</u>	<u>City’s Match (Up to)</u>
March 27, 2016	4%	7%
July 1, 2016	5%	8%
July 1, 2017	6%	9%

All other employees, except for FOP members, must contribute 3% of pensionable wages into the 401a Plan. The City matches the 3% contribution into the 401a Plan. The City provides an additional dollar-for-dollar match into the 401a Plan if the employee contributes to their 457 Plan, up to a maximum of 3% for a total matching contribution not to exceed 6%. (see note 16 – Deferred Compensation Plan).

The 401a Plan and 457 Plan contributions are calculated on base wages plus on-call pay, pay adjustments, and scheduled overtime. All full-time regular employees are eligible, excluding law enforcement personnel. Personnel that have elected the defined contribution plan are not eligible for the defined benefit plan. All contributions are 100% vested upon election of the plan. To be eligible for benefit payments, the participant must meet the same eligibility requirements as the participants in the defined benefit plan. Employees are eligible to withdraw or rollover to another plan the employer and employee benefits upon separation of service. Withdrawals prior to age 59 ½ could be subject to penalty.

As of June 30, 2020, there were 180 full-time employees enrolled in the 401a plan. The City contributed a total of \$485,175 on wages of approximately \$7.6 million. Employees contributed \$344,343 to the 401a Money Purchase Plan. The market value of the 401a plan assets totaled \$8,210,594 as of June 30, 2020.

## B. Defined Benefit Plans

The City participates in three defined benefit pension plans: City of Dover Police Pension Plan (closed), City of Dover General Employee Pension Plan (closed), and State of Delaware County and Municipal Police Pension Plan. The City of Dover Police Pension Plan, a single employer defined benefit plan, covers all uniformed police officers hired prior to September 1, 1982. The City of Dover General Employee Pension Plan, a single employer defined benefit plan, covers all eligible full-time permanent employees, other than police officers hired prior to September 29, 2009. The State of Delaware County and Municipal Police Pension Plan, a multi-employer cost sharing defined benefit plan, covers all uniformed police officers hired on or after September 1, 1982. The City makes employer contributions to all three plans.

The City holds, on behalf of the Pension Boards of Trustees, the assets of the two single-employer defined benefit plans and, accordingly, is required to prepare pension trust fund financial statements using the accrual basis of accounting. Investments are reported at fair value based on quoted market prices. Receivables and payables represent year end accruals of short-term receipts or charges. The administration of plan assets for both the Police Pension Plan and the General Employee Pension Plan is conducted by the Pension Boards as described in the subsequent disclosures.

Separate pension fund financial statements for the City Police Pension and General Employees' Pension Plan have not been issued; accordingly, they are presented as required by GASB Statement No. 34, as follows:

**The City of Dover, Delaware**  
**Combining Schedule of Pension Trust Fund Net Position**  
**June 30, 2020**

	<b>Police Pension</b>	<b>General Pension</b>	<b>Totals</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,347,732	\$ 2,779,491	\$ 4,127,223
Investments at fair value - Mutual Funds	12,614,269	42,025,958	54,640,227
Receivables	262,900	102,095	364,995
Total Assets	<u>14,224,901</u>	<u>44,907,544</u>	<u>59,132,445</u>
<b>LIABILITIES:</b>			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
Net position held in trust for pension benefits	<u>\$ 14,224,901</u>	<u>\$ 44,907,544</u>	<u>\$ 59,132,445</u>

**The City of Dover, Delaware**  
**Combining Schedule of Changes in Pension Trust Fund Net Position**  
**For the Year Ended June 30, 2020**

	<b>Police Pension</b>	<b>General Pension</b>	<b>Totals</b>
<b>Additions</b>			
Net investment income	\$ 438,982	\$ 1,550,450	\$ 1,989,432
City's contribution - payroll based	-	2,606,067	2,606,067
City's contribution - lump sum	519,600	-	519,600
Employee contribution	-	183,146	183,146
State contributions	513,549	-	513,549
Total Additions to Net Position	<u>1,472,131</u>	<u>4,339,663</u>	<u>5,811,794</u>
<b>Deductions</b>			
Benefit payments	1,536,755	4,120,307	5,657,062
General administration	5,007	19,460	24,467
Total Deductions From Net Position	<u>1,541,762</u>	<u>4,139,767</u>	<u>5,681,529</u>
Change in net position	(69,631)	199,896	130,265
Net Position - Beginning	14,294,532	44,707,648	59,002,180
Net Position - Ending	<u>\$ 14,224,901</u>	<u>\$ 44,907,544</u>	<u>\$ 59,132,445</u>

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, pursuant to formal commitments, to provide contributions. Benefits or refunds are recognized when due and payable in accordance with the terms of each plan. Investment management and consultant fees are paid from the Pension Trust Funds. All actuarial costs are paid from other City funds.

i. **City of Dover Police Pension Plan**

**Plan Description**

This contributory pension plan began on January 1, 1970 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 through 62-84. The contribution and funding requirements of the plan are established by the City and may be amended by the City Council. It is a closed plan. The last active employee retired June 29, 2006. An officer's pension right is vested upon the completion of 15 years of continuous service. As of June 30, 2020, there are 45 retirees and beneficiaries receiving benefits.

Fully vested employees who have completed 20 to 25 years of continuous service are entitled to annual benefits equal to 2.5% of their average earnings for each year of continuous service. The maximum benefit is 62.5% of average earnings. If a participant terminates after completing 15 years of service, the participant will be eligible for a deferred benefit commencing at age 60 with a benefit accrued at the date of termination. In place of this vesting, participants may elect to receive their accumulated contributions.

Disability benefits are paid to a participant who is totally or partially disabled in the performance of his or her duties. The total duty-connected disability benefit is payable monthly and equal to

75% of the monthly rate of earning at the time of disability. The partial duty-connected disability benefit is the accrued benefit at the date of disability if not less than 50% of average earnings. Disability benefits cease if the participant recovers or dies. If the disabled participant reaches his normal retirement date, the benefit is reduced by one-third.

Survivor's benefits are payable monthly in an amount equal to 75% of the participant's rate of earnings, for a duty related death. Survivor's benefits are payable monthly in an amount not to exceed 25% of the participant's rate of earnings, for a non-duty related death, if the participant has completed 10 years of service. If a retired participant dies, his or her spouse receives 50% of the benefit. All benefits under the plan, including survivor's benefits, are increased 2% per annum.

There have been no changes in benefits during the valuation period by City Council.

#### Plan Administration

Management of the plan investments are fully vested with the City of Dover Police Pension Board as established in the City Code, which consists of seven members – three elected by plan members, two Council members appointed by the Council President, the Chief of Police, and the City Manager. The City Controller/Treasurer serves as an ex-officio member. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

#### Funding Policy

The City intends to continue to fund the Actuarially Determined Contribution (ADC) as provided for in the actuarial valuation. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the ADC. In addition, the City has adopted in its financial policies to have any surplus in the budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension liability.

The State contributes to the pension fund on behalf of the City based on 1) an allocation to the City based on a 0.25% surcharge on insurance policies issued in the state and the number of officers employed and 2) 75% matching grant for the annual cost of living increase (COLA) granted to police retirees on January 1 each year. For the fiscal year ending June 30, 2020, the State contributed \$513,549.

The ADC conforms to the entry age method as defined in GASB Statement No. 67/68. The City has interim valuations completed each year between the required biennial valuations to monitor the funding progress. The City's actuary is Nyhart of Indianapolis, Indiana. The ADC is being amortized using a level dollar method. The amortization period is 5 years for the 2020 fiscal year and will decline by 1 each year until 1 year.

Total contributions to the plan for the fiscal year ending June 30, 2020 were \$1.0 million, which is 107.2% of the ADC.

The ADC is based on a closed 10-year level dollar amortization of the Unfunded Actuarial Accrued Liability (UAAL). The Schedule of Changes in the Net Pension Liability, and a Schedule of Employer Contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

### Net Pension Liability

The total pension liability was determined by an actuarial valuation as of July 1, 2020 with liabilities projected to the June 30, 2020 measurement date. As of June 30, 2020, the plan was 76.30% funded. The total pension liability for benefits was \$18.6 million, and the fiduciary net position was \$14.2 million, which resulted in a net pension liability (NPL) of \$4.4 million for the primary government. There are no active officers; therefore, there is no covered payroll or ratio of the net pension liability to cover payroll. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, are presented below:

*Rate of return.* For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

### Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2020
Actuarial cost method	Entry Age Method
Amortization method	Level Dollars
Amortization period	Closed
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	none, no remaining active participants
Includes inflation at	2.3%
Automatic Cost of living (retirees)	2.0%
Mortality Rates	
Healthy	<u>Participants:</u> PubS-2010 Public Safety Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019 <u>Survivors:</u> Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019
Disabled	PubS-2010 Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019

### Changes in Actuarial Assumptions or Methods

The long term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset

class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

**Police Pension Fund**  
**Long-Term Expected Rate of Return**

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash and Equivalents	7.00%	1.51%
Fixed Income	27.00%	2.21%
Real Estate	5.00%	7.43%
Stocks	61.00%	8.18%
Long-Term Expected Rate of Return	100.00%	6.50%

\*The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice.

**Police Pension Fund**  
**Changes in Net Pension Liability**

	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balances as of June 30, 2019	\$ 18,207,829	\$ 14,294,532	\$ 3,913,297
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,133,564	-	1,133,564
Differences between expected and actual experience	206,546	-	206,546
Changes of assumptions	632,937	-	632,937
Benefit payments	(1,536,755)	(1,536,755)	-
Employer contributions	-	1,033,149	(1,033,149)
Net investment income	-	438,982	(438,982)
Administrative expenses	-	(5,007)	5,007
Balances as of June 30, 2020	\$ 18,644,121	\$ 14,224,901	\$ 4,419,220

**Discount Rate**

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those

assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis of Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

<b>Police Pension Fund</b>			
	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Net pension liability	\$ 6,221,483	\$ 4,419,220	\$ 2,883,350

**Pension Expense, Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the City recognized pension expense of \$1,134,899 calculated in the following chart:

<b>Police Pension Expense</b>	
	<b>July 1, 2019 to June 30, 2020</b>
Interest on total pension liability	\$ 1,133,564
Projected earnings on pension plan investments	(912,615)
Administrative expenses	5,007
Current period recognition of deferred outflows/(inflows) of resources	
Changes of assumptions	632,937
Differences between projected and actual earnings on plan investments	69,460
Differences between expected and actual experience in measurement of the total pension liability	206,546
Total Pension Expense	<u>\$ 1,134,899</u>

As of June 30, 2020, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	<b>Police Pension Plan</b>
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings	\$ 268,261

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Police Pension Plan</b>
Fiscal Year Ending June 30:	
2021	\$ (32,825)
2022	97,601
2023	108,760
2024	94,725

ii. **City of Dover General Employee Pension Plan**

Plan Description

The City of Dover General Employee Pension Plan started on July 1, 1967, under the authority of the City Council, Municipal Code, Chapter 2, Article IV, Division 7, General Employee Pension Plan, Sections 2-321 through 2-370, and was made contributory on July 1, 1983. Employees contribute 3.5% of gross salary, exclusive of unscheduled overtime. An employee's pension right is vested upon completion of 10 years of continuous service. As of the valuation date, July 1, 2020, 91 employees and 214 retirees participate in the plan. The General Employee Pension Plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	215
Active employees	
Fully Vested	81
Deferred vested	18

The percentage of covered payroll which employees contribute is stated in the City Code and is considered by the actuaries in their determination of the actuarial determined contribution for service cost. For the year ended June 30, 2020, gross payroll earnings of \$5.1 million were reported to and covered by this plan.

An employee hired before May 1, 1994 is eligible for normal retirement benefits under this plan, when they attain the age of 65 with 10 years of continuous service. This same employee is eligible for early retirement when he/she attains the age of 50 with 20 years of continuous service or has completed 25 years of service. Employees hired on or after May 1, 1994 who attained age 55 and whose attained age plus years of continuous service is equal to or greater than 80 are eligible for early-unreduced retirement benefits under this plan.

The monthly benefits are 1/50 of the average actual monthly earnings multiplied by years and months of credited service upon retirement (highest 36 consecutive months in his/her final 10 years of continuous service). The monthly benefit shall not be less than \$200 per month. Benefits are paid for the lifetime of the participant. Upon the death of the participant, 50% of the payments to which the participant was or would have been entitled shall be made to their eligible survivor.

An employee may also take an early-reduced retirement on any date following the attainment of age 55 and the completion of 10 years of continuous service. However, the early retirement benefit is calculated in the same manner as the normal retirement benefit, at a reduced rate of one-half percent for each month computed from the date of early retirement to age 65 years. If an employee terminated before becoming vested in the plan, they are eligible to withdraw this total contribution with interest compounded annually.



Survivor's benefits are payable to eligible survivors of a participant who dies after completing 10 years of continuous service. The amount of the death benefit is equal to 50% of the retirement benefit the participant would have received had he retired the day before he died. A participant is vested in the pension plan after completing 10 years of continuous service, with survivor benefits commencing when the employee would have attained the age of 65. The benefit is calculated using the normal retirement benefit formula and service at date of termination.

Effective September 29, 2009 the City Council voted to close the General Employees' Pension plan to new hires. There have been no changes in benefits during the valuation period by City Council.

#### Plan Administration

Management of the plan investments are fully vested with the City of Dover Employees' Pension Board as established in the City Code, which consists of three elected by plan members, two Council members appointed by the Council President, the City Controller/Treasurer, and the City Manager. Milliman of Albany, New York provides asset management advisory and consulting services to the Board.

#### Funding Policy

The City intends to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The City uses the percentage of payroll determined by the actuary for its contributions. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution. In addition, the City has adopted in its financial policies to have any surplus in the personnel related budget balances of the prior year be transferred to the retirement benefit plans to further reduce the net pension obligation.

The City makes payroll-based contributions for active members in the plan. The Actuarially Determined Contribution is based on a closed 15-year level dollar amortization of the Unfunded Actuarial Accrued Liability (UAAL). The Schedule of Changes in the Net Pension Liability, and a Schedule of Employer Contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

#### Net Pension Liability

The total pension liability was determined by an actuarial valuation as of July 1, 2020 with liabilities projected to the June 30, 2020 measurement date. As of June 30, 2020, the plan was 68.01% funded. The total pension liability for benefits was \$66.0 million, and the fiduciary net position was \$44.9 million, which resulted in a net pension liability (NPL) of \$21.1 million for the primary government. The covered payroll (annual payroll of active employees covered by the plan) was \$5.1 million and the ratio of the NPL to the covered payroll was 416.92%.

*Rate of return.* For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Key methods and assumptions used in calculating the total pension liability are presented in the following chart:

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2020
Actuarial cost method	Entry Age Method
Amortization method	Level Dollar
Amortization period	Closed; 15-year of the Unfunded AAL
Asset valuation method	Fair Market Value

Actuarial Assumptions:

Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	3.0%
Includes inflation at	2.3%
Mortality Rates	

Healthy

Participants:

PubG-2010 General Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019

Survivors:

Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019

Disabled

PubNS-2010 Non-Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2006 based on Society of Actuaries Scale MP-2019

Changes in Actuarial Assumptions or Methods

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

**General Employee Pension Plan  
Long-Term Expected Rate of Return**

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	6.00%	1.51%
Fixed Income	28.00%	2.16%
Stocks	61.00%	8.18%
Real Estate	5.00%	7.43%
Long-Term Expected Rate of Return	100.00%	6.50%

\*The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice.

**General Employee Pension Fund  
Changes in Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of June 30, 2019	\$ 63,058,424	\$ 44,707,648	\$ 18,350,776
Changes for the year:			
Service cost	395,443	-	395,443
Interest on total pension liability	3,990,591	-	3,990,591
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,447,222	-	1,447,222
Effect of assumptions changes or inputs	1,260,035	-	1,260,035
Benefit payments	(4,120,307)	(4,120,307)	-
Employer contributions	-	2,606,067	(2,606,067)
Member contributions	-	183,146	(183,146)
Net investment income	-	1,550,450	(1,550,450)
Administrative expenses	-	(19,460)	19,460
Balances as of June 30, 2020	\$ 66,031,408	\$ 44,907,544	\$ 21,123,864

**Discount Rate**

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis of Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	<b>General Employee Pension Fund</b>		
	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Net pension liability	\$ 29,038,423	\$ 21,123,864	\$ 14,542,388

**Pension Expense, Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the City recognized pension expense of \$3,503,678 as calculated in the following chart:

	<b>July 1, 2019 to June 30, 2020</b>
Service cost	\$ 395,443
Interest on total pension liability	3,990,591
Changes of benefit terms	-
Administrative expenses	19,460
Member contributions	(183,146)
Projected earnings on pension plan investments	(2,862,104)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	1,235,338
Differences between projected and actual earnings on plan investments	104,054
Changes of assumptions	804,042
Total Pension Expense	<u>\$ 3,503,678</u>

As of June 30, 2020, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	<b>General Employee Pension Plan</b>
<b>Deferred Outflows of Resources</b>	
Changes in assumptions	\$ 630,017
Differences between expected and actual experience	723,611
Net difference between projected and actual earnings	571,266
Total Deferred Outflows of Resources	<u>\$ 1,924,894</u>
<b>Deferred Inflows of Resources</b>	
Changes in assumptions	\$ (101,935)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>General Employee Pension Plan</b>
Fiscal Year Ending June 30:	
2021	\$ 1,078,837
2022	228,700
2023	262,058
2024	253,364

iii. **Delaware Public Employee Retirement System - County and Municipal Police and Firefighters' Pension Plan**

Plan Description and Contribution Information

The City participates in the "County and Municipal Police and Firefighters' Pension Plan" (the Plan) a cost sharing multiple-employer defined-benefit plan established in the Delaware code. The City's uniformed police officers whose employment with the City started on or after September 1, 1982 under the authority of the City Code, Chapter 62, Article III, Pension Plan, Section 62-71 can participate in this plan.

The General Assembly is responsible for setting benefits, contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the Board).

The management of the Plan is the responsibility of the Board. The Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. The daily operation is the responsibility of the Office of Pensions. Although most of the assets of the plan are commingled with other Plans for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

The Plan's service benefits calculation is 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation. Vesting is at five years of credited service and retirement age is 62 with five years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

As of June 30, 2020, city membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	72
Active employees:	
Fully Vested 5 years	80
Non-Vested	30

The following are brief descriptions of the Plan. For a more complete description, please refer to the Delaware Public Employees' Retirement System CAFR on the web at <https://open.omb.delaware.gov/FinancialReports/financials/fy-20-CAFR-FINAL.pdf>.

### Retirement

Age 62 with 5 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

### Disability Benefits

Duty – Total Disability – 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.

Duty – Partial Disability – Calculated the same as Service Benefits, subject to minimum 50% of final average compensation.

Non-Duty – Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% of each dependent not to exceed 20% for all dependents. Partial disability is subject to a minimum of 30% of final average monthly compensation.

### Survivor Benefits

If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

### Contributions:

Employer – Determined by Board of Pension Trustees. Employer contributions were 16.84%, 16.68% and 13.6% of earnings for the Fiscal Year 2020, 2019 and 2018, respectively. The City's contributions to the plan for years ended June 30, 2020, 2019 and 2018 were \$1,276,048, \$1,258,817 and \$944,356, respectively, and were equal to the required contributions for each year. Total eligible full-time wages covered by the State plan were \$7.8 million this fiscal year.

Member – 7% of compensation.

### Basis of Presentation

The DPERS financial statements are prepared on the accrual basis of accounting, whereby expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of the related trade date. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the DPERS Plan and additions to/deductions from DPERS's fiduciary net position have been determined on the same basis as they are reported by DPERS.

