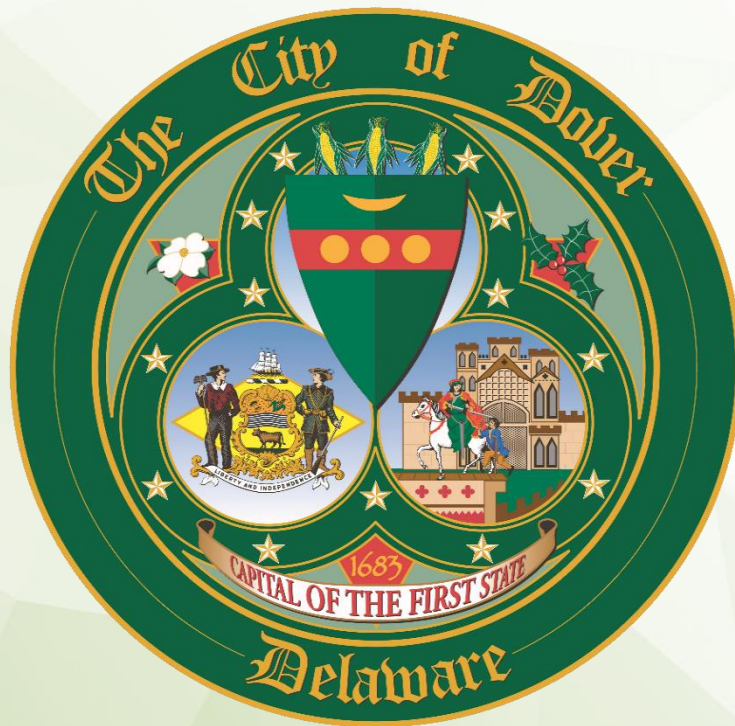


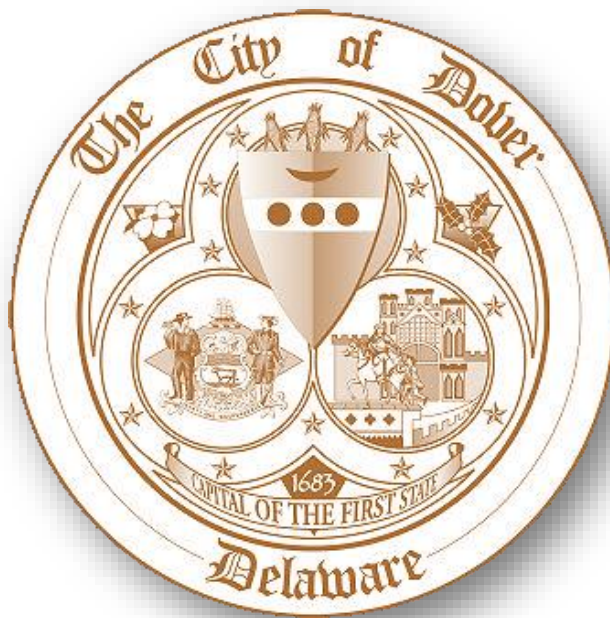
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



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ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by the Finance Department
Lori Peddicord, Controller/Treasurer

ACKNOWLEDGEMENTS

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

TRACEY LISIECKI
FINANCIAL REPORTING & ACCOUNTING MANAGER

ROBIN DICKERSON
ACCOUNTANT II

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ACCOUNTANT I

SHARON DANIEL
ACCOUNT CLERK II

CINDY FLETCHER
PAYROLL SPECIALIST

SPECIAL APPRECIATION IS EXTENDED TO
ALL PERSONNEL THROUGHOUT THE CITY FOR THEIR
CONTINUED SUPPORT OF THE FINANCE DEPARTMENT.

CITY OF DOVER, DELAWARE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR 2021

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CITY OF DOVER, DELAWARE

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CITY OF DOVER, DELAWARE

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CITY OF DOVER, DELAWARE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

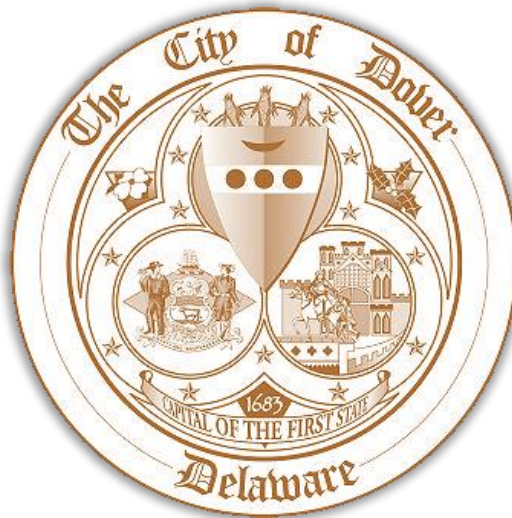
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INTRODUCTORY SECTION



LETTER OF TRANSMITTAL

**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





February 17, 2022

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 Annual Comprehensive Financial Report of the City of Dover for the fiscal year ended June 30, 2021. 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, 2021. 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 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 38,412. 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 and fire engine Squad no. 1. 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, except for 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, showing modest recovery from the effects of a nation-wide pandemic. Population and employment growth remain steady, but consumer spending has been reduced and some retail market softness could continue to 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. New manufacturing businesses are creating significant employment opportunities and adding to the City and County economies. 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 FY21 was approximately \$131.9 million, up significantly from the prior year because of several large projects. Over 1,700 building permits of all types were issued last year, up from the prior year, but only about 3,500 business licenses were issued, down slightly from the previous year. Year to year comparisons is 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 2021 are discussed below.