### Employer Allocation Percentage Methodology

The amounts assigned to each employer in the Schedule of Pension Amounts by Employer is each employer's proportional share of the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense (the Collective Pension Amounts) determined in accordance with Governmental Accounting Standards Board No. 68, Accounting and Financial Reporting for Pensions (GASB 68). Management has elected to allocate the employer's proportionate shares of the collective pension amounts based on the percentage of actual

employer contributions as documented in the Schedule of Employer Allocations. The City's proportionate share percentage is 8.3407% for the current fiscal year, 8.4242% for the prior year and the change is a decrease of 0.0835%.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At June 30, 2020, the City reported a net pension liability of \$2,395,686 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the pension liability to June 30, 2019. The City's proportion of the net pension liability was based on the percentage of actual employer contributions. The components of the proportionate share of the net pension liability of the Plan as of June 30, 2020 were as follows (dollar values expressed in thousands):

**County and Municipal Police & Firefighter's Pension Plan**  
**(dollar values expressed in thousands)**

Year	(1)	(2)	(3)
	Total proportionate share of the pension liability	Plan fiduciary proportionate share of the net position	The Employers' proportionate share of the net pension liability (asset) (1)-(2)
2019	\$ 35,494	\$ 33,098	\$ 2,396
2018	32,897	30,957	1,940
2017	29,103	28,230	873

The City recognized pension expense of \$1,602,072 for the year ended June 30, 2020, associated with membership within the Delaware State Police Pension Plan. As of June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>County and Municipal Police &amp; Firefighter's Pension Plan</b>
<b>Deferred Outflows of Resources</b>	
Differences between expected and actual experience	\$ 1,464,732
Change in proportion	10,453
Changes of assumptions	552,150
Net differences between projected and actual earnings	23,046
City contributions subsequent to the measurement date	1,317,526
Total Deferred Outflows of Resources	<u>\$ 3,367,907</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ (468,503)
Changes in assumptions	(232,376)
Change in proportion	(76,874)
Total Deferred Inflows of Resources	<u>\$ (777,753)</u>

The City's contributions of \$1,317,526 are subsequent to the measurement date and therefore are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>County and Municipal Police &amp; Firefighter's Pension Plan</b>
Fiscal Year Ending June 30:	
2021	\$ 127,263
2022	127,263
2023	127,263
2024	127,263
2025	127,263
Thereafter	636,313



The components of collective pension expense for the year ending June 30, 2019 are as follows:

**County and Municipal Police & Firefighter's Pension Expense**

	<u>June 30, 2019</u>
Service cost	\$ 1,462,625
Member contributions	(536,891)
Administrative expenses	12,177
Changes in benefit terms	10,259
Interest on the total pension liability	2,348,491
Projected earnings on plan investments	(2,178,100)
Recognition of deferred outflow and inflows of resources:	
Changes in assumptions in the measurement of total pension liability	40,119
Differences between expected and actual experience	121,274
Differences between projected and actual earnings on plan investments	322,118
Total Pension Expense	<u>\$ 1,602,072</u>

The proportionate share of the total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. These actuarial valuations used the following actuarial assumptions:

Actuarial Assumptions

Investment rate of return/Discount rate <sup>1</sup>	7.0%
Projected salary increases <sup>1</sup>	2.5% + Merit
Cost-of-living adjustments	0.0%

Inflation is included at 2.5%; the total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality assumptions are based on the RP – 2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best

estimates of geometric real rates of return for each major asset class included in the Plan's current and expected asset allocation are summarized in the following table:

**County and Municipal Police & Firefighter's Pension Plan  
Long-Term Expected Rate of Return**

	<b>Long-Term Expected Real Rate of Return</b>	<b>Asset Allocation</b>
Asset class:		
Domestic equity	5.7%	29.5%
International equity	5.7	13.5
Fixed income	2.0	27.1
Alternative investments	7.8	22.4
Cash and equivalents	-	7.5

**Discount Rate**

The discount rate for all plans used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis of Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability (asset) of the Plan, calculated using the discount rate of 7.0%, as well as what the Plans' net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate (dollar values expressed in thousands):

**County and Municipal Police & Firefighter's Pension Plan  
(dollar amounts expressed in thousands)**

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Proportionate share of the net pension liability (asset)	\$ 7,870	2,396	(2,069)

Separately issued financial statements for DPERS are available from the pension office at:

McArdle Building, Suite 1  
860 Silver Lake Blvd  
Dover, DE 19904

Or at the following web address: [www.delawarepensions.com](http://www.delawarepensions.com)

## PART D



## REQUIRED SUPPLEMENTARY INFORMATION

## SERVICES TO OUR RESIDENTS AND CUSTOMERS

Animal Control

Leaf Collection

Beautification Building

Library

Bulky Trash Collection

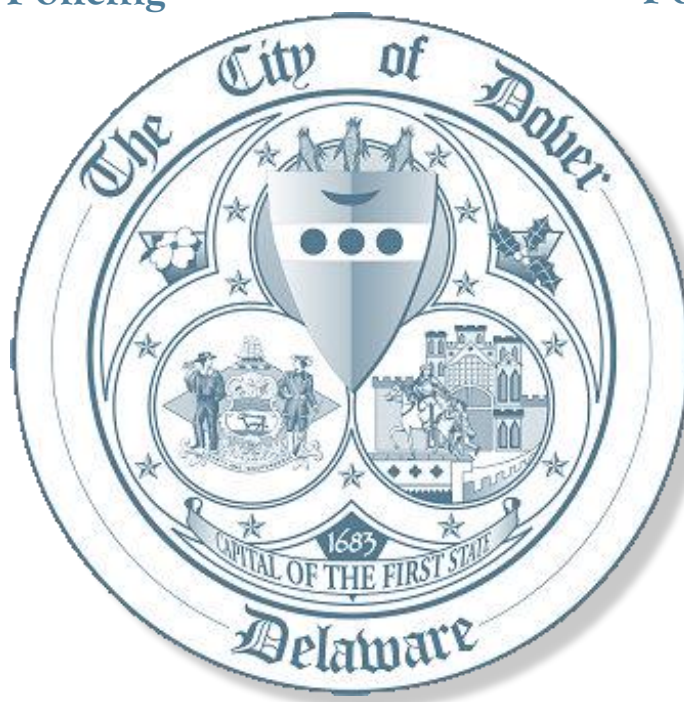
Parks & Recreation

Community Development/Housing

Planning & Zoning

Community Policing

Police Protection



Elections

Snow Removal

Electricity

Stormwater

Economic Development

Street Maintenance/Cleaning

Emergency Preparedness

Trash Collection

Fire Protection

Tree Maintenance

Water & Wastewater

**CITY OF DOVER, DELAWARE**  
**GENERAL FUND**

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)

For the Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance	\$ 5,548,900	\$ 7,365,500	\$ 7,374,818	\$ 9,318
<b>REVENUES:</b>				
Fines & Police Revenue	577,400	577,400	470,993	(106,407)
Library Revenues - General	109,800	104,100	99,089	(5,011)
Kent County Book Reimbursement	275,000	238,700	230,412	(8,288)
Business Licenses	1,470,000	1,407,200	1,408,226	1,026
Permits & Other Fees	1,724,000	1,254,000	1,059,660	(194,340)
Miscellaneous Charges	70,000	10,000	8,245	(1,755)
Police Extra Duty Fees	520,100	281,200	267,230	(13,970)
Property Taxes	14,596,700	14,708,600	14,735,523	26,923
Recreation Revenue	144,500	95,500	84,970	(10,530)
Franchise Fee	645,000	525,000	617,544	92,544
Sanitation Fees	3,076,600	3,076,600	3,080,960	4,360
Rent Revenue - Garrison Farm	98,000	102,700	102,655	(45)
Court of Chancery Fees	1,475,000	1,475,000	1,602,360	127,360
Investment Income	120,000	80,000	291,186	211,186
Interfund Service Receipts	5,749,900	5,749,900	4,964,025	(785,875)
<b>Grants:</b>				
Police Related/Extra Duty	145,000	145,000	222,821	77,821
Police Pension Grant	445,000	445,000	513,549	68,549
Green Energy Grant	98,500	98,500	98,500	-
Miscellaneous Grants	-	11,000	17,737	6,737
Transfer Tax	1,525,000	1,400,000	1,828,042	428,042
Transfer from Municipal Street Aid	665,300	796,000	796,168	168
Transfer from Civil Traffic Penalties	532,900	400,000	430,304	30,304
Transfer from Water/Wastewater Fund	1,000,000	1,000,000	1,000,000	-
Transfer from Electric Fund	10,000,000	10,000,000	10,000,000	-
Total Revenues	45,063,700	43,981,400	43,930,199	(51,201)
<b>TOTAL BEGINNING BALANCE &amp; REVENUES</b>	<b>\$ 50,612,600</b>	<b>\$ 51,346,900</b>	<b>\$ 51,305,017</b>	<b>\$ (41,883)</b>

(Continued)

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Financial Section – Part D – Required Supplementary Information

(Continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Tax Assessor	\$ 398,200	\$ 390,600	\$ 341,832	\$ 48,768
Fire	763,700	763,700	728,989	34,711
Library	1,779,800	1,784,800	1,705,014	79,786
Recreation	1,156,600	1,088,600	1,356,978	(268,378)
Life Safety	381,500	386,500	348,445	38,055
Code Enforcement	680,200	580,200	514,195	66,005
Planning	570,400	570,400	518,184	52,216
Public Inspections	644,700	544,700	543,640	1,060
Police	17,183,900	17,230,000	17,796,650	(566,650)
Police Extra Duty	665,100	427,100	332,143	94,957
Streets	810,600	666,600	571,022	95,578
Stormwater	859,000	724,200	569,757	154,443
Sanitation	2,432,400	2,442,400	2,279,634	162,766
Engineering	368,800	345,800	209,197	136,603
Allocated Expenditures:				
City Clerk	432,600	362,600	354,327	8,273
Council	157,700	157,700	122,105	35,595
Grounds Maintenance	1,269,500	969,500	708,319	261,181
City Manager	1,007,900	982,900	910,082	72,818
Information Technology	747,000	747,000	741,136	5,864
Finance	935,800	929,800	948,723	(18,923)
Public Works-Administration	802,300	736,700	691,841	44,859
Facilities Management	655,700	655,700	610,489	45,211
Procurement and Inventory	684,400	697,000	655,234	41,766
Fleet Maintenance	1,051,200	876,200	806,014	70,186
Customer Services	1,067,500	1,067,500	1,074,382	(6,882)
Human Resources	523,300	526,800	480,675	46,125
Mayor	226,900	181,900	164,001	17,899
Insurance	750,000	840,000	866,507	(26,507)
Budget Appropriations				
Contribution to Downtown Dover Partnership	150,000	150,000	150,000	-
Miscellaneous Grant Expense	-	800	(8,323)	9,123
Bank & Credit Card Fees	20,000	20,000	22,534	(2,534)
Retirees Health Care	1,894,900	1,894,900	1,894,900	-
Subtotal	41,071,600	39,742,600	39,008,626	733,974
Debt Service - Principal and Interest	500,000	500,000	463,568	36,432
Bond issue Costs	-	-	500	(500)
Transfer to Capital Fund for Projects	3,261,600	3,261,600	3,261,600	-
Transfer to Electric I & E Fund	250,000	250,000	250,000	-
Appropriation to Police Pension Fund	519,600	519,600	519,600	-
Transfer to Cable Franchise Reserve	-	-	11,758	(11,758)
Appropriation to Police - State Grant	445,000	445,000	513,549	(68,549)
Street Lights	815,000	815,000	807,794	7,206
Total Expenditures	46,862,800	45,533,800	44,836,995	696,805
Budget Balance	3,749,800	5,813,100	6,468,022	(654,922)
Total Budget Balance & Expenditures	\$ 50,612,600	\$ 51,346,900	\$ 51,305,017	\$ 41,883
Budget Balance - Working Capital			\$ 6,468,022	
Perspective and GAAP (Non-GAAP) Differences:				
Fair Value of Investment Adjustment			145,108	
Deferred Revenues - Non-spendable			(38,666)	
Inventory & Prepaids - Non-spendable			(190,873)	
Unassigned Fund Balance			<u>6,383,591</u>	

**Police Pension Fund**  
**Schedule of Changes in Net Pension Liability, Related Ratios (in Thousands)**

	Fiscal Year Fiscal Year Ending June 30,						
	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Interest on total pension liability	\$ 1,134	\$ 1,173	\$ 1,197	\$ 1,211	\$ 1,281	\$ 1,311	\$ 1,325
Effect of economic/demographic (gains) or losses	206	(157)	-	-	(836)	286	25
Effect of assumption changes or inputs	633	(88)	(44)	116	-	932	-
Benefit payments	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Net change in total pension liability	436	(590)	(388)	(201)	(1,083)	972	(198)
Total pension liability, beginning	18,208	18,798	19,186	19,387	20,471	19,499	19,697
Total pension liability, ending (a)	\$ 18,644	\$ 18,208	\$ 18,798	\$ 19,186	\$ 19,388	\$ 20,471	\$ 19,499
<b>Fiduciary Net Position</b>							
Employer contributions	\$ 1,033	\$ 1,097	\$ 1,295	\$ 1,118	\$ 1,093	\$ 1,386	\$ 1,229
Investment income net of investment expenses	439	820	908	1,433	279	283	1,583
Benefit payments	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Administrative expenses	(5)	(5)	(5)	(4)	(4)	(6)	(20)
Net change in plan fiduciary net position	(70)	394	657	1,019	(160)	106	1,244
Fiduciary net position, beginning	14,295	13,900	13,243	12,225	12,385	12,279	11,035
Fiduciary net position, ending (b)	\$ 14,225	\$ 14,295	\$ 13,900	\$ 13,244	\$ 12,225	\$ 12,385	\$ 12,279
Net pension liability, ending = (a) - (b)	\$ 4,419	\$ 3,913	\$ 4,898	\$ 5,942	\$ 7,163	\$ 8,086	\$ 7,220
Fiduciary net position as a % of total pension liability	76.30%	78.51%	73.95%	69.03%	63.05%	60.50%	62.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, prior years are not available.

**Police Pension Fund**  
**Schedule of Employer Contributions**

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2020	\$ 964,518	\$ 1,033,149	\$ (68,631)	\$ -	N/A
2019	1,050,375	1,097,151	(46,776)	-	N/A
2018	1,205,092	1,294,750	(89,658)	-	N/A
2017	1,176,462	1,118,346	58,116	-	N/A
2016	1,212,000	1,093,278	118,722	-	N/A
2015	1,176,422	1,385,789	(209,367)	-	N/A
2014	1,155,110	1,229,363	(74,253)	-	N/A
2013	1,155,796	1,074,599	81,197	-	N/A
2012	979,132	668,274	310,858	-	N/A
2011	1,082,956	633,636	449,320	-	N/A

**Police Pension Plan**  
**Schedule of Investment Returns**  
**Fiscal year 2017 through 2020<sup>(1)</sup>**

Fiscal year ending June 30	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	3.46%	6.43%	7.16%	12.34%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2017 is not available.

**Police Pension Plan  
Net Pension Liability**

	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Total pension liability	\$ 18,644,121	\$ 18,207,829
Fiduciary net position	14,224,901	14,294,532
Net pension liability	4,419,220	3,913,297
Fiduciary net position as a % of total pension liability	76.30%	78.51%
Covered payroll	-	-
Net pension liability as a % of covered payroll	N/A	N/A

The total pension liability was determined by an actuarial valuation as of July 1, 2020 with liabilities projected to the June 30, 2020 measurement date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. Any significant changes during this period have been reflected as prescribed by GASB 67 and 68.

**Actuarial Methods and Significant Assumptions**

Valuation date	July 1, 2020
Actuarial cost method	Entry Age Method
Amortization method	Level Dollars
Amortization period	Closed
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	none, no remaining active participants
Includes inflation at	2.3%
Automatic Cost of living (retirees)	2.0%
Mortality Rates	
Healthy	<u>Participants:</u> PubS-2010 Public Safety Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019 <u>Survivors:</u> Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019
Disabled	PubS-2010 Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019



**General Employee Pension Fund**  
**Schedule of Changes in Net Pension Liability, Related Ratios (in Thousands)**

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 395	\$ 424	\$ 406	\$ 433	\$ 401	\$ 459	\$ 484
Interest on total pension liability	3,991	3,989	3,827	3,729	3,719	3,861	3,810
Changes of benefit terms	-	-	830	-	-	-	-
Differences between expected and actual experience	1,447	-	1,504	41	(267)	(422)	111
Effect of assumption changes or inputs	1,260	(279)	(99)	1,200	-	1,956	-
Benefit payments	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Net change in total pension liability	2,973	101	2,492	1,657	135	2,154	751
Total pension liability, beginning	63,058	62,957	60,465	58,808	58,673	56,519	55,768
Total pension liability, ending (a)	<u>\$ 66,031</u>	<u>\$ 63,058</u>	<u>\$ 62,957</u>	<u>\$ 60,465</u>	<u>\$ 58,808</u>	<u>\$ 58,673</u>	<u>\$ 56,519</u>
<b>Fiduciary Net Position</b>							
Employer contributions	\$ 2,606	\$ 2,704	\$ 4,777	\$ 2,877	\$ 3,090	\$ 3,420	\$ 3,473
Member contributions	183	190	195	202	202	209	212
Investment income net of investment expenses	1,550	2,765	2,757	4,351	850	955	4,153
Benefit payments	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Administrative expenses	(19)	(19)	(18)	(18)	(16)	(19)	(20)
Net change in plan fiduciary net position	200	1,607	3,735	3,666	408	865	4,164
Fiduciary net position, beginning	44,708	43,100	39,364	35,699	35,291	34,426	30,263
Fiduciary net position, ending (b)	<u>\$ 44,908</u>	<u>\$ 44,708</u>	<u>\$ 43,100</u>	<u>\$ 39,365</u>	<u>\$ 35,699</u>	<u>\$ 35,291</u>	<u>\$ 34,427</u>
Net pension liability, ending = (a) - (b)	<u>\$ 21,123</u>	<u>\$ 18,350</u>	<u>\$ 19,857</u>	<u>\$ 21,100</u>	<u>\$ 23,109</u>	<u>\$ 23,382</u>	<u>\$ 22,092</u>
Fiduciary net position as a % of total pension liability	68.01%	70.90%	68.46%	65.10%	60.70%	60.15%	60.91%
Covered payroll	\$ 5,067	\$ 5,396	\$ 5,561	\$ 5,636	\$ 5,504	\$ 5,864	\$ 5,971
Net pension liability as a % of covered payroll	416.92%	340.11%	357.06%	374.39%	419.88%	398.73%	370.03%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**General Employee Pension Plan  
Schedule of Employer Contributions**

<b>Fiscal Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
2020	\$ 2,914,587	\$ 2,606,067	\$ 308,520	\$ 5,066,622	51.44%
2019	2,885,737	2,703,583	182,154	5,395,564	50.11%
2018	3,016,283	4,777,466	(1,761,183)	5,561,300	85.91%
2017	2,824,098	2,876,657	(52,559)	5,635,987	51.04%
2016	3,025,982	3,089,409	(63,427)	5,504,387	56.13%
2015	2,983,776	3,419,512	(435,736)	5,864,089	58.31%
2014	2,628,694	3,472,736	(844,042)	5,970,703	58.16%
2013	3,217,964	9,788,571	(6,570,607)	7,076,322	138.33%
2012	3,130,022	3,142,951	(12,929)	7,974,057	39.41%
2011	3,149,493	3,347,728	(198,235)	8,256,751	40.55%

**General Employee Pension Plan  
Schedule of Investment Returns  
Fiscal year 2017 through 2020<sup>(1)</sup>**

<b>Fiscal year ending June 30</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Money-weighted rate of return, net of investment expense	3.64%	6.76%	7.12%	12.50%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2017 is not available.

**General Employee Pension Plan  
Net Pension Liability**

	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Total pension liability	\$ 66,031,408	\$ 63,058,424
Fiduciary net position	44,907,544	44,707,648
Net pension liability	21,123,864	18,350,776
Fiduciary net position as a % of total pension liability	68.01%	70.90%
Covered payroll	5,066,622	5,395,564
Net pension liability as a % of covered payroll	416.92%	340.11%

The total pension liability was determined by an actuarial valuation as of July 1, 2020 with liabilities projected to the June 30, 2020 measurement date using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. Any significant changes during this period have been reflected as prescribed by GASB 67 and 68.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2020
Actuarial cost method	Entry Age Method
Amortization method	Level Dollar
Amortization period	Closed; 15-year – Unfunded AAL
Asset valuation method	Fair Market Value

Actuarial Assumptions:

Investment rate of return	6.5%
Discount rate	6.5%
Projected salary increases	3.0%
Includes inflation at	2.3%

Mortality Rates

Healthy

Participants:

PubG-2010 General Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019

Survivors:

Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2019

Disabled

PubNS-2010 Non-Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2006 based on Society of Actuaries Scale MP-2019

**County & Municipal Police and Firefighter's Pension Plan**  
**Schedule of the City of Dover's Proportionate Share of the Net Pension Liability**

	Measurement Date					
	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability(asset)	8.3407%	8.4242%	8.6629%	9.0042%	9.6070%	9.6334%
City's proportionate share of the net pension liability(asset)	\$2,395,686	\$1,940,156	\$ 873,337	\$1,431,281	\$ (524,958)	\$ (1,042,117)
City's covered payroll	\$7,372,815	\$6,843,159	\$6,996,159	\$7,117,770	\$ 7,060,453	\$ 6,582,053
City's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	32.49%	28.35%	12.48%	20.11%	(7.44%)	(15.83%)
Plan fiduciary net position as a percentage of the total pension liability	93.25%	94.10%	109.23%	105.59%	101.97%	104.47%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

**County & Municipal Police and Firefighter's Pension Plan**  
**Schedule of City of Dover's Contributions**

	Fiscal Year Ending						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,317,526	\$ 1,276,048	\$ 1,258,817	\$ 944,356	\$ 951,199	\$ 977,587	\$ 933,750
Contributions in relation to the contractually required contribution	(1,317,526)	(1,276,048)	(1,258,817)	(944,356)	(951,199)	(977,587)	(933,750)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$7,760,905	\$7,372,815	\$6,843,159	\$6,843,159	\$ 7,117,770	\$ 7,060,453	\$ 6,582,053
Contributions as a percentage of covered payroll	16.98%	17.31%	18.40%	13.80%	13.36%	13.85%	14.19%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2014 is not available.

**OPEB Trust Fund**  
**Schedule of Changes in Net OPEB Liability, Related Ratios**

	Fiscal Year Ending June 30			
	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 1,120	\$ 1,202	\$ 1,222	\$ 1,655
Interest	4,211	4,288	4,498	4,682
Net difference between expected and actual experience	(4,758)	(5,152)	(6,202)	(2,871)
Effect of assumption changes or inputs	483	1,311	-	(4,833)
Benefit payments	(2,755)	(2,748)	(2,704)	(2,663)
Net change in total OPEB liability	(1,699)	(1,099)	(3,186)	(4,030)
Total OPEB liability, beginning	65,020	66,119	69,305	73,335
Total OPEB liability, ending (a)	<u>\$ 63,321</u>	<u>\$ 65,020</u>	<u>\$ 66,119</u>	<u>\$ 69,305</u>
<b>Fiduciary Net Position</b>				
Employer contributions	\$ 4,326	\$ 5,448	\$ 5,722	\$ 4,603
Investment income net of investment expenses	1,871	2,184	2,295	3,074
Benefit payments	(2,755)	(2,748)	(2,704)	(2,663)
Administrative expenses	(9)	(3)	(8)	(3)
Net change in plan fiduciary net position	3,433	4,881	5,305	5,011
Fiduciary net position, beginning	39,240	34,359	29,054	24,043
Fiduciary net position, ending (b)	<u>\$ 42,673</u>	<u>\$ 39,240</u>	<u>\$ 34,359</u>	<u>\$ 29,054</u>
Net OPEB liability, ending = (a) - (b)	<u>\$ 20,648</u>	<u>\$ 25,780</u>	<u>\$ 31,760</u>	<u>\$ 40,251</u>
Fiduciary net position as a % of total OPEB liability	67.40%	60.40%	52.00%	41.90%
Covered payroll	\$ 20,262	\$ 19,578	\$ 19,101	\$ 17,657
Net OPEB liability as a % of covered payroll	101.90%	131.70%	162.20%	210.70%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**OPEB Trust Fund  
Schedule of City's Contributions  
(In Thousands)**

	For the year ended June 30			
	2020	2019	2018	2017
Actuarially determined contribution (ADC)	\$ 3,190	\$ 4,044	\$ 4,560	\$ 4,644
Contributions in relation to the ADC	(4,326)	(5,447)	(5,722)	(4,603)
Contributions deficiency / (excess)	\$ (1,136)	\$ (1,403)	\$ (1,162)	\$ 41
Covered payroll	\$ 20,262	\$ 19,580	\$ 19,578	\$ 19,101
Contributions as a percentage of covered payroll	21.4	27.8	29.2	24.1%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Post-Employment Other than Pensions Plan (OPEB)  
Schedule of Investment Returns  
Fiscal year 2017 through 2020<sup>(1)</sup>**

Fiscal year ending June 30	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	4.77%	6.10%	7.87%	12.66%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2017 is not available.

**Actuarial Methods and Significant Assumptions**

Valuation date	July 1, 2019
Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Level Dollars
Remaining amortization period	28 years
Asset valuation method	Fair Market Value
Actuarial Assumptions:	
Investment rate of return	6.5%
Discount rate	6.5%
Inflation	2.5% per year included in payroll growth
Healthcare cost trend rates	
Pre-65 Medical / Rx	Initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%
Post-65 Medical / Rx	Initial rate of 8% decreasing by 0.5% annually to an ultimate rate of 4.5%
Mortality	Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2019
	a. Non-Police: SOA Pub-2010 General
	b. Police: SOA Pub-2010 Public Safety
	c. Surviving Spouses: SOA Pub-2010 Contingent Survivors

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### GOVERNMENTAL BUDGETS

#### *Budgetary Basis of Accounting*

The City prepares its budget for the General Fund revenue on a modified accrual basis. The expenditures are accounted for when the purchase orders are issued. Encumbrances are established when purchase orders are issued and accounted for as a reservation of fund balance at year-end and are not on a modified accrual basis. The budget is amended in the subsequent year for the outstanding encumbrances of the prior year. The modified accrual basis of accounting is used for the fund financial statements.

General Fund actual revenues were lower than the final budget by \$51,201 with positive variances in investment income, property taxes, court of chancery fees, franchise fees, transfer tax, business licenses, sanitation fees, police related/extra duty grants, police pension grant, miscellaneous grants, civil traffic penalties and municipal street aid grant. The sources of revenues with negative variances are fines and police revenue, library revenues – general & county reimbursement, permits and other licenses, police extra duty fees, recreation revenue and inter-fund services receipts. Expenditures were lower than budget by \$696,805 due to lower than budgeted expense across almost all functions a result of personnel reductions through attrition and retirements. The net result is an increase of \$654,922 to the General Fund ending fund balance.

#### *Budget Amendments*

During this fiscal year, the City Council amended the budget three times. These budget amendment or supplemental appropriation ordinances were primarily for the following purposes:

1. To re-appropriate budget balances for ongoing capital projects.
2. To amend the grant budgets, and reserve accounts for the actual results of the prior fiscal year, and all carried forward budget balances for the major operating funds from the prior fiscal year, as well as program revenues and expenses based on changes in program revenues, expenses based on actual amounts.
3. To amend revenue and expense accounts based on actual experience during fiscal year 2020.

The differences for the year ended June 30, 2020 were as follows:

Total revenues- budgetary basis	\$ 43,930,199
Total expenditures- budgetary basis	<u>44,836,995</u>
Net decrease in fund balance- budgetary basis	(906,796)
Perspective differences	
Transfer to Reserves	11,758
General Fund Subfund Expense Activity for the Capital Project Fund	(3,126,173)
Intrafund Transfers to the General Fund- Capital Projects Fund	3,261,600
General Fund Subfund Revenue Activity for the Capital Project Fund	1,330,243
Fair Value of Investments	175,752
Deferred Revenue Adjustment	<u>108,411</u>
Net increase in fund balance - GAAP Basis	<u>\$ 854,795</u>

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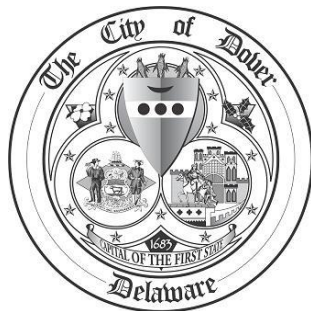


## PART E



## SUPPLEMENTARY INFORMATION

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## FINANCIAL STATEMENTS GENERAL FUND COMBINING SCHEDULES

The General Fund contains a sub-fund for capital projects which is separately budgeted. The combining schedules are presented in the supplementary information.

The budgetary comparison for the Governmental Capital Projects Fund has its own separate budget and is presented in this section to show legal compliance. The perspective difference between the basis of budgeting and GAAP is explained in the reconciliation of the basis of budgeting to GAAP.

**The City of Dover, Delaware**  
**Combining General Fund Balance Sheet**  
**June 30, 2020**

	General Fund	General Capital Projects Fund	Total General Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 3,808,567	\$ 3,096,651	\$ 6,905,218
Restricted Cash and Cash Equivalents	-	-	-
Investments	5,089,838	3,547,955	8,637,793
Restricted Investments	18,954	-	18,954
Receivables, net			
Accounts	88,556	410	88,966
Taxes	76,805	-	76,805
Due from Other Funds	1,270,754	-	1,270,754
Temporary Advances	70,000	-	70,000
Prepaid Items	80,639	-	80,639
Inventory, at Cost	110,234	-	110,234
Total Assets	<u>\$ 10,614,347</u>	<u>\$ 6,645,016</u>	<u>\$ 17,259,363</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 2,789,753	\$ 406,746	\$ 3,196,499
Unearned Revenue	(1,669)	57,825	56,156
Due to Other Funds	47,676	-	47,676
Other	255,654	-	255,654
Total Liabilities	<u>3,091,414</u>	<u>464,571</u>	<u>3,555,985</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	99,697	-	99,697
Total Deferred Inflows of Resources	<u>99,697</u>	<u>-</u>	<u>99,697</u>
<b>Fund Balances:</b>			
Non-Spendable			
Inventory and Prepaids	190,873	-	190,873
Library Endowment	5,000	-	5,000
Patronage Stock	16,594	-	16,594
Restricted			
Library Endowment	2,360	-	2,360
Verizon Cable Franchise	36,629	-	36,629
Committed			
Contingency	788,189	-	788,189
Parkland Reserve	-	1,357,385	1,357,385
Assigned			
Capital Projects	-	4,823,060	4,823,060
Unassigned	6,383,591	-	6,383,591
Total Fund Balances	<u>7,423,236</u>	<u>6,180,445</u>	<u>13,603,681</u>
Total Liabilities and Fund Balances	<u>\$ 10,614,347</u>	<u>\$ 6,645,016</u>	<u>\$ 17,259,363</u>

**The City of Dover, Delaware**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances of the General Fund (Non-GAAP Basis)**  
**For the Year Ended June 30, 2020**

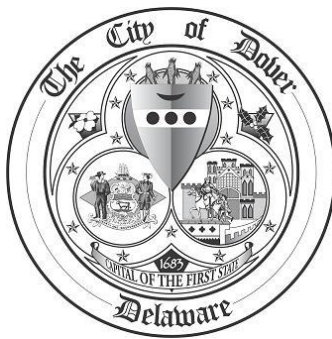
	General Fund	General Capital Projects Fund	Total General Funds
<b>Revenues</b>			
Fines	\$ 470,993	\$ -	\$ 470,993
Library Revenue- General	99,089	-	99,089
Library Revenue County Reimbursement	230,412	-	230,412
Licenses and Permits	2,467,886	-	2,467,886
Sanitation Fees and Rebates	3,080,960	-	3,080,960
Miscellaneous Services	1,080,644	240,324	1,320,968
Property Taxes	14,735,523	-	14,735,523
Grants Received	629,786	1,067,474	1,697,260
Court of Chancery Fees	1,602,360	-	1,602,360
Investment Income	268,652	22,445	291,097
<b>Total Revenues</b>	<b>24,666,305</b>	<b>1,330,243</b>	<b>25,996,548</b>
<b>Expenditures</b>			
Current:			
General Government	2,882,883	-	2,882,883
Library Services	1,705,014	131,672	1,836,686
Public Safety and Law Enforcement	21,297,211	786,770	22,083,981
Public Works	2,580,406	593,100	3,173,506
Recreational Services	1,356,978	397,793	1,754,771
Streets and Sanitation Services	2,850,656	1,128,365	3,979,021
Engineering services	209,197	-	209,197
Financial Administration	2,764,241	19,874	2,784,115
Garage and Stores	1,461,248	68,599	1,529,847
Insurance	866,507	-	866,507
Retiree Health Care	1,894,900	-	1,894,900
Community and Economic Development	150,000	-	150,000
Street Lights	807,794	-	807,794
Debt Service:			
Principal Retirement	328,716	-	328,716
Interest and Fiscal Charges	135,352	-	135,352
<b>Total Expenditures</b>	<b>41,291,103</b>	<b>3,126,173</b>	<b>44,417,276</b>
Excess (deficiency) of Revenues over Expenditures	(16,624,798)	(1,795,930)	(18,420,728)
<b>Other Financing Sources and Uses</b>			
Reserve Transfers	(11,758)	(1,085,296)	(1,097,054)
Interfund Transfers	15,729,760	3,261,600	18,991,360
Total other Financing Sources and Uses	15,718,002	2,176,304	17,894,306
Net Change in Fund Balances	(906,796)	380,374	(526,422)
Fund Balances at Beginning of Year	7,374,818	2,841,105	10,215,923
Fund Balances at End of Year	<b>\$ 6,468,022</b>	<b>\$ 3,221,479</b>	<b>\$ 9,689,501</b>
<b>Perspective and GAAP (Non-GAAP) Differences:</b>			
Fair Value of Investment Adjustment	\$ 145,108	\$ 101,103	\$ 246,211
Deferred Revenues - Non-spendable	(38,666)	-	(38,666)
Inventory & Prepaids - Non-spendable	(190,873)	-	(190,873)
Capital Asset - Assigned	-	(3,322,582)	(3,322,582)
Unassigned Fund Balance	<b>\$ 6,383,591</b>	<b>\$ -</b>	<b>\$ 6,383,591</b>

**CITY OF DOVER, DELAWARE  
GOVERNMENTAL CAPITAL PROJECTS FUND**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget & Actual (Non-GAAP Basis)**

**For the Year Ended June 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance - Working Capital	\$ 304,300	\$ 2,841,100	\$ 2,841,105	\$ 5
<b>REVENUES:</b>				
Bond Proceeds	1,228,600	528,600	-	(528,600)
State Grant - Other	241,800	241,800	1,067,474	825,674
Library County Grant	-	125,000	-	-
Transfer from General Fund for Projects	3,261,600	3,261,600	3,261,600	-
Transfer from Parkland Reserve	-	191,800	-	(191,800)
Transfer from Capital Asset Reserve	172,000	445,300	-	(445,300)
Income from Sale of Assets	-	-	95,693	95,693
Interest Earnings	-	-	22,445	22,445
Miscellaneous Receipts	-	-	144,631	144,631
<b>Total Revenues</b>	<b>4,904,000</b>	<b>4,794,100</b>	<b>4,591,843</b>	<b>(77,257)</b>
<b>TOTAL BEGINNING BALANCE &amp; REVENUES</b>	<b>\$ 5,208,300</b>	<b>\$ 7,635,200</b>	<b>\$ 7,432,948</b>	<b>\$ (77,252)</b>
<b>EXPENDITURES:</b>				
Fire	\$ 281,100	\$ 281,100	\$ 161,810	\$ 119,290
Library	-	125,000	131,672	(6,672)
Recreation	476,000	1,073,600	397,793	675,807
Life Safety	48,900	48,900	-	48,900
Code Enforcement	37,200	37,200	-	37,200
Inspections	18,600	18,600	-	18,600
Police	753,900	954,700	624,960	329,740
Streets	1,266,500	3,289,400	850,787	2,438,613
Sanitation	287,200	287,200	277,578	9,622
Grounds	128,400	153,400	149,903	3,497
Stormwater	365,000	365,000	211,504	153,496
Information Technology	45,600	45,600	19,874	25,726
Facilities Management	784,000	174,800	231,693	(56,893)
Purchasing	390,000	390,000	50,000	340,000
Fleet Maintenance	21,600	21,600	18,599	3,001
Subtotal	4,904,000	7,266,100	3,126,173	4,139,927
<b>TRANSFERS AND MISCELLANEOUS EXPENSES:</b>				
Transfer to Parkland Reserve	-	-	1,085,296	(1,085,296)
<b>Total Expenditures</b>	<b>4,904,000</b>	<b>7,266,100</b>	<b>4,211,469</b>	<b>3,054,631</b>
Budget Balance - Working Capital	304,300	369,100	3,221,479	(2,852,379)
<b>Budget Balance &amp; Expenditures</b>	<b>\$ 5,208,300</b>	<b>\$ 7,635,200</b>	<b>\$ 7,432,948</b>	<b>\$ 202,252</b>
Budget Balance - Working Capital			\$ 3,221,479	
Perspective and GAAP (Non-GAAP) Differences:				
Fair value of investment adjustment			101,103	
Assigned to Capital assets			1,500,478	
Committed to Parks & Recreation improvements			1,357,385	
<b>Total Fund Balances</b>			<b>\$ 6,180,445</b>	



## FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS

Special Revenue Funds include the group of funds classified as grant funds and a Realty Transfer Tax Fund. The proceeds from specific revenue sources are restricted to specified expenditure purposes. The City adopts budgets for selected Special Revenue Funds. Combining and individual statements appear in this section.

### POLICE GRANTS

The City of Dover Police Department receives various grants from the State of Delaware for public and highway safety and the U.S. Department of Justice for local law enforcement. All grant transactions are recorded in this fund.

### LIBRARY GRANTS

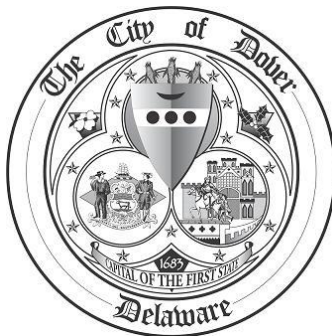
The City of Dover Public Library receives various grants from the State of Delaware, Kent County, and the Federal Government. Activities associated with these grants are recorded in this fund.

### MUNICIPAL STREET AID

The State of Delaware has passed legislation to share a portion of Delaware's motor fuel tax revenue with local municipalities through grants. The amount of the grant the City receives depends on its population and miles of streets maintained. The grant is used for street light expense within the City.

### CDBG HOUSING GRANTS & NEIGHBORHOOD STABILIZATION PROGRAM

The City receives a U.S. Department of Housing and Urban Development Entitlement Grant for the Community Development Block Grant Program. This is to provide decent housing, a suitable living environment and expand economic opportunities primarily for people of low and moderate incomes. Combined with the CDBG Fund is the Neighborhood Stabilization Program (NSP) that provides assistance in the redevelopment of residential properties that have been abandoned and foreclosed upon to stabilize residential communities.



## FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS (continued)

### STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION GRANTS

The State of Delaware Department of Transportation grants provide funds for specific street projects in the City. State law provides funds to the State's elected officials for suburban street aid, which officials can then provide to their respective districts. The City receives these funds for designated street projects and records all transactions for this fund.

### SUBSTANCE ABUSE PREVENTION GRANT

The State of Delaware General Assembly Grant-In-Aid Program provides funds to implement a substance abuse prevention program for at-risk and/or disadvantaged youths in the City of Dover.

### ELECTRONIC RED-LIGHT SAFETY PROGRAM (ERLSP)

The State of Delaware Department of Transportation provides a grant to municipalities that implement the Electronic Red-Light Safety Program. Under this program, the City is granted a portion of the fines collected from drivers who are ticketed for running red lights installed with electronic photo identification equipment within the City limits.

### REALTY TRANSFER TAX

Delaware Code states that realty transfer tax realized by the City shall be segregated from the general fund and the funds shall be expended solely for the capital and operating costs of public safety services, economic development programs, public works services, capital projects and improvements, infrastructure projects and improvements and debt reduction.



**CITY OF DOVER, DELAWARE  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020**

	<b>POLICE GRANTS</b>	<b>LIBRARY GRANTS</b>	<b>MUNICIPAL STREET AID</b>	<b>CDBG/NSP HOUSING GRANTS</b>	<b>STATE D.O.T. GRANTS</b>	<b>SUBSTANCE ABUSE PREV. GRANT</b>	<b>ERLSP</b>	<b>REALTY TRANSFER TAX</b>	<b>TOTALS</b>
<b>ASSETS:</b>									
Cash	\$ 200,485	\$ 71,486	\$ -	\$ 72,407	\$ 109,714	\$ 91,481	\$ -	\$ 56,092	\$ 601,665
Receivables	787	-	-	-	-	-	-	-	787
Due from other governments	249,822	-	-	-	3,725	-	43,743	-	297,290
<b>TOTAL ASSETS</b>	<b>\$ 451,094</b>	<b>\$ 71,486</b>	<b>\$ -</b>	<b>\$ 72,407</b>	<b>\$ 113,439</b>	<b>\$ 91,481</b>	<b>\$ 43,743</b>	<b>\$ 56,092</b>	<b>\$ 899,742</b>
<b>LIABILITIES AND FUND BALANCE:</b>									
Liabilities:									
Vouchers Payable	\$ 116,011	\$ 40,157	\$ -	\$ 185	\$ 490	\$ 1,947	\$ -	\$ -	\$ 158,790
Unearned Revenue	154,281	-	-	-	-	-	-	-	154,281
Due to other funds-charges	107,514	-	-	394	-	1,091	43,743	56,092	208,834
Due to other funds-temporary advances	-	-	-	70,000	-	-	-	-	70,000
<b>Total Liabilities</b>	<b>377,806</b>	<b>40,157</b>	<b>-</b>	<b>70,579</b>	<b>490</b>	<b>3,038</b>	<b>43,743</b>	<b>56,092</b>	<b>591,905</b>
<b>Fund Balances:</b>									
Restricted	73,288	31,329	-	1,828	112,949	88,443	-	-	307,837
<b>Total Fund Balances</b>	<b>73,288</b>	<b>31,329</b>	<b>-</b>	<b>1,828</b>	<b>112,949</b>	<b>88,443</b>	<b>-</b>	<b>-</b>	<b>307,837</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 451,094</b>	<b>\$ 71,486</b>	<b>\$ -</b>	<b>\$ 72,407</b>	<b>\$ 113,439</b>	<b>\$ 91,481</b>	<b>\$ 43,743</b>	<b>\$ 56,092</b>	<b>\$ 899,742</b>

**CITY OF DOVER**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2020**

	<b>POLICE GRANTS</b>	<b>LIBRARY GRANTS</b>	<b>MUNICIPAL STREET AID</b>	<b>CDBG/NSP HOUSING GRANTS</b>	<b>STATE D.O.T. GRANTS</b>	<b>SUBSTANCE ABUSE PREV. GRANT</b>	<b>ERLSP</b>	<b>REALTY TRANSFER TAX</b>	<b>TOTALS</b>
<b>REVENUES:</b>									
Grants received	\$ 560,237	\$ 295,342	\$ 793,731	\$ 298,936	\$ 473,317	\$ 40,000	\$ -	\$ -	\$ 2,461,563
Recreation revenue	-	-	-	-	-	43,203	-	-	43,203
Police fines	-	-	-	-	-	-	430,204	-	430,204
Transfer taxes	-	-	-	-	-	-	-	1,825,438	1,825,438
Investment income (loss)	582	-	2,337	-	2,680	-	-	2,604	8,203
<b>TOTAL REVENUES</b>	<b>560,819</b>	<b>295,342</b>	<b>796,068</b>	<b>298,936</b>	<b>475,997</b>	<b>83,203</b>	<b>430,204</b>	<b>1,828,042</b>	<b>4,768,611</b>
<b>EXPENDITURES:</b>									
Program expenditures	339,784	271,583	-	297,990	497,570	83,316	-	-	1,490,243
<b>TOTAL EXPENDITURES</b>	<b>339,784</b>	<b>271,583</b>	<b>-</b>	<b>297,990</b>	<b>497,570</b>	<b>83,316</b>	<b>-</b>	<b>-</b>	<b>1,490,243</b>
Excess (deficiency) of revenues over (under) expenditures	221,035	23,759	796,068	946	(21,573)	(113)	430,204	1,828,042	3,278,368
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers-out	(231,232)	-	(796,168)	-	-	-	(430,304)	(1,828,042)	(3,285,746)
Net Change in fund balances	(10,197)	23,759	(100)	946	(21,573)	(113)	(100)	-	(7,378)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>83,485</b>	<b>7,570</b>	<b>100</b>	<b>882</b>	<b>134,522</b>	<b>88,556</b>	<b>100</b>	<b>-</b>	<b>315,215</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 73,288</b>	<b>\$ 31,329</b>	<b>\$ -</b>	<b>\$ 1,828</b>	<b>\$ 112,949</b>	<b>\$ 88,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 307,837</b>

**CITY OF DOVER, DELAWARE**  
**POLICE GRANTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ 63,500	\$ 79,000	\$ 85,649	\$ 6,649
Interest earned	-	-	582	582
Grants received	393,000	902,518	712,354	(190,164)
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>456,500</b>	<b>981,518</b>	<b>798,585</b>	<b>(182,933)</b>
<b>EXPENDITURES:</b>				
Personnel	13,500	159,510	-	(159,510)
Program expenses/supplies	317,000	507,000	264,227	(242,773)
Telephone/fax	20,000	20,000	15,386	(4,614)
Training/Conference/Food/Travel	15,000	30,000	2,164	(27,836)
Consulting/audit fees	1,000	1,000	-	(1,000)
<b>TOTAL EXPENDITURES</b>	<b>366,500</b>	<b>717,510</b>	<b>281,777</b>	<b>(435,733)</b>
Other financing uses:				
Operating transfers - out	(90,000)	(185,008)	(289,239)	(104,231)
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ -</b>	<b>\$ 79,000</b>	<b>\$ 227,569</b>	<b>\$ 148,569</b>
Fund Balance - Working Capital			227,569	
GAAP Differences				
Deferred Revenue - non-spendable			(5,703)	
Total Fund Balance			<u>221,866</u>	

**CITY OF DOVER, DELAWARE**  
**LIBRARY GRANTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ -	\$ 7,970	\$ 7,570	\$ (400)
Grants received: State	287,900	289,842	289,647	(195)
Grants received: Other	-	6,000	3,000	(3,000)
Grants received: Federal	2,500	2,500	2,695	195
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>290,400</b>	<b>306,312</b>	<b>302,912</b>	<b>(3,400)</b>
<b>EXPENDITURES:</b>				
Program expenditures/supplies (Fed Grant)	-	2,695	2,700	5
Program expenditures/supplies (Other Grant)	-	6,563	685	(5,878)
Program expenditures/supplies (State Grant)	28,600	28,200	22,373	(5,827)
Office Supplies	25,000	25,700	24,592	(1,108)
Printing/duplicating	12,500	13,800	9,720	(4,080)
Postage	100	100	40	(60)
Books	126,000	125,000	115,378	(9,622)
Furniture/Fixtures	5,500	6,300	5,946	(354)
Audio visual supplies	79,000	76,700	72,967	(3,733)
Training/conference/food/travel	4,000	1,300	1,104	(196)
Office equipment repairs	2,000	10,800	9,787	(1,013)
Office equipment lease	2,200	2,200	2,098	(102)
Cares Act COVID19	-	3,000	1,067	(1,933)
Computer software	2,000	2,000	1,637	(363)
Computer hardware	3,500	1,800	1,489	(311)
<b>TOTAL EXPENDITURES</b>	<b>290,400</b>	<b>306,158</b>	<b>271,583</b>	<b>(34,575)</b>
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ -</b>	<b>\$ 154</b>	<b>\$ 31,329</b>	<b>\$ 31,175</b>