Population Growth

The decennial census was conducted in 2020 and set Dover's April 1, 2020 population at 39,403 (an increase of about 9.3% since 2010). Dover's population is projected to 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 continues to recover from the prior recession, as older developments are seeing increased build-out and the market for apartment units remains strong. Home sales for new and older dwellings are reported to be strong as well. Significant activity occurred in Nottingham Meadows, Patriot Village, Lexington Green, Oak Shadows and elsewhere throughout the City. These projects, and prospective new subdivision projects 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) and Habitat for Humanity, numerous 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. An Artisanal Market was under construction in the downtown as well, building on prior successful farmer's markets.

Retail/Commercial Development

This sector continues to show significant growth with new and expanded locations along the major highway corridors and throughout the City. Century Engineering and Chesapeake Utilities completed new buildings along the Bay Road Corridor. Plans for a new facility for the Delaware Solid Waste Authority are in the works. An office

for Delaware State Police/Homeland Security, and other commercial buildings and renovations were also completed 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 construction of the Grotto Pizza Dough Factory, Bob's Discount Furniture, Red Robin, the conversion of the former Acme grocery to a Hobby Lobby craft goods store, along with numerous renovations throughout the City.

Manufacturing, Health Care, Institutional and Other Sectors Development

Dover's economy is well balanced across a range of sectors including manufacturing, health care, government and military, education, and industrial categories. Manufacturing showed strong growth during FY 2021, with both small and large firms such as Shore Industries and Avalon, and Delmarva Corrugated Packaging (a 450,000 square foot+ state of the art new manufacturer of corrugated paper packaging), making Dover home. In education, Delaware State University completed their 620-bed dormitory complex replacing outdated existing facilities and announced plans to acquire Wesley College in downtown Dover to expand health related offerings, and other uses. The Capital School District began construction of two middle schools and completed renovations of William Henry school damaged a year earlier by a tornado. Two large governmental projects were in development: planning and site acquisition for a future Family Court facility is underway; and construction of a new, relocated U.S. Post Office for Dover is nearing completion, both locations are within the downtown area.

Summary

Fiscal Year 2021 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 to continue to provide safe and reliable municipal services to the citizens of Dover. The City has \$0.3 million in street paving and replacement of sidewalk projects in accordance with its street, concrete and alley funding underway in FY21 to include: William Street, North State St, and Lakewood Place to Fairview Avenue. The parks and recreation department have improvements and construction underway at numerous parks within the City, totaling \$0.3 million. Other asset additions totaling \$0.7 million included improvements to existing infrastructure at the police department to include a CAT5 Wiring upgrade, communications center workspace and alarm panel improvements and the chiller replacement. The library saw improvements in the way of surveillance and audio/visual upgrades. \$0.7 million was spent on vehicle and equipment purchases.

The electric utility had fixed asset additions totaling \$2.2 million in fiscal year 2021. 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 \$1.3 million completed in the areas known as Greentree, Saint Jones Commons, Eden Hill, Verona Woods, and Lakeland Business Park. Completed projects include: Division Street overhead rebuild, Roadway light LED conversion, Ann Avenue, English Village and Beechwood transformer & conductor restoration, as well as Townsend Boulevard and Miller Drive Distribution upgrades. There were also several smaller projects involving line maintenance, pole design and switchgear replacements. Additionally, the

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

City completed the first and third phases of the new ERP System amounting to \$0.4 million, and the electric utility had vehicle and equipment additions of \$0.2 million.

The water utility had capital improvements totaling \$8.4 million. This total included \$7.7 million in upgrades to the water treatment plant. The City also recognized \$0.6 million of improvements to include water meter replacements, improvements to the Bulk Water Station, and Water Quality Improvements. Additionally, there was a vehicle transferred into this utility from the electric utility.

The wastewater utility had capital improvements totaling \$1.3 million. Approximately \$0.7 million of this total included Inflow Infiltration removal, \$0.3 million for sewer replacements, \$0.2 million for Scada equipment updates, as well as smaller projects such as meter replacements, and pumpstation upgrades to the following pumpstations: Puncheon Run, Lafferty Lane, College Road and Turnberry. In addition to capital improvements, there was a repair to the Jet trucks.

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 2021/2022 Capital Investment Plan includes \$3.3 million for vehicles and equipment and \$31.2 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 2022, the General Fund capital improvements budget is \$4.0 million. The Public Works-Streets department has an approved capital project budget of \$1.2 million for Street, Concrete and Alley program items. The Public Works-Stormwater department has an approved budget of \$1.9 million for miscellaneous storm sewer, dam, and basin improvements to include Persimmon Park Place, and East Lake Garden. The Parks and Recreation department has earmarked funding of \$0.8 million for park improvements at numerous locations throughout the City. There are smaller appropriated amounts for Information Technologies, Library and the Police department.