**CITY OF DOVER, DELAWARE  
MUNICIPAL STREET AID FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ 100	\$ 100	\$ 100	\$ -
State Grant - Operations	665,300	665,300	793,731	128,431
Interest Earned	-	-	2,337	2,337
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>665,400</b>	<b>665,400</b>	<b>796,168</b>	<b>130,768</b>
Other financing uses:				
Operating transfers-out	(665,300)	(665,300)	(796,168)	(130,868)
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>

**CITY OF DOVER, DELAWARE**  
**HOUSING PROGRAMS - CDBG & NSP**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance CDBG	\$ 2,500	\$ 2,013	\$ 882	\$ (1,131)
Beginning balance NSP	6,300	-	-	-
Federal grant received	282,400	728,785	297,805	(430,980)
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>291,200</b>	<b>730,798</b>	<b>298,687</b>	<b>(432,111)</b>
<b>EXPENDITURES:</b>				
Closing Cost/Down Payment Program	97,900	191,389	80,000	111,389
Dover Interfaith Ministry	30,000	35,069	29,395	5,674
MHDC Emergency Home Repair	33,000	68,385	35,473	32,912
Milford Housing H/O Rehab	25,000	80,522	15,781	64,741
Central DE Housing Collaboration	40,000	75,284	75,284	-
Cares Act COVID19	-	163,211	5,475	157,736
Administrative Expense	56,500	114,925	56,582	58,343
<b>TOTAL EXPENDITURES</b>	<b>282,400</b>	<b>728,785</b>	<b>297,990</b>	<b>430,795</b>
<b>CDBG BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ 2,500</b>	<b>\$ 2,013</b>	<b>\$ 697</b>	<b>\$ 1,316</b>
<b>NSP BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ 6,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balance - Working Capital			697	
GAAP Differences				
Deferred Revenue - non-spendable			1,131	
Total Fund Balance			1,828	

**CITY OF DOVER, DELAWARE**  
**STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION GRANTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ 70,900	\$ 334,000	\$ 134,522	\$ (199,478)
Grants received: State	500,000	500,000	473,317	(26,683)
Interest earned	-	-	2,680	2,680
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>570,900</b>	<b>834,000</b>	<b>610,519</b>	<b>(223,481)</b>
<b>EXPENDITURES:</b>				
Program expenditures grant related	550,000	834,000	497,570	(336,430)
<b>TOTAL EXPENDITURES</b>	<b>550,000</b>	<b>834,000</b>	<b>497,570</b>	<b>336,430</b>
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ 20,900</b>	<b>\$ -</b>	<b>\$ 112,949</b>	<b>\$ 112,949</b>

**CITY OF DOVER, DELAWARE**  
**SUBSTANCE ABUSE PREVENTION PROGRAM**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ 52,000	\$ 52,000	\$ 81,064	\$ 29,064
Grants revenue	28,000	28,000	40,000	12,000
Recreation revenue	33,000	33,000	50,695	17,695
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>113,000</b>	<b>113,000</b>	<b>171,759</b>	<b>58,759</b>
<b>EXPENDITURES:</b>				
Temporary help/benefits	68,500	68,500	60,120	(8,380)
Program expenditures/supplies	35,000	35,000	23,196	(11,804)
<b>TOTAL EXPENDITURES</b>	<b>103,500</b>	<b>103,500</b>	<b>83,316</b>	<b>(20,184)</b>
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ 9,500</b>	<b>\$ 9,500</b>	<b>\$ 88,443</b>	<b>\$ 78,943</b>

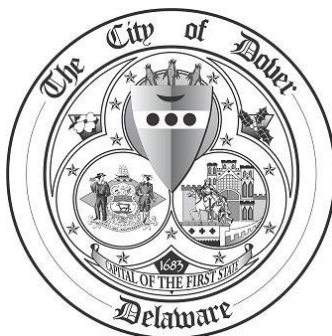
**CITY OF DOVER, DELAWARE  
ELECTRONIC RED LIGHT SAFETY PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ 100	\$ 100	\$ 100	\$ -
Grants received: State	532,900	532,900	430,204	(102,696)
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>533,000</b>	<b>533,000</b>	<b>430,304</b>	<b>(102,696)</b>
<b>EXPENDITURES:</b>				
Transfer to General Fund	532,900	532,900	430,304	(102,596)
<b>TOTAL EXPENDITURES</b>	<b>532,900</b>	<b>532,900</b>	<b>430,304</b>	<b>102,596</b>
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ (100)</b>

**CITY OF DOVER, DELAWARE  
REALTY TRANSFER TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Realty Transfer Taxes	1,525,000	1,525,000	1,825,438	300,438
Interest earned	-	-	2,604	2,604
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>1,525,000</b>	<b>1,525,000</b>	<b>1,828,042</b>	<b>303,042</b>
<b>EXPENDITURES:</b>				
Transfer to General Fund	1,525,000	1,525,000	1,828,042	303,042
<b>TOTAL EXPENDITURES</b>	<b>1,525,000</b>	<b>1,525,000</b>	<b>1,828,042</b>	<b>(303,042)</b>
<b>BALANCE CARRIED TO NEXT YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>





## FINANCIAL SCHEDULES PROPRIETARY FUND TYPES ENTERPRISE FUNDS

The following schedules pertaining to the major and non-major enterprise funds are not required under GAAP but are included for public review for budgetary compliance. Accordingly, no reconciliation to the GAAP financial statements is provided.

### **MAJOR ENTERPRISE FUND**

#### **ELECTRIC REVENUE FUND**

The Electric Revenue Fund accounts for all operating activity of the electric utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, purchased power cost, debt service, and transfers to other funds and the Improvement and Extension Fund.

The Electric Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

The funds are combined for GAAP reporting purposes with assets capitalized.

### **NON-MAJOR ENTERPRISE FUNDS**

#### **WATER FUND**

The Water Fund accounts for all operating activity of the Water Utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, debt service, and transfers to other funds and the Improvement and Extension Fund.

The Water Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

## WASTEWATER FUND

The Wastewater Fund accounts for all operating activity of the Wastewater Utility. This includes service revenues, investment earnings on operating accounts, direct and indirect operating expenses, debt service, and transfers to the other funds and the Improvement and Extension Fund.

The Wastewater Improvement and Extension Fund is used to account for all capital project and equipment purchases. The City utilizes revenue and expenditure accounts to record capital project receipts, transfers from the operating fund, and project costs.

The funds are combined for GAAP reporting purposes with assets capitalized.

**CITY OF DOVER, DELAWARE**  
**PROPRIETARY FUNDS**  
**COMBINING NON-MAJOR ENTERPRISE FUNDS BALANCE SHEET**  
**JUNE, 30 2020**

	<b>Business-type Activities</b>		
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Total Non-Major Enterprise Funds</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,079,161	\$ 19,626	\$ 3,098,787
Investments	5,572,356	2,944,729	8,517,085
Receivables, Net	428,788	373,503	802,291
Due from Other Funds	69	80	149
Due from other funds- temporary advances	400,000	(400,000)	-
Inventory	72,806	(704)	72,102
Prepaid Items	147	147	294
Total Current Assets	<u>9,553,327</u>	<u>2,937,381</u>	<u>12,490,708</u>
Non-Current Assets:			
Restricted Assets			
Cash	348,742	148,876	497,618
Investments	2,503,490	5,808,840	8,312,330
Capital Assets, Not Being Depreciated	7,524,977	839,135	8,364,112
Capital Assets, Net of Depreciation	26,118,096	32,207,093	58,325,189
Total Non-Current Assets	<u>36,495,305</u>	<u>39,003,944</u>	<u>75,499,249</u>
Total Assets	<u>46,048,632</u>	<u>41,941,325</u>	<u>87,989,957</u>
<b>Deferred Outflows of Resources:</b>			
Pension Related Deferred Outflows	251,134	81,129	332,263
OPEB Related Deferred Outflows	52,216	38,560	90,776
	<u>303,350</u>	<u>119,689</u>	<u>423,039</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	887,741	680,848	1,568,589
Due to Other Funds - Charges	225,702	137,345	363,047
Accrued Interest Payable	65,752	31,181	96,933
Revenue Bonds Payable	561,596	459,658	1,021,254
Liability for Compensated Absences	80,542	32,760	113,302
Total Current Liabilities	<u>1,821,333</u>	<u>1,341,792</u>	<u>3,163,125</u>
Non-Current Liabilities:			
OPEB Liability	848,581	479,892	1,328,473
Net Pension Liability	2,386,355	1,463,537	3,849,892
Revenue Bonds Payable	7,772,674	5,542,200	13,314,874
Liability for Compensated Absences	98,660	22,844	121,504
Total Non-Current Liabilities	<u>11,106,270</u>	<u>7,508,473</u>	<u>18,614,743</u>
Total Liabilities	<u>12,927,603</u>	<u>8,850,265</u>	<u>21,777,868</u>
<b>Deferred Inflows of Resources:</b>			
Pension Related Deferred Inflows	28,476	-	28,476
OPEB Related Deferred Inflows	701,286	272,310	973,596
Total Deferred Inflows of Resources	<u>729,762</u>	<u>272,310</u>	<u>1,002,072</u>
<b>Net Position</b>			
Net Investment in Capital Assets	25,308,803	27,044,370	52,353,173
Restricted for Capital Construction	2,852,232	5,957,716	8,809,948
Unrestricted	4,533,582	(63,647)	4,469,935
Total Net Position	<u>\$ 32,694,617</u>	<u>\$ 32,938,439</u>	<u>\$ 65,633,056</u>

**CITY OF DOVER, DELAWARE**  
**PROPRIETARY FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION - NON-MAJOR ENTERPRISE FUNDS**  
**JUNE, 30 2020**

	<b>Business-type Activities</b>		
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Non-Major Enterprise Funds</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 5,557,797	\$ 8,528,037	\$ 14,085,834
Miscellaneous Services/Income	617,742	218,626	836,368
Total Operating Revenues	6,175,539	8,746,663	14,922,202
<b>Operating Expenses</b>			
Water	686,001	-	686,001
Wastewater	-	1,013,053	1,013,053
Water Treatment Plant	1,724,238	-	1,724,238
Water/Wastewater Engineering	166,959	159,156	326,115
Kent County Wastewater Treatment	-	3,769,636	3,769,636
General Administrative	998,537	714,508	1,713,045
Depreciation	956,295	1,407,385	2,363,680
Retirees Health Care	113,200	113,100	226,300
Total Operating Expenses	4,645,230	7,176,838	11,822,068
Operating Income/Loss	1,530,309	1,569,825	3,100,134
<b>Non-Operating Revenues (Expenses)</b>			
Interest Earned:			
Operating Funds	144,298	42,648	186,946
Reserve Funds	84,774	143,743	228,517
Net Increase in Fair Value of Investments	161,801	181,933	343,734
Interest and Fiscal Charges	(227,243)	(149,386)	(376,629)
Gain (Loss) on Sale of Assets	(22,815)	7,651	(15,164)
Total Non-Operating Revenue (expenses)	140,815	226,589	367,404
Income before Contributions and Transfers	1,671,124	1,796,414	3,467,538
Contractor Contributions - Infrastructure	811,744	597,401	1,409,145
Transfers Out	(649,000)	(649,000)	(1,298,000)
Total transfers	(649,000)	(649,000)	(1,298,000)
Change in Net Position	1,833,868	1,744,815	3,578,683
Total Net Position--Beginning	30,860,750	31,193,623	62,054,373
Total Net Position--Ending	\$ 32,694,618	\$ 32,938,438	\$ 65,633,056

**CITY OF DOVER, DELAWARE**  
**COMBINING SCHEDULE OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS**  
**JUNE, 30 2020**

	<b>Business-type Activities</b>		
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Total Non-Major Enterprise Funds</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 6,150,611	\$ 8,671,254	\$ 14,821,865
Payments to Suppliers (including Purchased Power)	(1,071,445)	(5,385,544)	(6,456,989)
Payments to Employees	(1,511,938)	(834,176)	(2,346,114)
Payments of Personnel Related Costs	(980,601)	(465,777)	(1,446,378)
Internal Activity-Payments from (to) Other Funds	(580,925)	129,847	(451,078)
Other Receipts (Payments) including Claims Paid	(283,246)	(156,142)	(439,388)
Net Cash Provided by (used for) Operating Activities	<u>1,722,456</u>	<u>1,959,462</u>	<u>3,681,918</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers Out	(649,000)	(649,000)	(1,298,000)
Net Cash Used for Noncapital Financing Activities	<u>(649,000)</u>	<u>(649,000)</u>	<u>(1,298,000)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and Construction of Capital Assets	(2,940,024)	(1,537,032)	(4,477,056)
Proceeds of issuance of debt	1,401,901	578,057	1,979,958
Bond Issuance Costs	-	(4,582)	(4,582)
Principal Paid on Revenue Bond Maturities	(372,949)	(468,576)	(841,525)
Interest Paid on Capital Debt	(227,271)	(144,776)	(372,047)
Net Cash Used for Capital and Related Financing Activities	<u>(2,138,343)</u>	<u>(1,576,909)</u>	<u>(3,715,252)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	144,298	42,648	186,946
Purchase of Investment Securities	(456,908)	(668,809)	(1,125,717)
Interest on Restricted Cash	84,774	143,743	228,517
Net Cash Provided by (used for) Investing Activities	<u>(227,836)</u>	<u>(482,418)</u>	<u>(710,254)</u>
Net Increase/Decrease in Cash and Cash Equivalents	(1,292,723)	(748,865)	(2,041,588)
Cash and cash equivalents July 1 (incl. \$466,393 for Non-Major Enterprise Funds)	4,720,626	917,367	5,637,993
Cash and cash equivalents June 30 (incl. \$497,618 for Non-Major Enterprise Funds)	<u>\$ 3,427,903</u>	<u>\$ 168,502</u>	<u>\$ 3,596,405</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income	\$ 1,530,309	\$ 1,569,825	\$ 3,100,134
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:			
Depreciation Expense	956,295	1,407,385	2,363,680
Effect of Changes in Operating Assets and Liabilities:			
Receivables	(25,432)	(75,902)	(101,334)
Due from other funds	504	493	997
Due from other funds - Advances	(400,000)	-	(400,000)
Inventory	(3,586)	860	(2,726)
Prepaid items	251	251	502
Deferred outflow of resources Pension	(139,970)	(51,041)	(191,011)
Deferred outflow of resources OPEB	(18,640)	(11,165)	(29,805)
Accounts payable and accrued expenses	(147,343)	(921,573)	(1,068,916)
Due to other funds	19,495	(272,095)	(252,600)
Due to other funds - Advances	-	400,000	400,000
Liability for Compensated Absences	46,075	6,360	52,435
Net OPEB Liability	(291,760)	(160,543)	(452,303)
Net pension liability	338,039	126,636	464,675
Deferred inflow of resources Pension	(88,651)	(31,702)	(120,353)
Deferred inflow of resources OPEB	(53,130)	(28,327)	(81,457)
Net Cash Provided by Operating Activities	<u>\$ 1,722,456</u>	<u>\$ 1,959,462</u>	<u>\$ 3,681,918</u>
Non-Cash Investing, Capital and Financing Activities:			
Change in Fair Value of Investments	\$ 161,801	\$ 181,933	\$ 343,734
Capital Contributions - Infrastructure	811,744	597,401	1,409,145

**CITY OF DOVER, DELAWARE  
WATER FUND  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance - Water	\$ 1,487,000	\$ 1,854,500	\$ 1,854,498	\$ (2)
<b>TOTAL BEGINNING BALANCES</b>	<b>1,487,000</b>	<b>1,854,500</b>	<b>1,854,498</b>	<b>(2)</b>
<b>REVENUES:</b>				
Water Services	5,530,800	5,530,800	5,557,797	26,997
Miscellaneous service fees	23,000	23,000	26,950	3,950
Water tank space leasing	410,200	410,200	374,867	(35,333)
Interest - Water	10,000	10,000	43,453	33,453
Water Impact Fees	570,000	570,000	215,925	(354,075)
<b>Total Revenues</b>	<b>6,544,000</b>	<b>6,544,000</b>	<b>6,218,992</b>	<b>(325,008)</b>
<b>TOTAL BEGINNING BALANCES &amp; REVENUES</b>	<b>\$ 8,031,000</b>	<b>\$ 8,398,500</b>	<b>\$ 8,073,490</b>	<b>\$ (325,010)</b>
<b>EXPENSES:</b>				
Engineering & Inspection	\$ 371,400	\$ 372,600	\$ 190,116	\$ 182,484
Water Department	638,400	637,200	630,729	6,471
Water Treatment Plant	2,080,900	2,080,900	1,898,280	182,620
Interfund Service Fees	1,052,700	1,052,700	929,918	122,782
Retirees Health Care	113,200	113,200	113,200	-
Debt Service - Water	760,000	760,000	591,117	168,883
Bank & Credit Card Fees	14,000	14,000	22,544	(8,544)
Transfer To:				
Water Improvement and Extension	1,500,000	1,500,000	1,500,000	-
General Fund from Water	500,000	500,000	500,000	-
Electric Improvement and Extension	149,000	149,000	149,000	-
<b>Total Expenses</b>	<b>7,179,600</b>	<b>7,179,600</b>	<b>6,524,904</b>	<b>654,696</b>
Budget Balance - Water	851,400	1,218,900	1,548,586	(329,686)
<b>Total Budget Balances - Working Capital</b>	<b>851,400</b>	<b>1,218,900</b>	<b>1,548,586</b>	<b>(329,686)</b>
<b>TOTAL BUDGET BALANCES &amp; EXPENSES</b>	<b>\$ 8,031,000</b>	<b>\$ 8,398,500</b>	<b>\$ 8,073,490</b>	<b>\$ 325,010</b>

**CITY OF DOVER, DELAWARE  
WATER IMPROVEMENT & EXTENSION FUND  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance -Water	\$ 4,366,100	\$ 5,349,000	\$ 5,348,927	\$ (73)
<b>TOTAL BEGINNING BALANCES</b>	<b>4,366,100</b>	<b>5,349,000</b>	<b>5,348,927</b>	<b>(73)</b>
<b>REVENUES:</b>				
State Loan Fund - Water	-	1,401,900	1,401,901	1
Interest earnings	10,000	10,000	93,974	83,974
Income from sale of assets	-	-	2,772	2,772
Transfer from Operating Fund - Water	1,500,000	1,500,000	1,500,000	-
Transfer from Water Impact Fee Reserve	30,900	30,900		(30,900)
<b>Total Revenues</b>	<b>1,540,900</b>	<b>2,942,800</b>	<b>2,998,647</b>	<b>55,847</b>
<b>TOTAL BEGINNING BALANCES &amp; REVENUES</b>	<b>\$ 5,907,000</b>	<b>\$ 8,291,800</b>	<b>\$ 8,347,574</b>	<b>\$ 55,774</b>
<b>EXPENSES:</b>				
Water	\$ 960,400	\$ 1,142,400	\$ 694,857	\$ 447,543
Water Treatment Plant	559,700	3,355,200	2,360,153	995,047
<b>Total Expenses</b>	<b>1,520,100</b>	<b>4,497,600</b>	<b>3,055,010</b>	<b>1,442,590</b>
Budget Balance - Water	4,386,900	3,794,200	5,292,564	(1,498,364)
<b>Total Budget Balances - Working Capital</b>	<b>4,386,900</b>	<b>3,794,200</b>	<b>5,292,564</b>	<b>(1,498,364)</b>
<b>TOTAL BUDGET BALANCES &amp; EXPENSES</b>	<b>\$ 5,907,000</b>	<b>\$ 8,291,800</b>	<b>\$ 8,347,574</b>	<b>\$ (55,774)</b>

**CITY OF DOVER, DELAWARE  
WASTEWATER FUND  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance - Wastewater	\$ 1,038,700	\$ 345,400	\$ 345,399	(1)
<b>TOTAL BEGINNING BALANCES</b>	<b>1,038,700</b>	<b>345,400</b>	<b>345,399</b>	<b>(1)</b>
<b>REVENUES:</b>				
Wastewater Services	3,654,700	3,654,700	3,615,733	(38,967)
Wastewater Treatment Services	3,267,000	3,267,000	3,108,340	(158,660)
Groundwater inflow adjustment	1,841,900	1,841,900	1,803,964	(37,936)
Miscellaneous service fees	23,200	23,200	7,142	(16,058)
Interest - Wastewater	10,000	10,000	5,630	(4,370)
Wastewater Impact Fees	480,000	480,000	211,484	(268,516)
<b>Total Revenues</b>	<b>9,276,800</b>	<b>9,276,800</b>	<b>8,752,293</b>	<b>(524,507)</b>
<b>TOTAL BEGINNING BALANCES &amp; REVENUES</b>	<b>\$ 10,315,500</b>	<b>\$ 9,622,200</b>	<b>\$ 9,097,692</b>	<b>\$ (524,508)</b>
<b>EXPENSES:</b>				
Engineering & Inspection	\$ 195,100	\$ 195,100	\$ 187,426	\$ 7,674
Wastewater Department	1,153,900	1,153,900	1,009,088	144,812
Debt Service - Wastewater	672,500	672,500	610,870	61,630
Retirees Health Care	113,100	113,100	113,100	-
Kent County Treatment Charge	5,101,900	5,101,900	3,769,635	1,332,265
Interfund Service Fees	759,800	759,800	700,605	59,195
Bank & Credit Card Fees	14,000	14,000	7,543	6,457
Bond Issue Cost	15,000	15,000	4,582	10,418
Transfer To:				
General Fund from Wastewater	500,000	500,000	500,000	-
Wastewater Improvement and Extension	900,000	900,000	900,000	-
Electric Improvement and Extension	149,000	149,000	149,000	-
Wastewater Impact Fee reserves	-	-	57,327	(57,327)
<b>Total Expenses</b>	<b>9,574,300</b>	<b>9,574,300</b>	<b>8,009,176</b>	<b>1,565,124</b>
Budget Balance - Wastewater	741,200	47,900	743,117	(695,217)
<b>Total Budget Balances - Working Capital</b>	<b>741,200</b>	<b>47,900</b>	<b>743,117</b>	<b>(695,217)</b>
<b>TOTAL BUDGET BALANCES &amp; EXPENSES</b>	<b>\$ 10,315,500</b>	<b>\$ 9,622,200</b>	<b>\$ 8,752,293</b>	<b>\$ 869,907</b>