The Water Fund budget includes capital improvements of \$2.0 million. Approximately \$1.7 million will be used for water quality improvement projects and future well installation. The remaining \$0.3 million is earmarked for use in the wellhead redevelopment program and for miscellaneous emergency repairs.

The total Wastewater Fund capital improvements budget is \$0.6 million and will be used for inflow and infiltration removal, various pump station replacement/improvements and miscellaneous emergency repairs.

The Electric Fund is projecting \$21.5 million in capital improvements for FY22. The new development budget totals \$1.1 million. The plant decommissioning project involving the dismantlement of the McKee Run Power plant is budgeted at \$9.0 million and will most likely span several years. The Garrison Oak Substation was included in the FY22 budget at \$7.0 million. The electric engineering division has an array of capital improvement projects totaling \$4.4 million of this proposed amount there are software and equipment upgrades for such things as SCADA Hardware Replacement and UPS Batteries, Small Cell Wireless Improvements and FLIR Camera (\$0.7 million). Also included in the \$4.4 million referenced above, there are a number of projects throughout the City

to include Kentwood Trailer Park, Bay Road, Popular Lane and Townsend Boulevard, whether converting and/or replacing existing lines (\$3.7 million). The Electric Department also has \$0.2 million budgeted in anticipation of completing the LED lighting conversion project allowing the City to move toward LED lighting for Roadway, Decorative and Security lights. There are two smaller projects scheduled for the Butner office location and Weyandt Hall totaling \$0.3 million.

FINANCIAL POLICIES AND FINANCIAL PLANNING

Unassigned fund balances in the General Fund of 21.8% 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 higher than anticipated Transfer Tax receipts as well as lower than budgeted expenditures along all functions of the government due to attrition and vacancies, and as a result, the fiscal year 2022 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, 2021 for the utilities are water at 22.7% of the actual water revenues and wastewater at 4.5% of the actual wastewater revenues. Both budget balances are outside of the guidelines and will be addressed in the fiscal year 2022 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 28.3%. This was attributed to lower than projected power supply and generation cost and lower than anticipated divisional expense and interfund service fees.

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.

AWARDS AND ACKNOWLEDGEMENTS

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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-sixth (36) consecutive year that the City of Dover has achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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. 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. 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
Controller/Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Dover
Delaware**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

MAYOR AND MEMBERS OF COUNCIL



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



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



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



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



**Gerald L. Rocha, Sr.,
1st District**



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



**Tricia K. Arndt,
3rd District**



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



**Andre M. Boggerty,
At-Large**



**Robin R.
Christiansen, Mayor**

LIST OF ELECTED OFFICIALS

June 30, 2021

	<u>Length of Service</u>	<u>Term Expires</u>
Mayor		
Robin R. Christiansen	7 Years	May 2023
City Council		
At-Large		
Andre M. Boggerty	1 Month	May 2025
First District		
Matthew J. Lindell	4 Years	May 2023
Gerald L. Rocha, Sr.	9 Months	May 2025
Second District		
William F. Hare	10 Years	May 2025
Ralph L. Taylor, Jr.	2 Years	May 2023
Third District		
Tricia K. Arndt	1 Month	May 2023
Fred A. Neil	6 Years	May 2025
Fourth District		
David L. Anderson	10 Years	May 2025
* Roy Sudler, Jr.	6 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, 2021

	Length of Time in Position	Length of Time with the City
City Clerk/Assistant Treasurer – Traci A. McDowell	15 Years	32 Years
Interim City Manager - Matthew Harline	1 Month	2 Years
City Solicitor – Nicholas H. Rodriquez	53 Years	53 Years
Deputy City Solicitor – Gary E. Junge	1 Year	1 Year
Council President – Roy Sudler, Jr.	1 Month	6 Years
City Assessor – Cheryl A. Bundeck	12 Years	29 Years
City Building Inspector – David S. Hugg III	3 Years	3 Years
City Planner – David S. Hugg III	3 Years	3 Years
Controller/Treasurer – Lori Peddicord	3 Years	6 Years
Fire Chief David Carey	6 Months	1 Year
Fire Marshal - Jason A. Osika	5 Years	19 Years
Police Chief – Thomas Johnson	1 Year	1 Year

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, R. E. Brokerage of Sales
John G. Davis, Jr., Undesignated
Todd Stonesifer, R. E. Brokerage of Sales
Vacancy, Accounting
Vacancy, Property Appraisal/Assessments

Construction and Property Maintenance Code Board of Appeals

Councilman David L. Anderson, Chair
Councilman Fred A. Neil
Councilman Gerald L. Rocha, Sr.
Matthew D. Campana, Rep. of Homeowners
Charles Martin, Rep. of Local R. E. Industry Assoc.