**CITY OF DOVER, DELAWARE**  
**WASTEWATER IMPROVEMENT & EXTENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

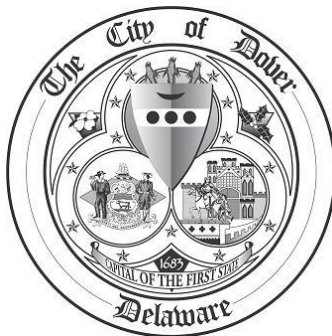
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance -Wastewater	\$ 1,110,700	\$ 906,600	\$ 906,640	40
<b>TOTAL BEGINNING BALANCES</b>	<b>1,110,700</b>	<b>906,600</b>	<b>906,640</b>	<b>40</b>
<b>REVENUES:</b>				
State Loan Fund - Wastewater	643,000	1,564,700	578,057	(986,643)
Transfer from Operating Fund - Wastewater	900,000	900,000	900,000	-
Transfer from Wastewater Impact Fee Reserve	4,800	404,900	-	(404,900)
Interest earnings	10,000	10,000	34,304	24,304
Income from sale of assets	-	-	7,651	7,651
<b>Total Revenues</b>	<b>1,557,800</b>	<b>2,879,600</b>	<b>1,520,012</b>	<b>(1,359,588)</b>
<b>TOTAL BEGINNING BALANCES &amp; REVENUES</b>	<b>\$ 2,668,500</b>	<b>\$ 3,786,200</b>	<b>\$ 2,426,652</b>	<b>\$ (1,359,548)</b>
<b>EXPENSES:</b>				
Wastewater	\$ 2,638,100	\$ 3,544,100	\$ 1,676,497	\$ 1,867,603
<b>Total Expenses</b>	<b>2,638,100</b>	<b>3,544,100</b>	<b>1,676,497</b>	<b>1,867,603</b>
Budget Balance - Wastewater	30,400	242,100	750,155	(508,055)
<b>Total Budget Balances - Working Capital</b>	<b>30,400</b>	<b>242,100</b>	<b>750,155</b>	<b>(508,055)</b>
<b>TOTAL BUDGET BALANCES &amp; EXPENSES</b>	<b>\$ 2,668,500</b>	<b>\$ 3,786,200</b>	<b>\$ 2,426,652</b>	<b>\$ 1,359,548</b>

**CITY OF DOVER, DELAWARE  
ELECTRIC REVENUE FUND  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance - Working Capital	\$ 13,548,100	\$ 16,550,700	\$ 17,811,265	\$ 1,260,565
Distribution of Earnings - PCA Credit	(2,873,800)	(2,873,800)	(2,727,377)	146,423
	<u>10,674,300</u>	<u>13,676,900</u>	<u>15,083,888</u>	<u>1,406,988</u>
<b>REVENUES:</b>				
Direct base sales	82,686,400	82,686,400	78,675,456	(4,010,944)
Rental income	110,000	110,000	400	(109,600)
Miscellaneous services	528,000	528,000	1,152,902	624,902
Utility tax	1,322,000	1,322,000	1,223,240	(98,760)
Green Energy	127,400	127,400	128,841	1,441
Interest earned - operating	195,000	195,000	279,055	84,055
<b>Total Revenues</b>	<u>84,968,800</u>	<u>84,968,800</u>	<u>81,459,894</u>	<u>(3,508,906)</u>
<b>TOTAL BEGINNING BALANCE &amp; REVENUES</b>	<b>\$ 95,643,100</b>	<b>\$ 98,645,700</b>	<b>\$ 96,543,782</b>	<b>\$ (2,101,918)</b>
<b>EXPENSES:</b>				
Power Supply & Generation				
Hedged Energy	\$ 22,115,400	\$ 22,115,400	\$ 21,967,340	\$ 148,060
Power Supply Management	835,000	835,000	634,800	200,200
Capacity Charges	11,101,900	11,101,900	10,796,427	305,473
Dover Sun Park Energy	2,703,900	2,703,900	2,637,035	66,865
Solar Renewal Energy Credits	395,200	395,200	290,927	104,273
Renewable Energy Credits	411,000	411,000	785,167	(374,167)
RGGI	67,500	67,500	-	67,500
PJM Charges - Energy	5,678,600	5,678,600	(435,824)	6,114,424
PJM Charges - Transmission & Fees	7,792,400	7,792,400	6,664,703	1,127,697
Total Power Supply	<u>51,100,900</u>	<u>51,100,900</u>	<u>43,340,575</u>	<u>7,760,325</u>
Plant Operations	5,530,700	5,530,700	5,582,727	(52,027)
Generation Fuels	956,300	956,300	330,694	625,606
Capacity Credits	(8,422,000)	(8,422,000)	(8,421,958)	(42)
PJM Spot Market Energy	(1,163,100)	(1,163,100)	(153,978)	(1,009,122)
PJM Credits	(516,900)	(516,900)	(324,034)	(192,866)
Total Generation	<u>(3,615,000)</u>	<u>(3,615,000)</u>	<u>(2,986,549)</u>	<u>(628,451)</u>
Utility Tax	1,322,000	1,322,000	1,223,240	98,760
Administration	615,500	573,100	509,678	63,422
Transmission/Distribution	3,802,800	3,802,800	3,426,896	375,904
Electrical Engineering	1,372,900	1,372,900	1,239,821	133,079
Systems Operations	853,100	853,100	693,451	159,649
Meter Reading	401,900	444,300	406,497	37,803
Contractual Services - Power Supply	200,000	200,000	105,028	94,972
Legal Expenses	100,000	100,000	65,955	34,045
Provision for Uncollectible	250,000	250,000	250,000	-
Retirees Health Care	721,400	721,400	721,400	-
Green Energy Payment to DEMEC	137,000	137,000	60,839	76,161
Bank & CC Fees	327,000	327,000	339,468	(12,468)
Interest on Deposits	17,500	17,500	22,143	(4,643)
Interfund Service Fees	3,912,900	3,912,900	3,333,502	579,398
Other Appropriations:				
Electric Capital Project Fund	6,816,000	6,816,000	6,816,000	-
General Fund	10,000,000	10,000,000	10,000,000	-
Debt Service	1,379,500	1,379,500	1,398,954	(19,454)
Green Energy Grant	-	-	98,500	(98,500)
Rate Stabilization Fund	-	3,700,000	3,700,000	-
Depreciation Reserve	5,000,000	5,000,000	5,000,000	-
Transfer to Green Energy Reserve	-	-	120,389	(120,389)
<b>TOTAL EXPENSES</b>	<b>84,715,400</b>	<b>88,415,400</b>	<b>79,885,787</b>	<b>8,529,613</b>
Budget Balance - Working Capital	<u>10,927,700</u>	<u>10,230,300</u>	<u>16,657,995</u>	<u>(6,427,695)</u>
<b>TOTAL BUDGET BALANCE &amp; EXPENSES</b>	<b>\$ 95,643,100</b>	<b>\$ 98,645,700</b>	<b>\$ 96,543,782</b>	<b>\$ 2,101,918</b>

**CITY OF DOVER, DELAWARE**  
**ELECTRIC IMPROVEMENT AND EXTENSION FUND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
Beginning Balance - Working Capital	\$ 12,120,900	\$ 15,157,800	\$ 15,157,728	\$ (72)
<b>TOTAL BEGINNING BALANCES</b>	<b>12,120,900</b>	<b>15,157,800</b>	<b>15,157,728</b>	<b>(72)</b>
<b>REVENUES:</b>				
Transfer from Electric Operating Fund	6,816,000	6,816,000	6,816,000	-
Transfer from Water Fund	149,000	149,000	149,000	-
Transfer from Wastewater Fund	149,000	149,000	149,000	-
Transfer from General Fund	250,000	250,000	250,000	-
General Service Billing	400,000	400,000	265,808	(134,192)
Miscellaneous Receipts	-	-	131,809	131,809
Interest Earnings	150,000	150,000	188,258	38,258
<b>Total Revenues</b>	<b>7,914,000</b>	<b>7,914,000</b>	<b>7,949,875</b>	<b>35,875</b>
<b>TOTAL BEGINNING BALANCES &amp; REVENUES</b>	<b>\$ 20,034,900</b>	<b>\$ 23,071,800</b>	<b>\$ 23,107,603</b>	<b>\$ 35,803</b>
<b>EXPENSES:</b>				
Electric Administration	\$ 1,643,200	\$ 1,643,200	\$ 72,140	\$ 1,571,060
Electric Generation	115,000	376,000	255,298	120,702
Transmission and Distribution	1,255,000	1,182,000	989,272	192,728
Electrical Engineering	3,293,000	3,366,000	658,950	2,707,050
Meter Reading	21,800	21,800	18,599	3,201
ERP System	488,000	842,800	142,626	700,174
<b>Total Expenses</b>	<b>6,816,000</b>	<b>7,431,800</b>	<b>2,136,885</b>	<b>5,294,915</b>
Budget Balance - Improvement & Extension Fund	13,218,900	15,640,000	20,970,718	(5,330,718)
<b>Total Budget Balances - Working Capital</b>	<b>13,218,900</b>	<b>15,640,000</b>	<b>20,970,718</b>	<b>(5,330,718)</b>
<b>TOTAL BUDGET BALANCES &amp; EXPENSES</b>	<b>\$ 20,034,900</b>	<b>\$ 23,071,800</b>	<b>\$ 23,107,603</b>	<b>\$ (35,803)</b>



## FINANCIAL SCHEDULES PROPRIETARY FUND TYPES INTERNAL SERVICE FUNDS

### WORKERS' COMPENSATION INSURANCE FUND

The City has created this fund to account for the revenues and expenses related to a self-insured Workers' Compensation Fund. The revenues are received from the City's various funds. These funds contribute to the Workers' Compensation Fund an amount based on salaries at a pre-determined assessment rate. Claims paid, reinsurance cost and third-party administrator's fees are charged to this fund.

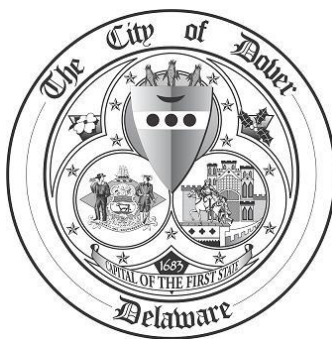
Budgetary schedule is included for public review of budgetary compliance.

**CITY OF DOVER, DELAWARE**  
**INTERNAL SERVICE FUND - WORKERS' COMPENSATION**

**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**

**YEAR ENDED JUNE 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>OPERATING REVENUES:</b>				
Beginning Balance	\$ 1,444,700	\$ 1,444,700	\$ 1,801,810	\$ 357,110
Interest Earned	22,500	22,500	42,320	19,820
City Contribution	989,900	908,500	963,295	54,795
Insurance Refund	-	-	3,530	3,530
<b>TOTAL REVENUES</b>	<b>\$ 2,457,100</b>	<b>\$ 2,375,700</b>	<b>\$ 2,810,955</b>	<b>\$ 435,255</b>
<b>OPERATING EXPENSES:</b>				
Program Expenses	\$ 550,000	\$ 550,000	\$ 184,374	\$ 365,626
Contractual Services	25,000	25,000	13,448	11,552
Insurance	110,000	110,800	127,940	(17,140)
State of Delaware - Self-Insurance Tax	39,000	39,000	34,707	4,293
<b>TOTAL EXPENSES</b>	<b>\$ 724,000</b>	<b>\$ 724,800</b>	<b>\$ 360,469</b>	<b>\$ 364,331</b>
<b>BUDGET BALANCE - CARRY FORWARD</b>	<b>\$ 1,733,100</b>	<b>\$ 1,650,900</b>	<b>\$ 2,450,486</b>	<b>\$ (799,586)</b>



## FINANCIAL STATEMENTS FIDUCIARY FUND TYPES AGENCIES

### DOWNTOWN DOVER PARTNERSHIP

The City established the Downtown Dover Partnership as an agency for the development of the downtown urban area.

### FOURTH OF JULY CELEBRATION COMMITTEE

The Fourth of July Celebration Committee is designed to provide recreation enjoyment and educational events commemorating the birth of our nation.

### DOVER DAYS CELEBRATION COMMITTEE

The Dover Days Celebration Committee was established to fund the annual Old Dover Days Festival; one of Delaware's largest and longest-running free events dedicated to promoting our state's heritage and culture.

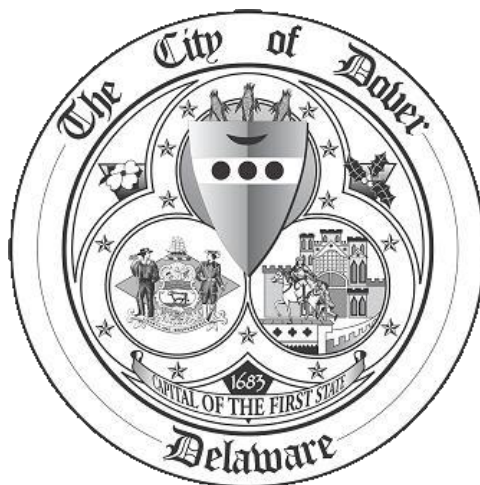
**CITY OF DOVER, DELAWARE**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	<b>BALANCE</b>			<b>BALANCE</b>
	<b>JUNE 30, 2019</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>JUNE 30, 2020</b>
<b>DOWNTOWN DOVER PARTNERSHIP</b>				
<b>ASSETS:</b>				
Cash	\$ 846,387	\$ 688,630	\$ 666,440	\$ 868,577
Receivables	-	4,016	-	4,016
Prepaid Items	2,274	-	2,274	-
<b>Total Assets</b>	<b>\$ 848,661</b>	<b>\$ 692,646</b>	<b>\$ 668,714</b>	<b>\$ 872,593</b>
<b>LIABILITIES:</b>				
Vouchers Payable	\$ 27,495	\$ 353,506	\$ 360,958	\$ 20,043
Deposit Payable	27,432	-	-	27,432
Due to Agencies	793,734	31,384	-	825,118
<b>Total Liabilities</b>	<b>\$ 848,661</b>	<b>\$ 384,890</b>	<b>\$ 360,958</b>	<b>\$ 872,593</b>
<b>4TH OF JULY CELEBRATION COMMITTEE</b>				
<b>ASSETS:</b>				
Cash	\$ 12,060	\$ 3,329	\$ 8,898	\$ 6,491
Receivables	-	5,000	-	5,000
Prepaid items	18,000	-	18,000	-
<b>Total Assets</b>	<b>\$ 30,060</b>	<b>\$ 8,329</b>	<b>\$ 26,898</b>	<b>\$ 11,491</b>
<b>LIABILITIES:</b>				
Vouchers Payable	\$ -	\$ 8,645	\$ 8,849	\$ (204)
Due to Agencies	30,060	-	18,365	11,695
<b>Total Liabilities</b>	<b>\$ 30,060</b>	<b>\$ 8,645</b>	<b>\$ 27,214</b>	<b>\$ 11,491</b>
<b>DOVER DAYS CELEBRATION</b>				
<b>ASSETS:</b>				
Cash	\$ -	\$ 18,500	\$ 5,227	\$ 13,273
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 18,500</b>	<b>\$ 5,227</b>	<b>\$ 13,273</b>
<b>LIABILITIES:</b>				
Vouchers Payable	\$ -	\$ 319	\$ -	\$ 319
Due to Agencies	-	12,954	-	12,954
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 13,273</b>	<b>\$ -</b>	<b>\$ 13,273</b>
<b>TOTAL-ALL AGENCY FUNDS</b>				
<b>ASSETS:</b>				
Cash & Investments	\$ 858,447	\$ 710,459	\$ 680,565	\$ 888,341
Receivables	-	9,016	-	9,016
Prepaid Items	20,274	-	20,274	-
<b>Total Assets</b>	<b>\$ 878,721</b>	<b>\$ 719,475</b>	<b>\$ 700,839</b>	<b>\$ 897,357</b>
<b>LIABILITIES:</b>				
Vouchers Payable	\$ 27,495	\$ 362,470	\$ 369,807	\$ 20,158
Deposit Payable	27,432	-	-	27,432
Due to Agencies	823,794	44,338	18,365	849,767
<b>Total Liabilities</b>	<b>\$ 878,721</b>	<b>\$ 406,808</b>	<b>\$ 388,172</b>	<b>\$ 897,357</b>

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## STATISTICAL SECTION



This section of the City of Dover's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the statements, note disclosures, and required supplementary information says about the Government's overall financial health.

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## STATISTICAL SECTION

This part of the City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

### DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Statistical Section

Table 1

**City of Dover, Delaware  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual basis of accounting)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 56,266,299	\$ 54,309,740	\$ 53,239,906	\$ 54,350,984	\$ 54,325,174	\$ 51,485,408	\$ 50,738,483	\$ 49,577,021	\$ 49,642,124	\$ 38,839,995
Restricted	346,826	342,285	961,101	306,474	932,728	556,553	612,054	721,682	482,780	1,774,167
Unrestricted	(23,727,242)	(29,348,340)	(36,772,282)	(44,105,399)	(22,214,284)	(27,947,709)	(7,142,570)	(4,791,553)	(6,759,433)	(99,435)
Total governmental activities net position	32,885,883	25,303,685	17,428,725	10,552,059	33,043,618	24,094,252	44,207,967	45,507,150	43,365,471	40,514,727
Business-type activities										
Net investment in capital assets	104,913,375	109,497,296	111,894,357	110,779,002	110,647,045	108,565,514	101,670,949	100,079,972	98,303,263	97,270,906
Restricted	70,998,294	54,353,211	46,693,086	44,176,110	37,026,527	36,751,850	36,123,755	34,665,736	33,836,315	34,148,330
Unrestricted	20,778,570	17,850,066	22,683,806	21,086,446	26,876,166	21,732,221	36,098,998	39,534,763	33,947,753	23,286,232
Total business-type activities net position	196,690,239	181,700,573	181,271,249	176,041,558	174,549,738	167,049,585	173,893,702	174,280,471	166,087,331	154,705,468
Primary government										
Net investment in capital assets	161,179,674	163,807,036	165,134,263	165,129,986	164,972,219	160,050,922	152,409,432	149,656,993	147,945,387	136,110,901
Restricted	71,345,120	54,695,496	47,654,187	44,482,584	37,959,255	37,308,403	36,735,809	35,387,418	34,319,095	35,922,497
Unrestricted	(2,948,672)	(11,498,274)	(14,088,476)	(23,018,953)	4,661,882	(6,215,488)	28,956,428	34,743,210	27,188,320	23,186,797
Total primary government net position	\$ 229,576,122	\$ 207,004,258	\$ 198,699,974	\$ 186,593,617	\$ 207,593,356	\$ 191,143,837	\$ 218,101,669	\$ 219,787,621	\$ 209,452,802	\$ 195,220,195

**NOTE**

The fiscal years prior to 2015 show fund balances as they were reported prior to GASB No. 68.

The Change in Net Position for fiscal 2017 includes a prior period adjustment for the OPEB Liability associated with GASB No. 74 & 75.