Dover Fourth of July Celebration Committee

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

Dover Housing Authority

Todd M. Stonesifer
Enrico LePore
Robert F. Merritt
Audrey Daniels

Phillip McGinnis
Sandra Taylor
Rufus Mincey, Interim Executive Director/Secretary

Dover Public Library Advisory Commission

Zachery C. Carter
Beth Petit De Mange
Jill B. Street
Robert S. Wetherall
Vacancy, Council Liaison Member
Vacancy

Dover/Kent County MPO Council

Mayor Robin R. Christiansen

Downtown Dover Partnership Board of Directors

Interim City Manager, Matthew Harline
City Planner, David S. Hugg III
Mayor Robin R. Christiansen
Councilman Ralph L. Taylor, Jr.
Councilman Fred A. Neil

Economic Development Committee

Mayor Robin R. Christiansen, Chair
Councilman David L. Anderson
Councilman Roy Sudler, Jr.
Kim I. Adams
Clayton E. Hammond II
Interim City Manager, Matthew Harline
City Planner, David S. Hugg III
Diane Laird

Election Board

At Large: Heather D. Ennis
First District: Alfreda F. Dean
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

Robin F. Case
Gary Coy
Erika D. Crawford
Lisa M. Enright
Nancy H. Wagner

List of Committees, Commissions, and Boards - Continued

General Employee Pension Plan Board of Trustees

Councilman David L. Anderson
Councilman Ralph L. Taylor, Jr.
Interim City Manager, Matthew Harline
Controller/Treasurer, Lori Peddicord
Robert Gedney
Ronald Coburn, Jr.
Carolyn Courtney

Historic District Commission

Vacancy (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: Joseph C. Simmons
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 David L. Anderson, Chair
Jonathan D. Contant
Daniel T. Shevock

Other Post-Employment Benefits (OPEB) Board

Councilman David L. Anderson
Councilman Ralph L. Taylor, Jr.
Interim City Manager, Matthew Harline
Controller/Treasurer, Lori Peddicord
Human Resources Director, Kimberly Hawkins

Parks, Recreation and Community Enhancement

Councilman Andre M. Boggerty, Chair

Dante Jones
Michael W. Lewis

Planning Commission

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

Police Pension Plan - Retirement Committee

Councilman David L. Anderson
Councilman Ralph L. Taylor, Jr.
Interim City Manager, Matthew Harline
Police Chief Thomas 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. Shanita A. Powell
Jonathan Contant
Karen McGloughlin
Albert W. Holmes, Jr. (At-Large Alternate)