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Statistical Section

Table 2

**City of Dover, Delaware  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual basis of accounting)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,190,000	\$ 3,296,331	\$ 3,443,595	\$ 3,456,943	\$ 4,648,999	\$ 3,374,955	\$ 1,288,977	\$ 1,474,045	\$ 1,180,327	\$ 1,248,124
Public safety	19,670,023	17,597,828	17,441,023	14,947,553	19,919,050	21,336,042	19,219,986	17,989,463	17,638,304	16,848,343
Public works	4,464,952	6,183,329	7,736,355	6,942,760	7,381,557	3,848,402	6,594,829	6,099,484	8,135,172	6,257,946
Library and recreation	3,736,306	3,211,586	3,106,031	2,866,441	2,183,802	3,079,426	2,942,800	2,313,048	2,377,363	2,731,492
Community and economic development	531,306	461,983	513,857	449,356	551,879	444,474	676,554	939,966	773,208	1,173,546
Central services	626,259	521,020	589,846	473,498	483,426	443,072	512,586	454,816	469,385	599,498
Financial administration	886,495	894,670	964,051	746,714	1,249,012	1,247,976	1,368,048	1,122,830	1,146,524	2,463,426
Other post-employment benefits	-	-	-	-	-	-	3,348,267	5,119,778	6,534,630	6,142,627
Interest on long-term debt	132,711	178,514	129,723	118,275	118,565	174,912	122,812	114,785	90,161	75,397
Total governmental activities expenses	34,238,052	32,345,262	33,924,481	30,001,540	36,536,290	33,949,259	36,074,859	35,628,215	38,345,074	37,540,399
Business-type activities										
Water and sewer	12,198,697	12,604,448	11,728,740	11,416,394	11,925,299	11,322,958	11,397,992	10,905,358	11,068,607	10,912,722
Electric	64,054,118	68,459,581	72,553,319	62,992,850	61,054,151	67,562,077	74,481,048	74,595,585	77,625,673	90,296,244
Total business-type activities	76,252,815	81,064,029	84,282,059	74,409,244	72,979,450	78,885,035	85,879,040	85,500,943	88,694,280	101,208,966
Total primary government expenses	110,490,867	113,409,291	118,206,540	104,410,784	109,515,740	112,834,294	121,953,899	121,129,158	127,039,354	138,749,365
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	2,571,127	2,520,022	2,456,576	2,362,123	2,336,389	2,116,233	2,137,574	2,463,437	4,043,168	1,503,243
Public safety	3,636,312	4,510,464	5,367,450	5,171,989	4,920,783	4,558,200	4,676,162	4,240,847	4,803,827	4,682,687
Public works	3,080,960	3,068,399	3,714,187	2,514,645	2,527,478	2,578,892	2,595,648	2,624,877	1,903,623	2,173,434
Library and recreation	457,674	612,737	640,061	602,873	667,996	696,179	699,622	656,001	632,824	632,861
Operating grants and contributions	3,587,007	2,441,900	2,190,146	2,025,522	2,759,367	2,298,936	2,159,616	2,914,696	2,654,051	5,032,926
Capital grants and contributions	571,817	372,136	344,561	360,538	675,784	166,379	1,226,559	2,107,444	6,292,303	856,338
Total governmental activities program revenues	13,904,897	13,525,658	14,712,981	13,037,690	13,887,797	12,414,819	13,495,181	15,007,302	20,329,796	14,881,489
<b>(Continued)</b>										

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Statistical Section

(Table 2 Continued - Changes in Net Position)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Program Revenues</b>										
Business-type activities:										
Charges for services:										
Water and sewer	14,907,038	16,017,306	16,319,193	16,054,096	14,976,213	14,875,806	13,268,213	13,387,706	13,775,833	14,033,678
Electric	81,488,206	83,709,415	83,883,757	83,655,870	80,695,910	79,802,674	79,489,192	90,685,693	93,529,401	101,902,619
Capital contributions	1,409,145	-	-	1,201,963	44,955	1,516,932	401,947	-	441,285	997,750
Total business-type activities program revenues	97,804,389	99,726,721	100,202,950	100,911,929	95,717,078	96,195,412	93,159,352	104,073,399	107,746,519	116,934,047
Total primary government program revenues	111,709,286	113,252,379	114,915,931	113,949,619	109,604,875	108,610,231	106,654,533	119,080,701	128,076,315	131,815,536
Net (expense)/revenue:										
Governmental activities	(20,333,155)	(18,819,604)	(19,211,500)	(16,963,850)	(22,648,493)	(21,534,440)	(22,579,678)	(20,620,913)	(18,015,278)	(22,658,910)
Business-type activities	21,551,574	18,662,692	15,920,891	26,502,685	22,737,628	17,310,377	7,280,312	18,572,456	19,052,239	15,725,081
Total primary government net revenue (expense)	1,218,419	(156,912)	(3,290,609)	9,538,835	89,135	(4,224,063)	(15,299,366)	(2,048,457)	1,036,961	(6,933,829)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	14,796,554	13,448,025	13,065,098	12,895,597	12,846,774	11,176,763	11,094,479	11,126,395	11,050,198	10,904,908
Transfer taxes	1,825,438	1,637,194	2,022,165	1,634,707	2,191,915	1,713,505	1,543,626	1,107,686	1,373,103	1,461,983
Investment earnings	551,771	809,345	100,903	132,228	263,667	92,479	142,390	36,793	141,925	137,218
Transfers	10,741,590	10,800,000	10,900,000	10,875,000	16,295,503	10,500,000	8,500,000	10,491,718	8,300,796	8,856,000
Total governmental activities	27,915,353	26,694,564	26,088,166	25,537,532	31,597,859	23,482,747	21,280,495	22,762,592	20,866,022	21,360,109
Business-type activities:										
Investment earnings	4,179,682	3,752,939	208,800	379,160	1,058,028	544,624	832,919	112,402	630,420	554,787
Transfers	(10,741,590)	(10,800,000)	(10,900,000)	(10,875,000)	(16,295,503)	(10,500,000)	(8,500,000)	(10,491,718)	(8,300,796)	(8,856,000)
Total business-type activities	(6,561,908)	(7,047,061)	(10,691,200)	(10,495,840)	(15,237,475)	(9,955,376)	(7,667,081)	(10,379,316)	(7,670,376)	(8,301,213)
Total primary government	21,353,445	19,647,503	15,396,966	15,041,692	16,360,384	13,527,371	13,613,414	12,383,276	13,195,646	13,058,896
<b>Change in Net Position</b>										
Government activities	7,582,198	7,874,960	6,876,666	8,573,682	8,949,366	1,948,307	(1,299,183)	2,141,679	2,850,744	(1,298,801)
Business-type activities	14,989,666	11,615,631	5,229,691	16,006,845	7,500,153	7,355,001	(386,769)	8,193,140	11,381,863	7,423,868
Total primary government	\$ 22,571,864	\$ 19,490,591	\$ 12,106,357	\$ 24,580,527	\$ 16,449,519	\$ 9,303,308	\$ (1,685,952)	\$ 10,334,819	\$ 14,232,607	\$ 6,125,067

**NOTE**

The Change in Net Position for fiscal 2015 includes a prior period adjustment for the Net Pension Liability associated with GASB No. 68.

The Change in Net Position for fiscal 2017 includes a prior period adjustment for the OPEB Liability associated with GASB No. 74 & 75.

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**Table 3**

**City of Dover, Delaware  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Non-spendable	\$ 212,467	\$ 234,974	\$ 259,258	\$ 187,294	\$ 195,134	\$ 202,620	\$ 207,884	\$ 227,457	\$ 198,175	\$ 191,567
Restricted	38,989	27,070	10,572	7,979	173,769	127,706	129,476	131,237	83,356	85,070
Committed	2,145,574	1,047,987	1,111,182	2,441,641	1,059,197	1,041,130	723,300	936,899	920,475	3,484,203
Assigned	4,823,060	4,320,615	2,865,373	1,956,061	2,735,602	3,839,571	3,163,431	3,519,012	658,890	614,559
Unassigned	6,383,591	7,118,240	7,722,505	5,528,605	4,995,522	3,991,442	3,435,079	3,391,714	3,007,983	3,385,209
Total general fund	13,603,681	12,748,886	11,968,890	10,121,580	9,159,224	9,202,469	7,659,170	8,206,319	4,868,879	7,760,608
All other governmental funds										
Special revenue funds										
Non-spendable	-	-	9,990	3,993	350	181	2,447	-	13,099	4,203
Restricted	307,837	315,215	950,529	298,495	758,959	428,847	482,578	590,445	399,424	764,512
Assigned	-	-	-	-	-	-	-	123,349	171,381	289,221
Total all other governmental funds	307,837	315,215	960,519	302,488	759,309	429,028	485,025	713,794	583,904	1,057,936
Total fund balances	\$13,911,518	\$13,064,101	\$12,929,409	\$10,424,068	\$ 9,918,533	\$ 9,631,497	\$ 8,144,195	\$ 8,920,113	\$ 5,452,783	\$ 8,818,544

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Table 4

**City of Dover, Delaware**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Fines	\$ 901,197	\$ 1,020,920	\$ 1,121,135	\$ 1,142,722	\$ 1,128,211	\$ 1,161,876	\$ 1,011,156	\$ 912,004	\$ 1,202,615	\$ 1,665,496
Library revenue	329,501	410,154	392,108	380,561	419,677	480,823	498,553	471,065	475,822	444,455
Licenses and permits	2,554,826	2,866,796	3,786,167	3,548,401	3,525,992	2,893,990	2,952,015	2,548,913	2,816,866	2,417,363
Sanitation fees and rebates	3,080,960	3,068,399	3,133,360	2,514,645	2,527,478	2,578,892	2,595,648	2,624,877	1,903,623	2,173,434
Recreation	43,203	61,147	87,125	53,301	65,145	66,038	49,144	40,446	44,522	44,292
Miscellaneous services	1,319,371	1,672,401	2,210,980	1,679,390	1,874,534	1,650,153	1,831,683	2,470,200	3,940,294	1,480,845
Taxes	16,584,028	15,103,449	15,125,329	14,564,304	15,085,481	12,930,532	12,655,035	12,333,520	12,462,532	12,366,891
Grants	4,158,823	2,814,036	2,534,707	2,386,060	3,449,238	2,489,239	3,416,319	5,119,089	8,909,758	5,551,175
Court of chancery fees	1,602,360	1,588,140	1,496,520	1,343,020	1,239,300	1,118,680	1,034,460	917,700	863,220	766,340
Investment income	475,051	730,797	93,751	123,234	234,885	77,769	122,490	45,198	117,405	112,722
Total revenues	31,049,320	29,336,239	29,981,182	27,735,638	29,549,941	25,447,992	26,166,503	27,483,012	32,736,657	27,023,013
<b>Expenditures</b>										
General government	1,770,930	1,760,851	1,710,100	2,026,568	2,116,749	1,425,786	1,271,523	1,107,122	1,093,772	1,348,911
Library services	2,108,269	1,971,773	1,981,201	1,926,561	1,720,021	1,675,989	1,697,982	5,514,217	13,518,569	4,369,578
Public safety	22,423,765	22,558,701	21,018,381	21,248,561	21,240,506	20,218,519	19,130,832	18,048,642	17,001,619	16,139,953
Public works	3,064,579	2,855,382	1,918,473	2,119,186	2,146,917	1,708,658	2,572,965	1,758,405	2,074,061	2,535,060
Recreational services	1,754,771	1,087,393	821,613	733,961	783,976	865,938	683,363	651,341	827,230	834,124
Streets and sanitation services	3,979,021	4,458,329	4,637,145	4,275,648	6,081,813	6,574,262	4,634,091	2,990,430	3,280,165	3,383,465
Engineering services	209,197	266,332	263,930	219,198	166,579	26,996	-	-	-	-
Financial administration	815,956	754,400	762,860	764,622	919,086	979,112	1,002,539	909,877	902,009	866,314
Garage and stores	742,353	492,111	499,289	501,559	465,843	419,597	415,593	431,542	503,036	490,113
Insurance	376,584	276,689	302,258	295,923	280,901	278,682	272,895	241,395	198,241	203,343
Retiree health care lump sum	1,894,900	1,894,900	2,063,000	2,039,700	1,567,700	1,636,500	1,636,500	1,620,600	1,614,241	1,297,509
Employee pension unfunded liability	-	-	619,000	-	594,300	543,000	121,000	1,693,500	1,545,000	1,544,978
Street lights	807,794	805,185	803,924	811,992	804,246	775,197	774,533	878,760	986,430	968,562
Community and economic development	531,306	461,983	513,857	449,356	551,879	444,474	676,554	939,966	773,208	1,173,546

(Continued)



2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
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**Table 4 (Continued) - Changes in Fund Balances of Governmental Funds**

	Fiscal Year					Fiscal Year				
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenditures</b>										
Debt service										
Principal	328,716	322,745	332,355	573,497	553,824	848,069	429,239	296,003	275,000	270,000
Interest	135,352	34,773	128,455	118,771	118,565	114,243	122,812	73,071	52,734	65,225
Other charges (issuance of debt)	-	-	-	-	-	60,668	-	1,029	27,255	-
Total expenditures	40,943,493	40,001,547	38,375,841	38,105,103	40,112,905	38,595,690	35,442,421	37,155,900	44,672,570	35,490,681
Excess of revenues over(under) expenditures	(9,894,173)	(10,665,308)	(8,394,659)	(10,369,465)	(10,562,964)	(13,147,698)	(9,275,918)	(9,672,888)	(11,935,913)	(8,467,668)
<b>Other financing sources (uses)</b>										
Bond proceeds	-	5,700,000	-	-	-	4,135,000	-	2,648,500	851,500	-
Transfers in	14,277,336	13,953,381	14,220,407	13,885,445	14,339,821	13,500,366	11,458,445	12,666,208	10,959,204	12,420,329
Transfers out	(3,535,746)	(3,153,381)	(3,320,407)	(3,010,445)	(3,489,821)	(3,000,366)	(2,958,445)	(2,174,490)	(2,658,408)	(3,564,329)
Payments to refunded bond escrow agent	-	(5,700,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,741,590	10,800,000	10,900,000	10,875,000	10,850,000	14,635,000	8,500,000	13,140,218	9,152,296	8,856,000
Net change in fund balances	\$ 847,417	\$ 134,692	\$ 2,505,341	\$ 505,535	\$ 287,036	\$ 1,487,302	\$ (775,918)	\$ 3,467,330	\$ (2,783,617)	\$ 388,332
Debt service as a percentage of noncapital expenditures	1.34%	0.99%	1.27%	1.97%	1.96%	3.09%	1.74%	1.14%	1.07%	0.85%
Capital outlay included in total expenditures (1)	\$ 6,190,215	\$ 3,993,940	\$ 2,066,950	\$ 2,973,131	\$ 5,753,588	\$ 7,500,186	\$ 3,777,578	\$ 4,872,122	\$13,927,288	\$ 5,296,536

**NOTES**

(1) Capital outlay has been included in functional expenditures. Debt service as a percentage of non-capital expenditures excludes capital outlay expenditures.

**Table 5**

**City of Dover, Delaware  
Governmental Activities Tax Revenues by Source  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Fiscal Year	Property Tax	Transfer Tax	Total
2020	\$ 14,758,590	\$ 1,825,438	\$ 16,584,028
2019	13,448,025	1,637,194	15,085,219
2018	13,065,098	2,022,165	15,087,263
2017	12,895,597	1,634,707	14,530,304
2016	12,846,772	2,191,915	15,038,687
2015	11,176,763	1,713,788	12,890,551
2014	11,094,479	1,543,626	12,638,105
2013	11,126,395	1,107,686	12,234,081
2012	11,050,198	1,373,103	12,423,301
2011	10,904,908	1,461,983	12,366,891

**NOTES**

1. Property Tax rate of \$.4400 per \$100 of 100% assessed value (See Table 6 for tax rates). Revenues include payments in lieu of taxes, farm land roll back and penalties.

Table 6

**City of Dover, Delaware  
Assessed and Estimated Actual Value  
of Taxable Property  
Last Ten Fiscal Years**

<b>REAL PROPERTY</b>						
Fiscal Year	Total Assessed Value	Less: Exempt Properties	Total Taxable Assessed Value	Estimated Actual Value	Ratio of Total Taxable Value to Total Assessed Value	Direct Tax Rate Per \$100
2020	\$ 4,617,529,500	\$ 1,343,536,900	\$ 3,273,992,600	\$ 4,617,529,500	70.90%	\$ 0.4400
2019	4,600,542,300	1,342,452,800	3,258,089,500	4,600,542,300	70.82%	0.4050
2018	4,553,536,100	1,338,792,000	3,214,744,100	4,553,536,100	70.60%	0.4050
2017	4,493,113,000	1,336,802,000	3,156,311,000	4,493,113,000	70.25%	0.4050
2016	4,443,188,600	1,335,276,500	3,107,912,100	4,443,188,600	69.95%	0.4050
2015	4,584,108,050	1,376,954,490	3,207,153,560	4,584,108,050	69.96%	0.3378
2014	4,525,547,960	1,365,654,100	3,159,893,860	4,525,547,960	69.82%	0.3378
2013	4,510,303,860	1,328,807,500	3,181,496,360	4,510,303,860	70.54%	0.3378
2012	4,469,369,160	1,300,061,400	3,169,307,760	4,469,369,160	70.91%	0.3378
2011	4,363,518,360	1,226,879,300	3,136,639,060	4,363,518,360	71.88%	0.3378

Source: Tax Assessor's Office, City of Dover.

**NOTES**

1. There is no tax on personal properties. Therefore, no figures are presented.
2. In 2015, the City property values were reassessed, effective for tax year 2016. The tax rate was increased from \$ .3378 to \$ .4050 per \$100. Had the tax rate been rolled back to a revenue neutral rate, the rate would have been \$ .3499 per \$100. The revised rate represents a \$ .0672 increase.
3. In 2020, the City property tax rate was increased from \$.4050 to \$.4400 per \$100. The revised rate represents a \$.0350 increase.

**Table 7**

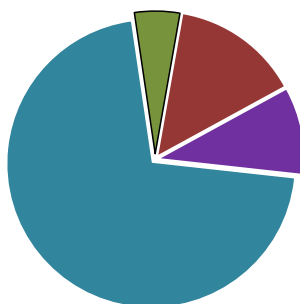
**City of Dover, Delaware**  
**Property Tax Rates - All Direct and Overlapping**  
**Governments with the Capital School District**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

NOTES	
1.	Section 48 of the City of Dover charter provides that the amount of money to be raised through property taxes shall not exceed 2% of the total taxable assessment.
2.	Kent County Property tax rates reflect the 1987 reappraisal of properties in Kent County.
3.	In 2015, the City property values were reassessed, effective for tax year 2016. Tax rate increased to \$.4050.
4.	In 2020, the City Tax rate increased to \$.4400.

Fiscal Year	Direct	Overlapping			Total Direct & Overlapping
	City of Dover	Kent County	Capital School District	Vo-Tech School District	
2020	0.4400	0.3000	2.1897	0.1578	3.0875
2019	0.4050	0.3000	1.8307	0.1541	2.6898
2018	0.4050	0.3000	1.7942	0.1522	2.6514
2017	0.4050	0.3000	1.8065	0.1484	2.6599
2016	0.4050	0.3000	1.8115	0.1415	2.6580
2015	0.3378	0.3000	1.8215	0.1372	2.5965
2014	0.3378	0.3000	1.8500	0.1372	2.6250
2013	0.3378	0.3000	1.9090	0.1372	2.6840
2012	0.3378	0.3000	1.8320	0.1351	2.6049
2011	0.3378	0.3000	1.8320	0.1351	2.6049

Sources: Tax Assessor's Office - City  
Receiver of Taxes Office - Kent County

**Property Tax Rates - FY 2020**  
**All Direct & Overlapping Governments**



■ City of Dover ■ Kent County ■ Capital School ■ Vo-Tech School

**Table 8**

**Principal Tax Payers  
Current Year and Nine Years Ago**

TAX PAYERS	2020 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	2011 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
Dover Downs Prop, Inc.	\$148,109,700	1	3.21%	\$146,847,600	1	4.68%
Dover Mall LP/Dover Commons	71,706,800	2	1.55%	80,921,800	2	2.58%
Dover Medical Center	39,892,800	3	0.86%	27,270,100	3	0.87%
Blue Hen Apt LLC	30,895,300	4	0.67%	-	-	-
Leander Lakes LLC	27,484,300	5	0.60%	-	-	-
CW Dover LLC FKA Dover South Coa	23,071,400	6	0.50%	25,035,100	4	0.80%
Kraft-General Foods Corp.	21,534,700	7	0.47%	19,565,300	5	0.62%
Onix Dover LLC	16,617,800	8	0.36%	-	-	-
GM Country Club LLC	15,788,600	9	0.34%	13,176,500	10	0.42%
Multi Residential M LLC	14,415,500	10	0.31%	-	-	-
Millers Dover Downs	-	-	-	13,463,600	9	0.43%
Dover Bay Court Plaza	-	-	-	17,291,300	6	0.55%
Berks City Real Estate LLC	-	-	-	13,492,400	8	0.43%
East Country Village	-	-	-	15,691,800	7	0.50%

Source: Tax Assessor's Office, City of Dover \$409,516,900

Total assessed valuation for current year is 4,617,529,500

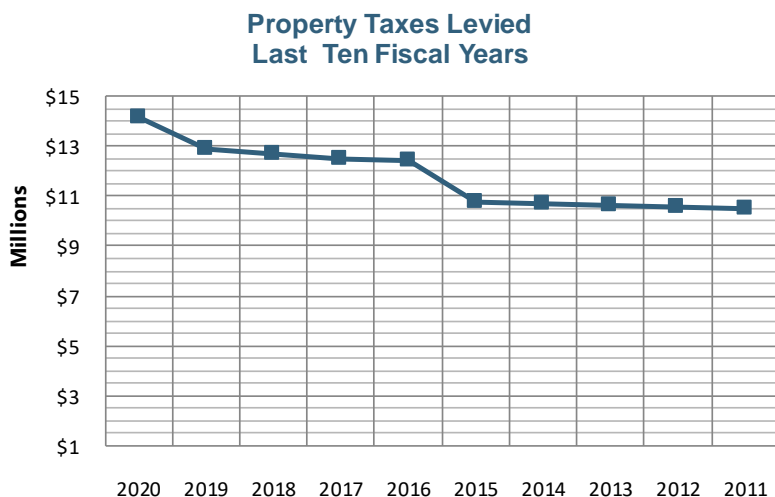
Total assessed valuation for ten years ago is 3,136,639,060

**Table 9**

**City of Dover, Delaware  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy	Collection as Percentage of Levy	Collected in Subsequent Years	Total Collections to Date	Collection as Percentage of Levy
2020	\$ 14,136,787	\$ 13,799,173	97.6%	\$ -	\$ 13,799,173	97.61%
2019	12,887,417	12,870,997	99.9%	18,713	12,887,417	100.00%
2018	12,669,581	12,628,024	99.7%	37,746	12,664,805	99.96%
2017	12,478,630	12,401,338	99.4%	78,577	12,478,630	100.00%
2016	12,437,857	12,204,948	98.1%	232,909	12,437,857	100.00%
2015	10,737,703	10,612,272	98.8%	125,431	10,737,703	100.00%
2014	10,696,886	10,493,954	98.1%	202,932	10,696,886	100.00%
2013	10,594,623	10,398,888	98.2%	195,735	10,594,623	100.00%
2012	10,549,631	10,280,930	97.5%	268,701	10,549,631	100.00%
2011	10,481,734	10,166,681	97.0%	315,053	10,481,734	100.00%

Source: City of Dover Assessor & Customer Service Reports.



**NOTES**

1. Section 48 of the City of Dover charter provides that the maximum budget to be raised through property taxes shall not exceed 2% of the total taxable assessment.
2. Total Tax Levy represents the annual tax billings, quarterly billings, penalties, and adjustments from tax appeals.
3. The table excludes payments in lieu of taxes and farm land roll back taxes.

Table 10

**City of Dover, Delaware  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

	Governmental Activities	Business-type Activities						
Fiscal Year	General Obligation Bonds	Water Revenue Bonds	Wastewater Revenue Bonds	Electric Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita	Population
2020	\$ 5,371,284	\$ 8,334,270	\$ 6,001,858	\$ 16,115,093	\$ 35,822,505	2.8%	934	38,349
2019	5,700,000	7,305,318	5,892,377	16,854,752	35,752,447	3.8%	916	37,790
2018	5,877,013	5,690,715	5,621,684	17,890,000	35,079,412	4.1%	921	38,422
2017	6,209,368	6,078,504	6,032,584	18,620,000	36,940,456	4.3%	978	37,686
2016	6,782,865	6,455,126	6,433,665	19,315,000	38,986,656	4.6%	1,041	37,941
2015	7,336,689	6,824,206	6,826,581	21,680,000	42,667,476	5.4%	1,137	37,560
2014	4,049,758	6,571,627	7,840,720	23,940,000	42,402,105	5.4%	1,130	37,540
2013	4,478,997	4,335,713	6,591,004	26,110,000	41,515,714	5.1%	1,138	36,492
2012	2,085,815	3,918,005	6,947,349	27,995,025	40,946,194	5.0%	1,129	36,267
2011	1,499,143	2,125,228	5,788,156	30,033,446	39,445,973	4.9%	1,070	37,341

Source: City of Dover Financial Records

Population Source: City Count

Beginning in FY19, Electric Revenue Bonds includes a premium of \$1,154,752.

Fiscal Year 2020 Electric Revenue Bonds includes a premium of \$1,065,093.

**Table 11**

**Ratio of Net General Obligation Bonded Debt  
To Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years**

Fiscal Year	Population	Net Taxable Assessed Value	Gross Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2020	38,349	\$3,273,992,600	\$5,371,284	5,371,284	0.16%	140.06
2019	37,790	3,258,089,500	5,700,000	5,700,000	0.17%	150.83
2018	38,422	3,214,744,100	5,877,013	5,877,013	0.18%	154.24
2017	37,686	3,156,311,000	5,877,013	5,877,013	0.19%	154.24
2016	37,941	3,107,912,100	6,782,865	6,782,865	0.22%	179.51
2015	37,560	3,207,153,560	7,336,689	7,336,689	0.23%	195.03
2014	37,540	3,159,893,860	4,049,758	4,049,758	0.13%	107.88
2013	36,492	3,181,496,360	4,478,997	4,478,997	0.14%	121.97
2012	36,267	3,169,307,760	4,478,997	4,478,997	0.14%	122.74
2011	37,341	3,136,639,060	2,085,815	2,085,815	0.07%	57.51

Source: City of Dover Financial Records, Tax Assessor's Office and Delaware Population Consortium Annual Population Projections (City Count).

**NOTES**

1. This table includes all long-term general obligation bonded debt only. The Enterprise Funds have no general obligation debt.
2. Assessed value reflects the net billable tax base and does not include the exempt value, exemption for Senior Citizens and exemption for disability.



**Table 12**

**City of Dover, Delaware  
Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Expenditures  
Last Ten Fiscal Years**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures <sup>(1)</sup>	Ratio of Debt Service to Total General Expenditures
2020	\$ 328,716	\$ 134,852	\$ 463,568	\$ 49,048,464	0.95%
2019	322,745	132,829	455,574	46,907,709	0.97%
2018	332,355	128,455	460,810	44,049,712	1.05%
2017	573,497	118,771	692,268	44,378,544	1.56%
2016	553,824	118,565	672,389	46,477,667	1.45%
2015	848,069	114,243	962,312	45,484,211	2.12%
2014	429,239	122,812	552,051	39,646,120	1.39%
2013	296,003	73,071	369,074	40,517,512	0.91%
2012	275,000	52,734	327,263	47,743,864	0.69%
2011	270,000	65,225	335,225	38,898,945	0.86%

Source: City of Dover Financial Records.

**NOTES**

1. The General Expenditures include all operating items, capital items and debt service.

**Table 13**

**City of Dover, Delaware  
Computation of Direct and Overlapping Debt  
with the Capital School District  
June 30, 2020**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Dover	Amount Applicable to City of Dover
City of Dover	\$ 5,371,284	100%	\$ 5,371,284
Kent County <sup>(1)</sup>	55,985,303	0%	N/A
Capital School District <sup>(2)</sup>	47,905,405	N/A	N/A
<b>TOTAL</b>	<b><u>\$ 109,261,992</u></b>		<b><u>\$ 5,371,284</u></b>

Sources: City of Dover Financial Records, Kent County Lewy Court - Accounting Department and  
Capital School District - Administration Department.

**NOTES**

1. Kent County: Total debt for Kent County is \$55,985,303 as of June 30, 2020. Although Kent County's bonds are general obligation bonds, \$52,631,348 is payable from the Kent County Sewer Fund(s) or other committed sources.
2. Capital School District: As of June 30, 2020, the net outstanding debt was \$47,905,405. Percentage and amount is not applicable to the City of Dover.

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
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**Table 14**

**Computation of Legal Debt Margin  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year										
	2020	2019	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 163,700	\$ 162,904	\$ 160,737	\$ 157,816	\$ 155,396	\$ 158,485	\$ 157,995	\$ 159,075	\$ 158,465	\$ 156,832	\$ 145,351
Net (Taxable) Assessed Value on Books	3,273,993	3,258,090	3,214,744	3,156,311	3,107,912	3,207,154	3,159,894	3,181,496	3,169,308	3,136,639	2,907,011
Total net debt applicable to limit	5,371	5,700	5,877	6,209	6,783	7,337	4,050	4,479	1,550	1,820	2,080
Legal Debt Margin	\$ 158,328	\$ 157,204	\$ 154,860	\$ 148,613	\$ 151,149	\$ 153,945	\$ 154,596	\$ 156,915	\$ 155,012	\$ 143,271	\$ 142,520
Total Net Debt applicable to limit as a percentage of debt limit	3.28%	3.50%	3.59%	4.36%	4.63%	2.56%	2.82%	0.98%	1.16%	1.43%	1.69%

Legal Debt Margin Calculation for Fiscal Year 2016

Net (Taxable) Assessed Value on Books	<u>\$ 3,273,993</u>
Debt Limit - 5 Percent of Total Assessed Value	\$ 163,700
DEBT (For which the City's full faith and credit has been pledged)	
Gross Bonded Debt	<u>5,371</u>
LEGAL DEBT MARGIN	<u>\$ 158,328</u>

Source: City of Dover Financial Reports, City of Dover Charter, Section 50(b), and Tax Assessor's Office  
July 2009 the Charter was amended and the debt limit was reduced from 25% of the total assessed value to 5%.

Table 15

**City of Dover, Delaware**  
**Revenue Bond Coverage - Electric Revenue Bonds**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenue	Operating Expenses	Available For Debt Service	Debt Service Requirements of Each Fiscal Year			
				Principal	Interest	Total	Coverage
2020	\$ 81,880,477	\$ 52,849,253	\$ 29,031,224	\$ 650,000	\$ 613,200	\$ 1,263,200	22.98
2019	84,195,248	56,720,895	27,474,353	765,000	669,785	1,434,785	19.15
2018	84,235,174	60,595,349	23,639,825	730,000	847,454	1,577,454	14.99
2017	83,943,882	54,748,915	29,194,967	695,000	883,954	1,578,954	18.49
2016	80,846,658	54,418,343	26,428,315	2,365,000	918,704	3,283,704	8.05
2015	79,769,994	66,521,873	13,248,121	2,260,000	1,036,954	3,296,954	4.02
2014	79,476,865	68,594,189	10,882,676	2,170,000	1,131,854	3,301,854	3.30
2013	90,876,162	68,546,508	22,329,654	2,110,000	1,205,554	3,315,554	6.73
2012	93,650,277	71,607,021	22,043,256	2,060,000	1,260,054	3,320,054	6.64
2011	102,734,764	84,195,802	18,538,962	2,370,000	1,609,192	3,979,192	4.66

Source: City of Dover Financial Records.

NOTES

- |   |                |  |                    |               |                                 |         |                     |               |   |
|---|----------------|--|--------------------|---------------|---------------------------------|---------|---------------------|---------------|---|
| <p>1. Coverage required by the bond resolution is 1.25.</p> <p>2. Calculation of gross revenue for fiscal year 2020 is as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Gross Revenue:</td> <td></td> </tr> <tr> <td>Operating Revenues</td> <td style="text-align: right;">\$ 81,413,160</td> </tr> <tr> <td>Interest Earned-Operating Funds</td> <td style="text-align: right;">467,317</td> </tr> <tr> <td>Total Gross Revenue</td> <td style="text-align: right; border-top: 1px solid black;">\$ 81,880,477</td> </tr> </table> <p>3. Direct operating expenses do not include depreciation expense.</p> | Gross Revenue: |  | Operating Revenues | \$ 81,413,160 | Interest Earned-Operating Funds | 467,317 | Total Gross Revenue | \$ 81,880,477 | <p>4. Figures presented in this table compare the net revenue available for debt service to the debt service requirements of the same fiscal year.</p> <p>5. In November 2011, the City issued Electric Revenue Refunding Bonds in the amount of \$8,810,000 to refund the 2014 Series. This refunding reduced the principal payable</p> <p>6. In August 2018, the City issued Electric Revenue Refunding Bonds in the amount of \$15,700,000 to refund the 2008 Series. This refunding reduced the principal</p> |
| Gross Revenue:  |                |  |                    |               |                                 |         |                     |               |   |
| Operating Revenues  | \$ 81,413,160  |  |                    |               |                                 |         |                     |               |   |
| Interest Earned-Operating Funds   | 467,317        |  |                    |               |                                 |         |                     |               |   |
| Total Gross Revenue   | \$ 81,880,477  |  |                    |               |                                 |         |                     |               |   |

**Table 16**

**City of Dover, Delaware  
Revenue Bond Coverage - Water Bonds  
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue		Direct Operating Expenses		Net Revenue Available For Debt Service	Maximum Requirements	
						Maximum Debt Service Requirement	Actual Coverage
2020	\$	6,319,837	\$	3,688,935	\$	2,630,902	\$ 543,630 4.84
2019		6,529,019		3,203,880		3,325,139	524,242 6.34
2018		6,447,543		2,909,073		3,538,470	524,242 6.75
2017		6,609,242		3,125,243		3,483,999	524,242 6.65
2016		6,172,107		3,515,886		2,656,221	524,242 5.07
2015		5,601,248		2,977,707		2,623,541	524,242 5.00
2014		5,170,210		3,146,564		2,023,646	524,242 3.86
2013		5,191,780		3,087,102		2,104,678	403,438 5.22
2012		5,292,750		3,150,679		2,142,071	404,349 5.30
2011		5,596,330		3,294,827		2,301,503	249,562 9.22

Source: City of Dover Financial Records.

**NOTES**

1. Coverage required by bond resolution is 1.20.
2. The maximum debt service requirement presented above covers all revenue bond requirements. Rates were increased in 2011 for debt service coverage on multi-year projects.
3. Direct operating expenses do not include depreciation expense for coverage purposes as per the bond indenture.
4. In Fiscal year 2013, various capital projects were completed. These capital projects were financed by three state revolving fund loans issued in 2009, 2010 & 2011 in the amount of \$5.9 million, \$2.4 million and \$0.8 million, respectively, resulting in an increase in debt service.
5. In Fiscal year 2014, the City issued Water and Sewer Revenue Bonds in the amount of \$6,125,000. These bonds were issued to refund the Series 2003 Water and Wastewater Revenue bonds and provided \$4,005,960 for two capital projects.
6. Gross revenue is derived by taking gross revenue plus operating interest less the transfer to the water impact fee reserve.

**Table 17**

**City of Dover, Delaware  
Revenue Bond Coverage - Wastewater Bonds  
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Maximum Requirements	
				Maximum Debt Service Requirement	Actual Coverage
2020	\$ 8,731,984	\$ 5,769,453	\$ 2,962,531	\$ 739,193	4.01
2019	8,749,309	6,916,935	1,832,374	608,563	3.01
2018	8,528,281	6,137,754	2,390,527	608,563	3.93
2017	8,745,021	5,781,479	2,963,542	608,563	4.87
2016	8,833,588	6,105,790	2,727,798	608,563	4.48
2015	8,784,378	6,272,640	2,511,738	608,563	4.13
2014	8,137,044	6,179,842	1,957,202	608,563	3.22
2013	8,091,003	5,754,656	2,336,347	615,877	3.79
2012	8,354,396	5,912,874	2,441,522	589,488	4.14
2011	8,161,718	5,927,278	2,234,440	166,860	13.39

Source: City of Dover Financial Records.

**NOTES**

1. Coverage required by bond resolution is 1.20.
2. The maximum debt service requirement presented above covers all revenue bond requirements. Rates were increased in 2011 for debt service coverage on multi-year projects.
3. Direct operating expenses do not include depreciation expense for coverage purposes as per the bond indenture.
4. In Fiscal year 2013, various capital projects were completed. These capital projects were financed by three state revolving fund loans issued in 2009, 2010 & 2011 in the amount of \$5.9 million, \$2.4 million and \$0.8 million, respectively, resulting in an increase in debt service.
5. In Fiscal year 2014, the City issued Water and Sewer Revenue Bonds in the amount of \$6,125,000. These bonds were issued to refund the Series 2003 Water and Wastewater Revenue bonds and provided \$4,005,960 for two capital projects.
6. Gross revenue is derived by taking gross revenue plus operating interest less the transfer to the wastewater impact fee reserve.

**Table 18**

**City of Dover, Delaware  
Top 10 Water and Wastewater Utility Customers  
Fiscal Year Ended June 30, 2020**

<b>Customer</b>	<b>Water Consumption (Tgal)</b>	<b>% of Total Consumption</b>	<b>Revenue Billed</b>	<b>% of Total Revenue</b>
Garrison Energy Center	346,586	20.59%	\$ 1,039,818	18.93%
Procter and Gamble	56,184	3.34%	168,612	3.07%
Delaware State University	47,941	2.85%	144,011	2.62%
Dover Downs	45,111	2.68%	135,393	2.46%
Kent General Hospital	28,359	1.69%	85,347	1.55%
Dover Housing Authority	22,364	1.33%	69,599	1.27%
Kraft Foods Global	21,940	1.30%	65,880	1.20%
Bayhealth Medical Center	21,195	1.26%	63,870	1.16%
Sovereign Property Management	20,093	1.19%	61,292	1.12%
Tidewater Utilities	19,167	1.14%	76,428	1.39%
<b>Totals for Top 10 Customers</b>	<b>628,940</b>	<b>37.37%</b>	<b>1,910,248</b>	<b>34.78%</b>
<b>All Other</b>	<b>1,054,021</b>	<b>62.63%</b>	<b>3,582,642</b>	<b>65.22%</b>
<b>Total for System</b>	<b>1,682,961</b>	<b>100.00%</b>	<b>\$ 5,492,890</b>	<b>100.00%</b>

<b>Customer</b>	<b>Wastewater Consumption (Tgal)</b>	<b>% of Total Consumption</b>	<b>Revenue Billed</b>	<b>% of Total Revenue</b>
Kraft Foods Global	36,463	2.99%	\$ 245,426	2.93%
Dover Downs	34,138	2.80%	229,809	2.74%
Procter and Gamble	33,280	2.73%	224,064	2.67%
Kent General Hospital	28,359	2.33%	191,126	2.28%
Delaware State University	27,013	2.22%	181,947	2.17%
Dover Housing Authority	22,337	1.83%	152,765	1.82%
Bayhealth Medical Center	21,195	1.74%	142,927	1.71%
Sovereign Property Management	20,093	1.65%	136,238	1.63%
Garrison Energy Center	15,781	1.29%	107,074	1.28%
Dover East Estates	15,571	1.28%	104,823	1.25%
<b>Totals for Top 10 Customers</b>	<b>254,230</b>	<b>20.86%</b>	<b>1,716,200</b>	<b>20.48%</b>
<b>All Other</b>	<b>964,805</b>	<b>79.14%</b>	<b>6,665,709</b>	<b>79.52%</b>
<b>Total for System</b>	<b>1,219,035</b>	<b>100.00%</b>	<b>\$ 8,381,909</b>	<b>100.00%</b>

**NOTES:**

- Both the Water and Wastewater revenue billed amounts for each vendor, do not include the monthly flat rate of \$2.50.
- The total Revenue amounts for both Water and Wastewater include the monthly flat rates.

**Table 19**

**City of Dover, Delaware  
Top 10 Electric Utility Customers  
Fiscal Year Ended June 30, 2020**

<b>Customer</b>	<b>Kwh</b>	<b>% of Total Kwh</b>	<b>Revenue Billed</b>	<b>% of Total Revenue</b>
Dover Air Force Base	63,102,208	8.8%	\$ 3,926,470	5.1%
Kraft	47,560,937	6.6%	2,939,266	3.8%
Edgewell Personal Care Products	42,621,711	5.9%	2,787,460	3.6%
Delaware State University	29,344,095	4.1%	1,922,706	2.5%
Bay Health/Kent General	25,504,054	3.6%	1,671,676	2.2%
Dover Downs	23,670,424	3.3%	1,548,141	2.0%
State of Delaware	14,513,056	2.0%	945,806	1.2%
Procter & Gamble	13,323,802	1.9%	824,711	1.1%
Capital School District	10,962,442	1.5%	714,977	0.9%
Eden Hill Medical Center	<u>5,265,000</u>	<u>0.7%</u>	<u>344,331</u>	<u>0.4%</u>
<b>Totals for Top 10 Customers</b>	<b>275,867,729</b>	<b>38.5%</b>	<b>17,625,544</b>	<b>22.8%</b>
<b>All Other</b>	<b>441,169,637</b>	<b>61.5%</b>	<b>59,836,225</b>	<b>77.2%</b>
<b>Total for System</b>	<b>717,037,366</b>	<b>100.0%</b>	<b>\$ 77,461,770</b>	<b>100.0%</b>

Note: The revenue billed includes direct base sales and utility tax.



**Table 20**

**City of Dover, Delaware  
Demographic and Economic Statistics  
Last Ten Calendar Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2020	38,349	\$ 1,297,385,019	\$ 33,831	38.2	6,250	6.7%
2019	37,790	921,244,620	24,378	29.9	6,519	5.7%
2018	38,422	865,182,114	22,707	29.5	6,494	5.8%
2017	37,686	827,207,700	21,950	30.0	6,523	6.2%
2016	37,941	842,783,433	22,213	30.2	6,486	5.7%
2015	37,560	730,354,200	19,445	31.3	6,665	7.4%
2014	37,540	788,039,680	20,992	29.8	6,527	6.4%
2013	36,492	821,361,936	22,508	31.1	6,344	9.6%
2012	36,267	828,258,924	22,697	33.2	6,984	9.3%
2011	37,341	818,158,759	22,379	31.3	7,185	9.9%

Population Source: City Count

Personal Income Source: Estimation based on Population times Per Capita Personal Income

Per Capita Personal Income Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Median Age Source: 2012-2016 American Community Survey 5-Year Estimates

Capital School Enrollment Source: Includes kindergarten through 12th grade, as of Summer 2018

Unemployment Rate Source: Delaware Department of Labor Statistics Not Seasonally Adjusted, June 2018

Table 21

City of Dover, Delaware  
Major Employers by Industry  
Current Year and Nine Years Ago

Industry Description	2019 4th Quarter			2010 4th Quarter		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Government	19,237	1	28.0%	18,882	1	30.9%
Retail trade	9,401	3	13.7%	9,002	2	14.7%
Health care & social assistance	10,601	2	15.5%	7,669	3	12.6%
Accommodation & food services	6,733	4	9.8%	5,075	4	8.3%
Manufacturing	4,913	5	7.2%	3,225	5	5.3%
Arts, entertainment, & recreation	1,471	10	2.1%	2,747	6	4.5%
Construction	2,703	6	3.9%	2,123	8	3.5%
Transportation & warehousing	2,691	7	3.9%	1,981	9	3.2%
Admin and waste services	2,606	8	3.8%	2,623	7	4.3%
Professional & technical services	1,817	9	2.6%	1,302	10	2.1%
	62,173		90.6%	54,629		89.5%
Total - All Industries	68,592			61,033		

Source: Delaware Department of Labor/Office of Occupational and Labor Market Information/Payroll Data/Quarterly Census of Employment and Wages (Geography information is available by County only, not by City)

Note: The names of the top employers & number of employees is confidential and may not be disclosed to the public pursuant to 20 CFR (Code of Federal Regulations) Part 603. As a result, the employment information provided is by industry.

**Table 22**

**City of Dover, Delaware**  
**Full-time Equivalent City Government Employees by Function - Budgeted**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessor	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Manager	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	5.0	5.0
Customer Services	16.0	16.0	16.0	13.0	14.0	14.0	15.0	14.0	14.0	15.0
Facilities Management	5.0	5.0	5.0	5.0	7.0	7.0	7.0	9.0	12.0	13.0
Finance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fire	5.0	5.0	5.0	5.0	5.0	6.0	8.0	6.0	6.0	6.0
Fleet Maintenance	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	7.0
Library	14.0	13.0	13.0	13.0	13.0	14.0	13.0	13.0	12.0	17.5
Mayor	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	9.0	9.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	8.0
Police Civilian	34.0	33.0	33.0	33.0	33.0	31.0	31.0	29.0	29.0	29.0
Police Law Enforcement	101.0	101.0	101.0	101.0	101.0	93.0	93.0	93.0	93.0	91.0
Procurement & Inventory	4.0	5.0	3.0	3.0	3.0	3.0	4.0	4.0	6.0	6.0
Public Works, Administration	7.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0	5.0	4.0
Planning, Inspections	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Planning, Life Safety	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Economic Development	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0
Public Works, Engineering	2.0	3.0	3.0	3.0	3.0	3.0	-	-	-	-
Planning	6.0	6.0	6.0	6.0	6.0	5.0	4.5	4.5	5.0	5.0
Planning, Code Enforcement	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.5
Community Development	-	-	-	-	-	-	0.5	0.5	1.0	1.0
Public Works, Grounds Maintenance	14.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	15.0
Public Works, Sanitation	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0	13.0	12.0
Public Works, Streets	7.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	11.0	11.0
Public Works, Stormwater	7.0	-	-	-	-	-	-	-	-	-
<b>General Fund Total</b>	<b>294.0</b>	<b>281.0</b>	<b>275.0</b>	<b>271.0</b>	<b>277.0</b>	<b>269.0</b>	<b>270.0</b>	<b>269.0</b>	<b>279.0</b>	<b>289.0</b>
Public Utilities, Electric Administration	2.0	3.0	5.0	5.0	4.0	3.0	3.0	3.0	4.0	4.0
Public Utilities, Electric Engineering	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Public Utilities, Electric System OPS	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Public Utilities, Electric Meter Reading	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Public Utilities, Electric Transmission & Distribution	23.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	25.0	25.0
<b>Electric Fund Total</b>	<b>46.0</b>	<b>46.0</b>	<b>48.0</b>	<b>48.0</b>	<b>47.0</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>47.0</b>	<b>47.0</b>
Public Utilities, Construction	-	-	-	-	-	3.0	3.0	5.0	6.0	6.0
Public Utilities, Wastewater Engineering	2.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0
Public Utilities, Wastewater Management	11.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	9.0
Public Utilities, Water Engineering	3.0	-	-	-	-	-	-	-	-	-
Public Utilities, Water Management	6.0	7.0	6.0	6.0	6.0	4.0	4.0	5.0	4.0	4.0
Public Utilities, Water Treatment Plant	14.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0	10.0	10.0
Water Meter Reading	-	-	-	-	-	-	-	-	-	-
<b>Water/Wastewater Fund Total</b>	<b>36.0</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>	<b>34.0</b>	<b>34.0</b>	<b>36.0</b>	<b>36.0</b>	<b>35.0</b>
<b>Total Full-Time Equivalents</b>	<b>376.0</b>	<b>362.0</b>	<b>358.0</b>	<b>354.0</b>	<b>359.0</b>	<b>348.0</b>	<b>349.0</b>	<b>350.0</b>	<b>362.0</b>	<b>371.0</b>