Safety Advisory and Transportation Committee

Councilman Ralph L. Taylor, Jr., Chair
Dana Shelton
Vacancy

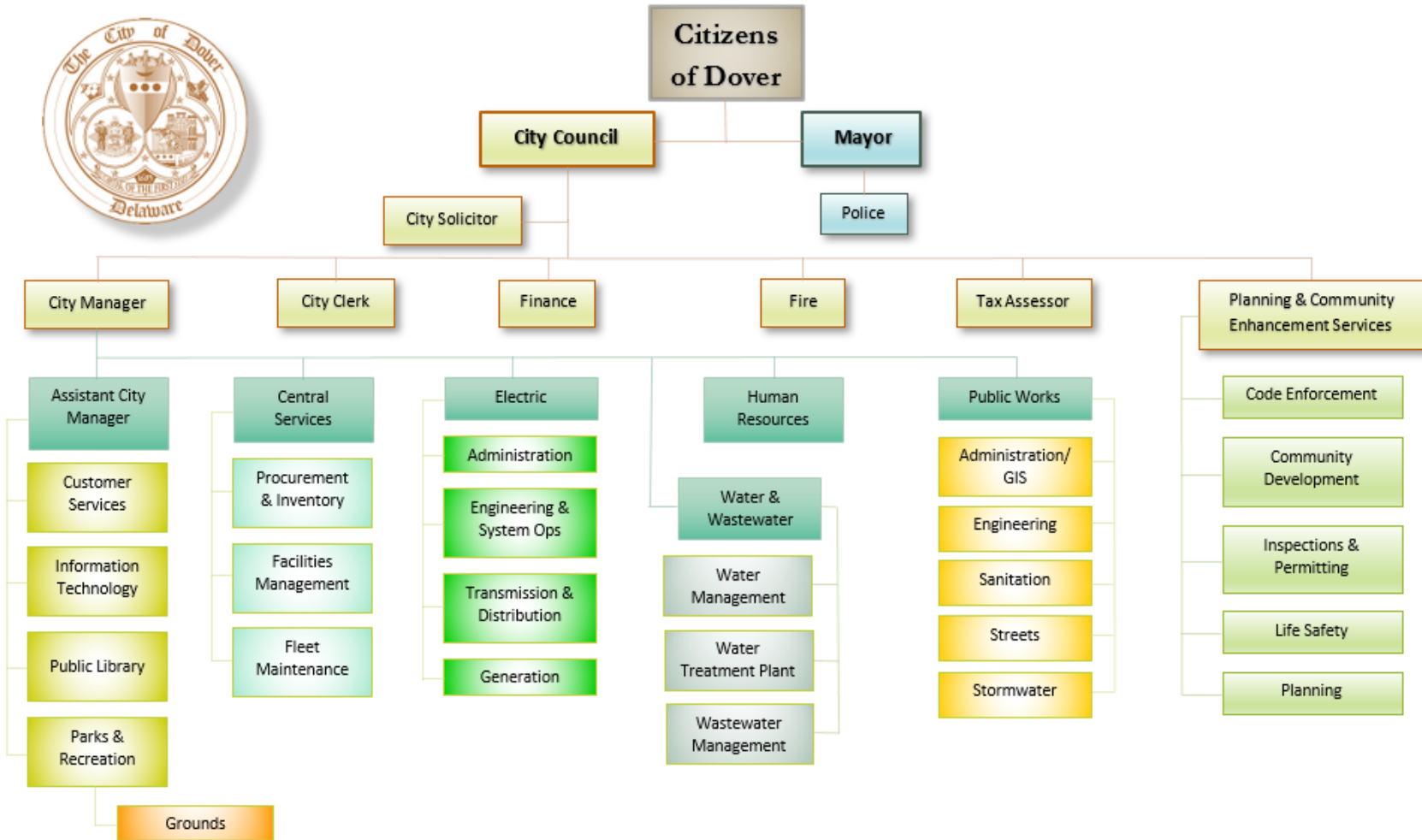
Silver Lake Commission

Vacancy, Chair
John C. DeMarie
Marie E. Kozel
Michael W. Lewis
Joan M. Winters
Vacancy
Vacancy

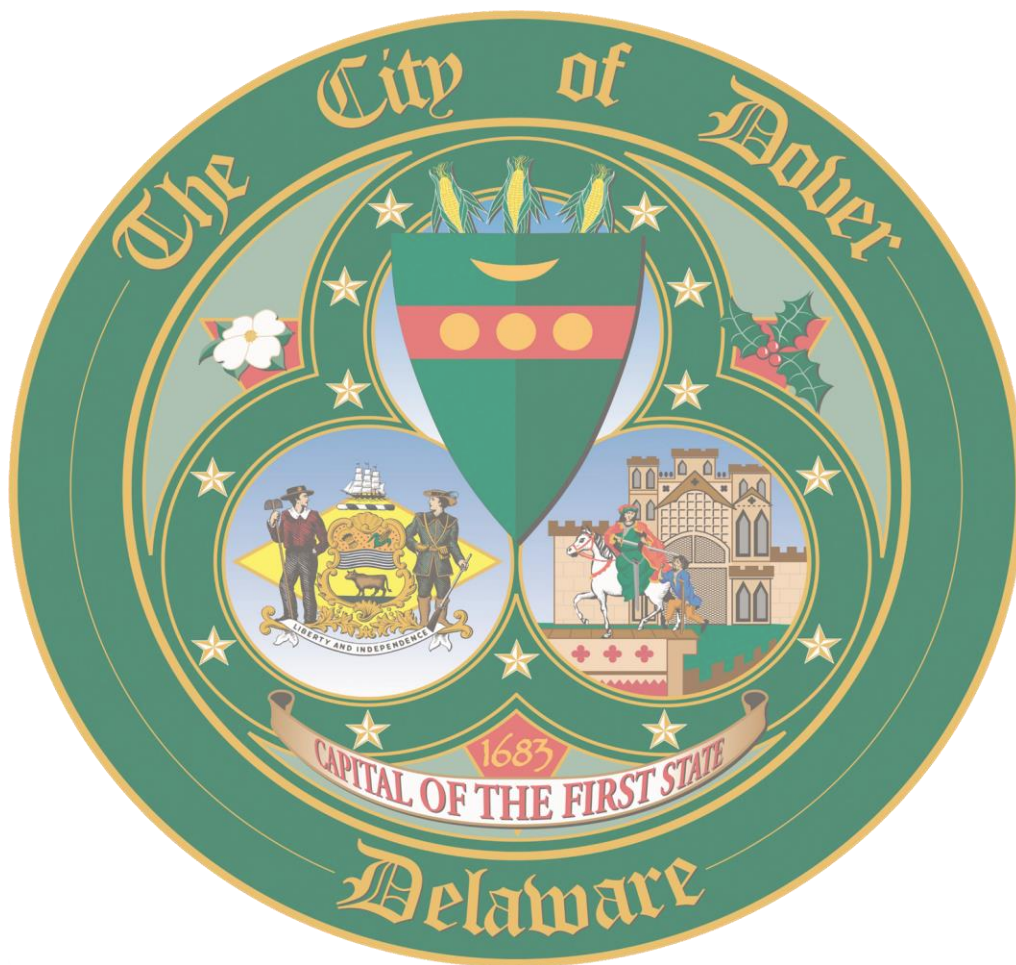
Utility Committee

Councilman Gerald L. Rocha, Sr., Chair
Jennifer L. Harris
LaVaughn T. McCutcheon

FY21 ORGANIZATION CHART



VISION



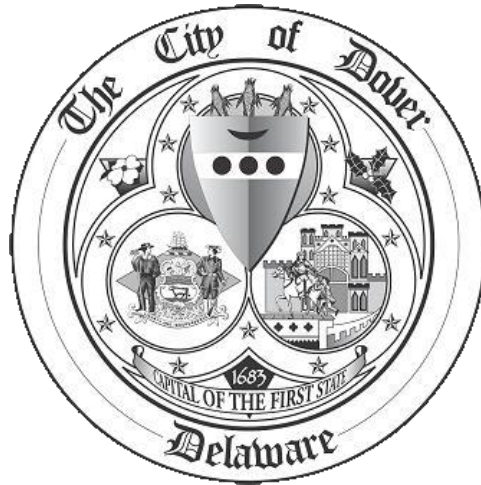
The City of Dover is a place where people want to live!