Source: City of Dover Budget

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Statistical Section

Table 23

**City of Dover, Delaware**  
**Operating Indicators and Capital Assets Used in Operations**  
**Last Ten Fiscal Years**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011
Land area - Acres	15,276.80	15,193.00	15,191.70	15,191.70	15,191.70	14,914.50	14,909.33	14,909.33	14,909.33	14,909.33
Land area - Square Miles	23.87	23.74	23.74	23.74	23.74	23.30	23.29	23.29	23.29	23.29
Total Miles of Street	172.35	170.52	170.33	169.08	168.01	167.78	164.49	164.08	162.81	158.94
City Maintained Miles of Streets	113.00	111.17	110.98	109.73	108.66	108.43	105.14	104.73	103.46	101.59
State Maintained Miles of Streets	59.35	59.35	59.35	59.35	59.35	59.35	53.35	59.35	59.35	57.35
Dover Population - U. S. Census data	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047
Dover Population - City Count	38,349	37,790	38,422	37,686	37,941	37,560	37,540	36,492	36,267	37,341
Registered Voters	25,535	25,131	24,513	23,942	24,170	22,837	22,779	21,998	22,362	21,454
<b>Electric Utility:</b>										
Generating Units	2	2	2	2	4	4	4	4	4	4
Co-Generating Unit	0	0	0	0	0	1	1	1	1	1
Total Units	2	2	2	2	4	5	5	5	5	5
Generating Capacity	147 mw	147 mw	147 mw	147 mw	175 mw	175 mw	175 mw	175 mw	175 mw	175 mw
Co-Generating Capacity	0 mw	0 mw	0 mw	0 mw	0 mw	175 mw	175 mw	175 mw	175 mw	175 mw
Area of Service	74.8 sq. mi.	74.8 sq. mi.	74.8 sq. mi.	67.77 sq. mi.	67.77 sq. mi.	67.77 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.	68 sq. mi.
Substations	15	15	15	15	15	15	15	15	15	15
High Peak Load	164.38	165.16 mw	162.87 mw	165.9 mw	158.5 mw	158 mw	164.162 mw	171 mw	172 mw	162.6 mw
<b>Customers:</b>										
Residential	20,899	20,899	20,545	20,155	20,065	20,143	19,900	19,990	19,908	19,782
Commercial	3,541	3,541	3,577	3,424	3,310	3,343	3,412	3,412	3,354	3,386
Primary	36	36	36	37	37	36	37	37	39	38
69 KV Industrial	5	5	5	5	5	4	5	4	4	4
Municipal - Total number of meters	0	0	0	0	0	0	0	0	0	0
Total Customers Sales \$	\$77,461,770	\$79,501,247	\$80,295,500	\$79,413,094	\$76,657,592	\$78,406,554	\$78,187,300	\$88,329,610	\$91,947,980	\$99,513,157
Total Customers Sales kWh	717,037,366	745,562,770	742,240,636	737,014,329	705,214,632	715,001,017	714,150,305	723,106,532	710,327,722	734,102,972
<b>PowerSupply</b>										
\$ (Including Plant Operations)	\$40,459,054	\$44,018,591	\$46,928,628	\$43,406,314	\$42,292,251	\$49,645,951	\$57,003,103	\$55,367,147	\$58,758,032	\$68,852,937
kWh	749,653,000	785,285,000	775,661,000	773,550,000	740,871,000	756,867,000	762,254,000	752,869,000	738,190,000	768,254,000
<b>Fire Department:</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Officers	8	8	8	8	8	8	8	8	8	8
Firemen - Membership (Volunteers-Active)	80	125	125	125	125	125	160	100	100	100
Equipment	16	14	14	10	10	16	15	15	15	14
<b>Parks and Recreation:</b>										
Major Parks	3	3	3	3	3	3	3	3	3	3
Small Parks	25	25	25	25	24	24	24	24	24	22

(Continued)

2020 Comprehensive Annual Financial Report for the City of Dover, Delaware  
Statistical Section

Table 23 (Continued)

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011
<b>Police Department:</b>										
Station	1	1	1	1	1	1	1	1	1	1
Uniformed Personnel	94	97	98	99	100	89	94	93	93	93
Automobiles	77	77	81	80	80	76	77	75	78	67
Motorcycles	7	7	7	7	7	7	7	7	7	7
Motor Boats	0	0	0	0	0	0	0	0	0	1
Bicycles	8	8	8	7	7	12	12	12	12	4
Specialty Vehicles	7	7	7	7	7	7	7	7	7	7
Trailers	4	5	4	3	2	2	2	2	2	3
Golf Carts	6	6	6	6	6	5	0	0	0	0
* Rental Vehicles	5									
<b>Public Library:</b>										
Books	93,009	108,763	113,253	103,187	106,493	106,125	100,262	97,801	93,050	103,091
Audiovisual Materials (VCRs, DVDs, CDs, Cassettes, Recorded Books)	29,699	23,626	24,021	26,158	22,345	22,366	21,008	16,929	15,265	14,409
Computer Usage*	38,003	49,591								
Wireless Usage*	13,785	19,355								
Members	30,253	31,997	32,256	40,412	41,221	41,348	37,531	34,308	32,717	33,466
Magazine Subscriptions	129	138	140	147	161	174	191	187	217	178
Newspaper Subscriptions	11	11	11	11	12	10	10	11	11	19
Circulation of Materials	256,783	376,380	364,849	377,314	412,969	449,746	463,113	444,333	407,611	400,130
Electronic Downloads (E-Books)	41,892	38,467	32,856	28,397	30,811	24,801	17,219	11,770	2,635	0
<b>Water Utility:</b>										
Supply - Wells	21	21	21	21	21	22	22	22	22	22
Storage Tanks	7	7	7	7	7	6	6	6	6	6
Total Storage Capacity (Gallons)	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Water Mains (miles)	229.79	228.85	226.41	225.15	225.15	224.50	223.15	222.30	217.50	215.70
Average Day (Gallons Pumped)	4,991,444	5,198,288	5,021,299	5,288,271	4,521,047	4,521,047	4,197,984	4,245,153	4,405,923	4,656,334
Peak Day (Gallons)	7,286,000	7,671,000	7,695,000	8,605,000	7,466,000	7,048,000	6,305,000	7,169,000	8,620,000	8,620,000
Total Water Production (Gallons Pumped)	1,821,877,000	1,897,375,000	1,832,774,000	1,930,219,000	1,833,877,000	1,650,329,000	1,532,264,000	1,553,727,000	1,608,161,895	1,699,562,000
Total Water Consumption (Gallons Billable)	1,682,961,000	1,722,634,000	1,692,407,000	1,766,064,000	1,648,819,000	1,441,559,000	1,374,855,000	1,410,424,000	1,459,923,000	1,539,590,000
Average Day (Gallons Billable)	4,610,852	4,719,545	4,636,732	4,838,531	4,517,312	3,949,476	3,766,726	3,864,175	3,988,861	4,218,055
Number of Metered Customers	12,952	12,904	12,729	12,556	12,376	12,365	12,341	12,373	12,385	12,330
Number of New Connections	48	175	173	180	11	24	0	0	55	0
<b>Wastewater Utility:</b>										
Pumping Stations	44	44	44	42	45	41	40	40	40	42
Sanitary Sewer Mains (Miles)	196.08	195.31	192.41	191.00	191.00	191.00	187.59	186.87	186.87	185.00
Average Day (Gallons Pumped)	4,082,055	5,795,360	4,785,079	4,592,821	4,706,133	4,897,731	4,893,424	4,312,742	4,379,033	4,230,819
Wastewater Discharge (Gallons Pumped)	1,489,950,000	2,115,306,558	1,746,554,000	1,676,379,600	1,717,738,575	1,787,672,000	1,786,100,000	1,574,151,000	1,602,726,000	1,544,249,000
Wastewater Discharge (Gallons Billable)	1,219,035,000	1,244,808,000	1,224,105,000	1,274,087,000	1,258,961,000	1,264,140,000	1,246,804,000	1,242,238,000	1,316,656,000	1,303,587,000
Average Day (Gallons Billable)	3,339,822	3,410,433	3,353,712	3,490,649	3,449,208	3,463,397	3,415,901	3,403,392	3,607,277	3,571,471
Number of New Connections	38	185	169	179	0	22	0	5	55	0
<b>Water Treatment Plant:</b>										
Capacity	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD	4.6 MGD
<b>Sales to Customers:</b>										
Water Fees	\$5,557,797	\$5,682,005	\$5,584,474	\$5,776,109	\$5,457,061	\$4,889,046	\$4,459,808	\$4,551,840	\$4,707,918	\$4,945,385
Wastewater Fees	\$3,615,733	\$3,720,797	\$3,612,194	\$3,718,736	\$3,745,497	\$3,735,855	\$3,562,400	\$3,564,615	\$3,722,985	\$3,694,020
Wastewater Treatment Fees	\$3,108,340	\$2,902,852	\$2,813,867	\$2,912,660	\$2,936,831	\$2,952,857	\$2,930,333	\$2,926,616	\$3,050,127	\$3,058,656
Inflow & Infiltration Surcharge	\$1,803,964	\$1,858,169	\$1,800,156	\$1,863,151	\$1,878,057	\$1,831,784	\$1,316,209	\$1,314,033	\$1,290,968	\$1,171,376

Sources: Various City departments

\* Newly added reporting

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**Table 24**

**City of Dover, Delaware  
Summary of Insurance  
As of June 30, 2020**

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<b><u>Property</u></b>		
Blanket Building & Contents (Special Form, RC, Agreed Amount)	\$166,109,615	\$25,000 Deductible
Personal Property of Others	\$ 250,000	
Earthquake	\$2,000,000	\$50,000 Deductible
Flood Zones X or C	\$2,000,000	\$50,000 Deductible
Flood Zones (Zones unidentifiable)		\$100,000 Deductible
Zones located A, B Shaded X, V & D are excluded		
Blanket Business Earnings & Expense	\$1,000,000	72 Hours
Business Income from Dependent Properties	\$250,000	\$25,000 Deductible
Accounts Receivable	\$250,000	
Civil Authority - 30 days		
Claims Data Expense	\$25,000	
Covered Leasehold Interest	\$100,000	
Debris Removal (Additional Amount)	\$250,000	
Deferred Payments	\$25,000	
EDP Data & Media	Included	
Employee Tools	Included	\$250 Deductible
Expediting Expenses	\$250,000	
Exhibitions (Property Damage)	\$50,000	
Extra Expense	\$25,000	
Fine Arts	\$250,000	
Fire Dept. Services Charge	Included	
Fire Protective Equipment Discharge	Included	
Fungus, Wet Rot, Bacteria	\$25,000	
Green Bldg Alternatives	1% / Max. \$100,000 each building	
Green Bldg Reengineering & Recertification	\$25,000	
Loss of Master Key	\$25,000	
Newly Acquired or Constructed		
-Buildings Each	\$2,000,000 each building	
-Personal Property at each loc.	\$1,000,000	
Non-Owned Detached Trailers	\$25,000	
Ord & Law Coverage	\$250,000	
Outdoor Property	\$250,000	
Outside Signs –Described – Prem.	\$100,000	
Personal Effects	\$50,000	
Personal Property at Undescribed Premises	\$50,000	
Personal Property in Transit out of Coverage Territory	\$50,000	

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Pollution Cleanup & Removal	\$100,000
Preservation of Property-Direct	\$250,000
-Direct loss or damage to moved Prop.	Included
Reward Coverage- Up to 25%	\$25,000
Stored Water	\$25,000
Theft or Damage to Rented Property	Included
Undamaged Parts of Stock in Process	\$50,000
Valuable Papers on Premises	\$100,000
Valuable Papers off Premises	\$100,000
Appurtenant Buildings and Structures	\$100,000
Utility Service Direct Damage	\$50,000
Confiscated Property	\$100,000
Street Lights – Each Item	\$2,500
Street Lights – Max Per Occur	\$50,000
Street Signs – Each Item	\$2,500
Street Signs – Max Per Occur	\$50,000
Traffic Signs and Lights –Each	\$2,500
Traffic Signs and Lights - Max Per Occur	\$50,000
Stadium Lights – Each Item	\$2,500
Stadium Lights – Max Per Occur	\$50,000
Spoilage Coverage Extension	\$50,000
Sewer or Drain Backup	\$250,000

**Boiler & Machinery/Equipment Breakdown**

Coverage Limit	Property Limit
Deductible	\$25,000
Expediting Expenses	\$250,000
Hazardous Substance	\$250,000
Spoilage	\$250,000
Ammonia Contamination	\$250,000

**Inland Marine**

**Contractors Equipment – Replacement Cost - 90% Co-Insurance**

Unlisted Items/equipment	\$100,000 Not to exceed \$5,000 per item
Leased or Rented Items	\$100,000 Not to exceed \$100,000 per item
New Acquired contractors equipment	\$250,000
Rental Cost (per Item)	\$5,000
Loss to any one Replacement Item	\$100,000
Scheduled Items	\$84,285
Basic Deductible	\$1,000
Flood Deductible	\$50,000
Earthquake Deductible	\$50,000
Windstorm Deductible	\$10,000



Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<b><u>Crime</u></b>		
Employee Theft per Loss	\$500,000	\$500 Deductible
Forgery or Alteration	\$100,000	\$1,000 Deductible
Inside the Premises –		
Theft of Money & Securities	\$100,000	\$500 Deductible
Robbery or Safe Burglary of Other Property	\$100,000	\$500 Deductible
Outside the Premises	\$100,000	\$500 Deductible
Computer Fraud	\$100,000	\$1,000 Deductible
Money Orders & Counterfeit Currency	\$100,000	\$1,000 Deductible

Faithful Performance of Duty Coverage Endorsement – Governmental Employees

**Liability Coverage:**

**Commercial General Liability**

Each Occurrence Limit	\$1,000,000	
General Aggregate Limit	\$3,000,000	
Products Completed Operations Aggregate Limit	\$3,000,000	
Personal & Advertising Injury Each Person	\$1,000,000	
Damages to Premises Rented to You Limit (Any One Premises)	\$100,000	
Medical Expenses	Excluded	
Sewer Back Up	\$1,000,000 (resulting from negligence)	
Failure to Supply	\$1,000,000	
Each Abuse or Molestation Offense Limit	\$1,000,000	
Abuse or Molestation Aggregate Limit	\$2,000,000	

Statutory Cap Limits of Coverage Endorsement  
Delaware Each Occurrence Statutory Cap Limit

\$300,000

**Employee Benefit Plans Administration Liability - Claims Made**

Retroactive Date: None		
Aggregate Limit	\$3,000,000	
Each Employee Limit	\$1,000,000	
Deductible- Each Employee		\$1,000

**Law Enforcement Liability - Occurrence**

Aggregate Limit	\$3,000,000	
Each Wrongful Act Limit	\$1,000,000	
Each Wrongful Act Deductible	\$15,000	
Statutory Cap Limits of Insurance Endorsement		
Delaware Statutory Cap Limit	\$300,000	

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
<b><u>Public Entity Management Liability</u> - Claims Made</b>	
Retroactive Date: 7/1/1996	
Aggregate Limit	\$3,000,000
Each Wrongful Act Limit	\$1,000,000
Deductible	\$25,000
<b><u>Employment Practices Liability</u> - Claims Made</b>	
Retroactive Date: 7/1/1996	
Aggregate Limit	\$3,000,000
Each Wrongful Employment	
Practice Offense Limit	\$1,000,000
Deductible	\$25,000
<b>Business Auto Policy</b>	
<b>Coverage:</b>	
<b><u>Automobile</u></b>	
Liability	\$1,000,000
Personal Injury Protection	\$300,000
Uninsured/Underinsured Motorist	\$40,000
(Physical Damage Applies to Police & Specified Electric & Sanitation Trucks)	\$1,000 Comp Ded/\$1,000 Collision Ded
Non-owned Liability	\$1,000,000
Hired Auto Liability	\$1,000,000
Employees as Additional Insured	
Hired Auto Physical Damage	IF ANY
Hired Car Physical Damage Deductibles	
Comprehensive Deductible	\$250
Collision Deductible	\$250
Statutory Cap Limits of Coverage Endorsement	
Delaware Statutory Cap Limit	\$300,000
<b>Excess Crime Policy</b>	
<b>Coverage:</b>	
<b><u>Excess Crime</u></b>	
Employee Theft per Loss (Over Policy# 6300B165227)	\$500,000 excess of \$500,000

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
<b>Umbrella Excess Liability Coverage:</b>	
<b><u>Umbrella</u></b>	
General Aggregate Limit	\$6,000,000
Each Occurrence Limit	\$6,000,000
Each Wrongful Employment Practice Offense Limit	\$6,000,000
Products & Completed Work Aggregate Limit	\$6,000,000
Personal and Advertising Injury Any One Person or Organization Limit	\$6,000,000
Each Occurrence Limit	\$6,000,000
Retained Limit Any One Occurrence or Event	\$10,000
<b><u>Umbrella Underlying Policies:</u></b>	
General Liability	\$1,000,000
Employment Benefits	\$1,000,000
Auto Liability	\$1,000,000
Law Enforcement Liability	\$1,000,000
Public Entity Management	\$1,000,000
Employment Practices Liability	
Employers Liability (Safety Nat'l)	\$1,000,000
<b>Cyber Liability Coverage:</b>	
<b><u>Cyber Liability – Claims Made</u></b>	
Retroactive Date: 12/01/2012	
Aggregate Limit	\$1,000,000
Third-Party Liability	
Network & Information Security	
Each Wrongful Act Limit	\$1,000,000
Deductible	\$10,000
First-Party Liability	
Security Breach Notification & Remediation Expenses Sublimit	\$1,000,000
Deductible	\$10,000
Crisis Management Service Expenses	\$1,000,000
Deductible	\$10,000
<b>Pollution Liability Coverage:</b>	
<b><u>Pollution Liability</u></b>	
Each Pollution Event Limit	\$5,000,000
Aggregate Policy Limit	\$10,000,000
Crisis Management Expense Aggregate Limit	\$250,000
Green Mediation Aggregate Limit	\$50,000
Green Standards Aggregate Limit	\$50,000
Deductibles	\$25,000 Each Pollution Event

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
------------------	--------------------------------

Claims Made

Retroactive Date 4/1/1997

Includes: 2 underground storage tanks-710 Williams St., Dover, DE & 2 Power Plants

**Excess Worker's Compensation  
Coverage:**

Employers Liability Limit:	\$1,000,000
Specific Limit:	Statutory
Aggregate Excess Limit:	\$3,000,000
\$600,000 Retention (Police)	
\$500,000 Retention (All Other)	

**Worker's Compensation-TPA Services**

(Charges based on claim count, this number could fluctuate)

**Travel Accident Policy**

<b>Principal Sum:</b>	\$100,000	\$0 Deductible
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**Covered Positions:** The Mayor, HR Director, Police Chief, Police Major, Police Captains, IT Director, PW Director, Waste/Wastewater Manager, PW Operations Manager, Electric Director, Engineering and Systems Operations, Line Crew Foreman, City Manager, Assistant City Manager, Planning Director, Principal Planner, Fire Marshall, City Clerk, Assistant City Clerk, Controller, Assistant Finance Director, Library Director, Assistant Library Director, Tax Assessor, Economic Development Director, and Council Members of the Policyholder.

**Bond-Self Insured Worker's Compensation - State of Delaware**

Limit:	\$750,000
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**Bond- Public Officials Bond - Traci McDowell – City Clerk/Assistant Treasurer**

Limit:	\$100,000
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**Bond- Public Officials Bond – Denise Devine – Asst. City Clerk**

Limit:	\$100,000
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**Bond- Public Officials Bond – Lori Peddicord – Controller**

Limit:	\$100,000
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**Bond- Public Officials Bond – Kimberly A. Cruz – Asst. Controller/Treasurer**

Limit:	\$100,000
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Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
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**Power Plants – Property & Boiler and Machinery (2 policies 50/50)**

**Locations: McKee Run Generating Plant and VanSant Station**

**Policy #1**

XL Insurance Company – \$50,000,000 per Occurrence (50% Carrier Capacity Limit of \$100,000,000)

**Coverages:**

50% policy limit:	\$50,000,000 Per Occurrence Agreed Amount, Special
Extra Expense:	\$2,000,000
Errors & Omissions	\$2,000,000
Expediting Cost:	\$1,000,000
Property in the Course of Construction:	\$5,000,000
Earthquake:	\$20,000,000
Flood:	\$10,000,000
Debris Removal	\$2,500,000
Property in Transit	\$2,500,000
Demolition & Increase Cost of Construction	\$10,000,000

Deductibles: \$750,000 per Occurrence, except;  
\$100,000 per Occurrence as respects Transit,  
In respect of Time Element loss (Extra Expense):  
45 days per Occurrence, except;  
72 hours per Occurrence in respect of Service Interruption

**Policy #2**

Ace American Insurance Company – \$50,000,000 per Occurrence (50% Carrier Capacity Limit of \$100,000,000)

**Coverages:**

50% policy limit:	\$50,000,000 Per Occurrence Agreed Amount, Special
Extra Expense:	\$2,000,000
Errors & Omissions	\$2,000,000
Expediting Cost:	\$1,000,000
Property in the Course of Construction:	\$5,000,000
Earthquake:	\$20,000,000
Flood:	\$10,000,000
Debris Removal	\$2,500,000
Property in Transit	\$2,500,000
Demolition & Increase Cost of Construction	\$10,000,000

Deductibles: \$750,000 per Occurrence, except;  
\$100,000 per Occurrence as respects Transit,  
In respect of Time Element loss (Extra Expense):  
45 days per Occurrence, except;  
72 hours per Occurrence in respect of Service Interruption

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<b>Unmanned Aircraft Policy:</b>		
Limit of Liability- Each Occ.	\$1,000,000	
Medical Expenses	\$10,000	
Physical Damage-		
Scheduled Limit	Insured Value, Less Depreciation	
Newly Acquired Aircraft or Scheduled		
Aircraft Modified during Policy Period	\$10,000	
In Motion Deductible		5%
Not in Motion Deductible		5%
Spare Engine and Spare Parts`	\$1,000	5%

War, Hi-Jacking and Other Perils Exclusion cap \$300,000

**Volunteer Special Accident:**

Accidental Medical Expense Benefits:		
Maximum Benefits	\$15,000	
Deductible		\$100
Maximum Dental Limit	\$250	