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.

City Hall



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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CliftonLarsonAllen LLP
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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, 2021, 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.



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2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part A – Report of Independent Public Accountants

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, 2021, 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.

Emphasis of Matter

During fiscal year ended June 30, 2021, the City adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the City reported a restatement for the change in accounting principle (see Note 1C). Our auditors' opinion was not modified with respect to the restatement.

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's proportionate share of the net pension liability for the county and municipal police and firefighters pension plan; the schedule of the City'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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part A – Report of Independent Public Accountants

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

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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 31, 2022, 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 31, 2022

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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, 2021

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, 2021. 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 \$251.0 million (net position). Included in this amount is a positive \$22.0 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 \$8.3 million and the business-type activities, Water, Wastewater and Electric funds, reported a positive \$30.3 million unrestricted net position. The difference between the unrestricted amounts and the total net position is \$229.1 million, of which \$74.5 million is restricted primarily for debt and capital construction purposes, and \$154.6 million is net investment in capital assets. Total Assets increased for both the governmental and business-type activities in the amount of \$2.0 million and \$6.2 respectively. Deferred Outflows for the governmental activities decreased \$0.4 million and for the business-type activities it decreased \$0.9 million. Deferred Inflows increased for both the governmental and business-type activities by \$12.1 million and \$4.8 million respectively. Liabilities also decreased for both the governmental activities business-type activities by \$22.7 million and \$8.8 million respectively.

- For governmental activities, the city reported: a decrease of \$3.3 million invested in capital assets, a decrease in restricted net assets of \$0.1 million, and an increase of \$15.4 million in unrestricted net position. As a result of its operations, the city recognized a positive change in net position of governmental activities of \$12.2 million. The current year’s change in net position is \$4.6 million higher than the previous years’ change in net position and is primarily due to decreases in expenses across most functions of government totaling \$2.3 million a \$2.1 million increase in revenues from the prior year as well as an increase in transfers of \$0.3 million.
- For business-type activities the city reported: a decrease of \$3.3 million invested in capital assets, an increase in restricted net position of \$3.1 million and an increase of \$9.5 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 \$9.3 million, which is a decrease from last years’ positive change of \$15.0 million driven primarily by reductions of total revenues of \$6.1 million. Additionally, there was a net decrease of \$0.4 million for charges for services for water, wastewater and electric as well as a reduction of \$1.4 million in Capital Grants and Contributions. Other contributing factors were a \$0.5 million loss on sale of assets and a significant reduction of earnings on investments totaling \$3.8 million. Total expenses decreased in the amount of \$0.6 million substantially driven by a decrease in electric expenses of \$0.9 million offset by an increase in water and wastewater expenses of \$0.4 million.

Overview of the Financial Statements

This discussion and analysis section is intended to serve as an introduction to the City’s Annual Comprehensive Financial Report (ACFR). The ACFR 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 ACFR 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 custodian 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 a custodial capacity for the 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 ensuring that the assets reported in these funds are used for their intended purposes.

The financial statements also include notes (pages 61-121) 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 125-135) 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 139 through 169.

The following table 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 like private businesses, such as electric, water and wastewater funds	Instances in which the City is the trustee or custodian for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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 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 specific 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 soon 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 are held for the benefit of parties outside the government. 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, 2021 and 2020 are presented below (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets						
Non-Capital Assets	\$ 20.8	\$ 25.0	\$ 130.4	\$ 141.1	\$ 151.2	\$ 166.1
Capital Assets	61.7	59.5	135.4	130.9	197.1	190.4
Total Assets	82.5	84.5	265.8	272.0	348.3	356.5
Deferred Outflow of Resources	5.8	5.4	1.4	0.5	7.2	5.9
Liabilities						
Current Liabilities	6.0	4.0	12.0	12.7	18.0	16.7
Non-Current Liabilities	40.0	19.3	55.9	46.4	95.9	65.7
Total Liabilities	46.0	23.3	67.9	59.1	113.9	82.4
Deferred Inflow of Resources	9.4	21.5	2.6	7.4	12.0	28.9
Net Position						
Net investment in Capital						
Assets	56.3	53.0	104.9	101.6	161.2	154.6
Restricted	0.3	0.4	71.0	74.1	71.3	74.5
Unrestricted	(23.7)	(8.3)	20.8	30.3	(2.9)	22.0
Total Net Position	\$ 32.9	\$ 45.1	\$ 196.7	\$ 206.0	\$ 229.6	\$ 251.1

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part B – Management’s Discussion and Analysis

The Changes in Net Position for the City of Dover as of June 30, 2020 and 2021 are presented as follows (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues						
Charges for Services	\$ 9.7	\$ 9.7	\$ -	\$ -	\$ 9.7	\$ 9.7
Water/Wastewater Charges for Services	-	-	14.9	16.2	14.9	16.2
Electric Charges for Services	-	-	81.5	79.8	81.5	79.8
Operating Grants and Contributions	3.6	3.4	-	-	3.6	3.4
Capital Grants and Contributions	0.6	0.2	1.4	-	2.0	0.2
General Revenues						
Property Taxes	14.8	14.9	-	-	14.8	14.9
Transfer Taxes	1.8	5.0	-	-	1.8	5.0
Gain (Loss) on sale of capital assets	-	-	-	(0.5)	-	(0.5)
Earnings on Investments-Other	0.6	-	4.2	0.4	4.8	0.4
Total Revenues	31.1	33.2	102.0	95.9	133.1	129.1
Expenses						
General Government	5.3	4.8	-	-	5.3	4.8
Public Safety	19.7	15.1	-	-	19.7	15.1
Public Works	5.1	8.5	-	-	5.1	8.5
Library and Recreation	3.7	2.6	-	-	3.7	2.6
Community and Economic Development	0.5	1.0	-	-	0.5	1.0
Central Services	1.4	1.4	-	-	1.4	1.4
Financial Administration	3.3	3.3	-	-	3.3	3.3
Interest Charges	0.1	0.2	-	-	0.1	0.2
Plus (less) Indirect Expense Allocation	(4.9)	(4.8)	4.9	4.8	-	-
Water/Wastewater	-	-	10.6	11.0	10.6	11.0
Electric	-	-	60.7	59.8	60.7	59.8
Total Expenses	34.2	32.1	76.2	75.6	110.4	107.7
Change in Net Position before Transfers	(3.1)	1.2	25.8	20.3	22.7	21.4
Transfers	10.7	11.0	(10.8)	(11.0)	(0.1)	-
Change in Net Position	7.6	12.2	15.0	9.3	22.6	21.4
Net Position, beginning of year	25.3	32.9	181.7	196.7	207.0	229.6
Net Position, End of Year	\$ 32.9	\$ 45.1	\$ 196.7	\$ 206.0	\$ 229.6	\$ 251.1

Governmental Activities

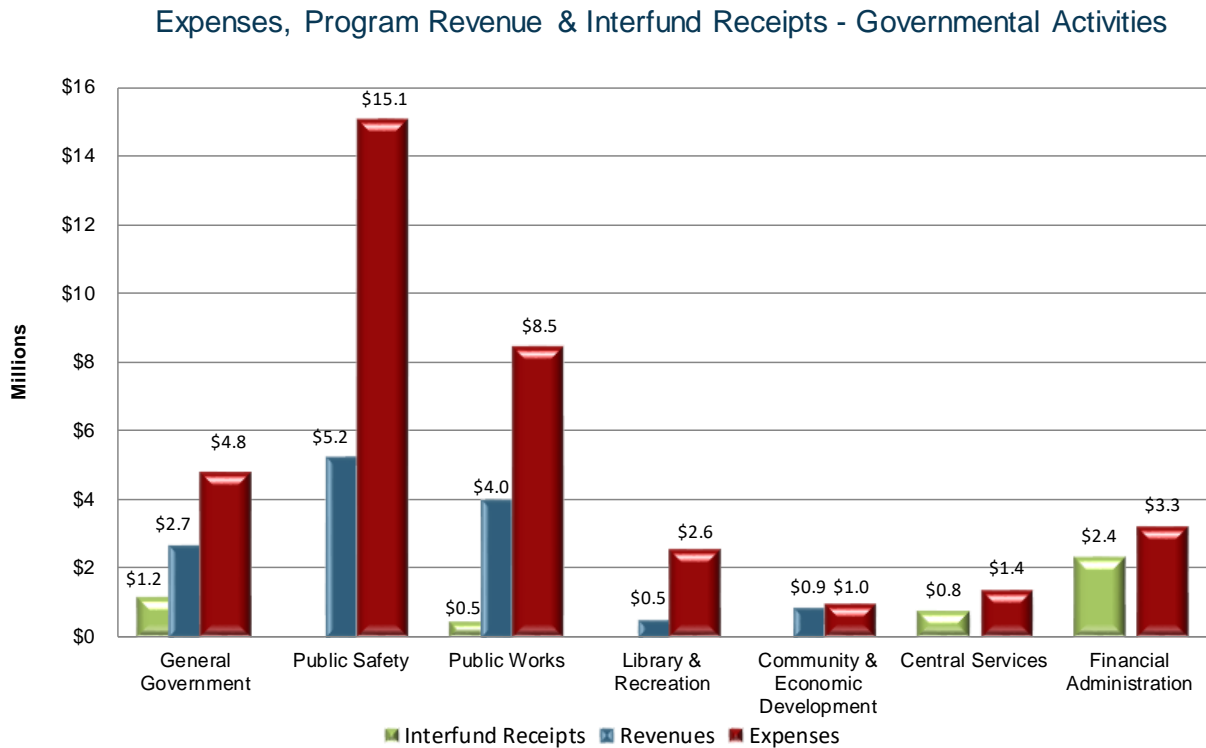
The preceding table shows changes in net position for the year ended June 30, 2021 compared to the year ended June 30, 2020. Governmental net position increased by \$12.2 million; this is an increase of \$4.6 million from the prior years’ positive change in net position of \$7.6 million.

Total revenues of \$33.2 million were more than the prior year by \$2.1 million. The increase in revenues is primarily due to increases in: property tax receipts and transfer tax receipts, which exceeded the FY20 revenues by \$3.3 million. The increases were partially offset by decreases in investment earnings, Operating Grants and Contributions, and Capital Grants and Contributions totaling \$1.2 million. Charges for Services remained constant at \$9.7 million.

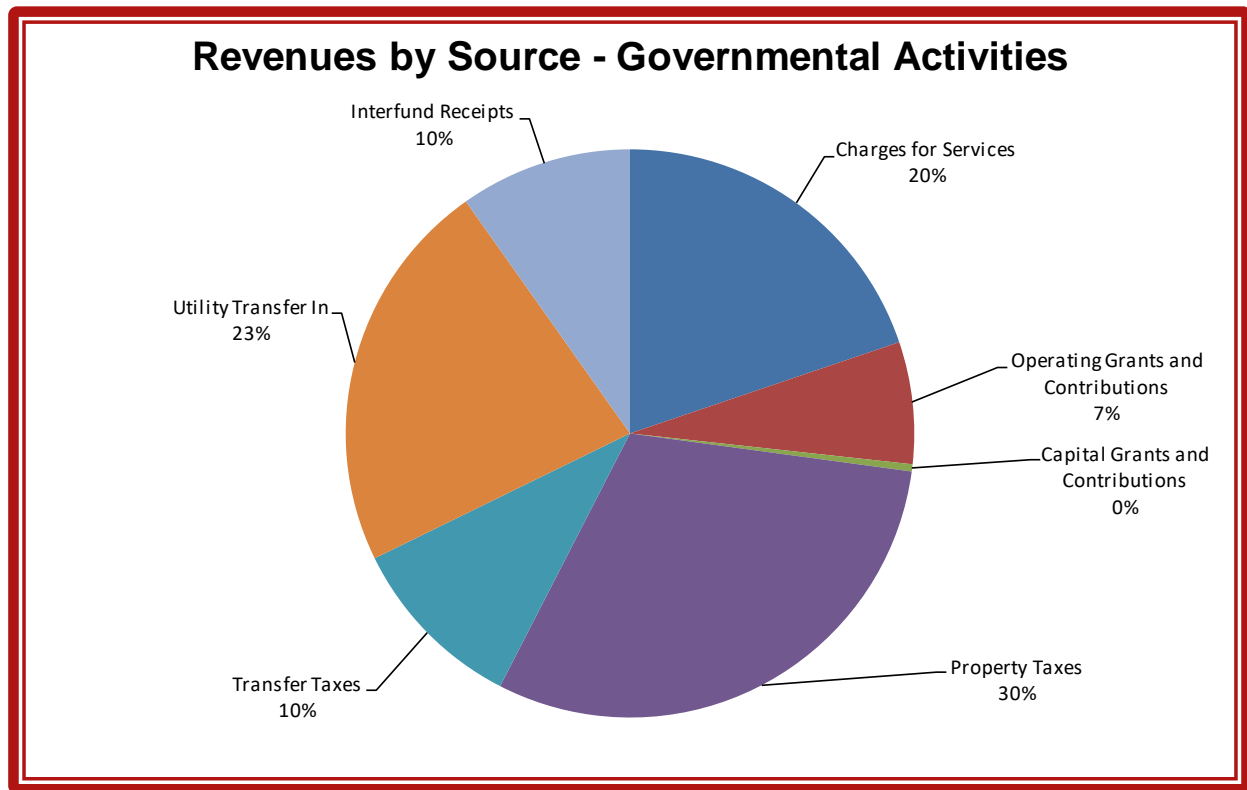
Total expenses of \$32.1 million reflects a decrease from the prior year of \$2.1 million across all but two

functions of government – Public Works – which increased its FY21 spending by about \$3.4 million and – Community and Economic Development – which increased its FY21 spending by about \$0.5 million. The decrease in expenditures is driven by decreases in expenditures for general governmental, public safety and law enforcement, and library and recreation services. Central services and financial administration expenses remained constant.

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 \$9.3 million, which was \$5.7 million less than the previous year’s change in net position of \$15.0 million. The decrease was primarily due to the combination of \$6.1 million in total revenue decreases offset by expense reductions totaling \$0.6 million. Transfers included \$1.0 million transferred out of the water & wastewater funds and \$10.0 million out of the electric fund to the general fund. The indirect expense allocation decreased by \$0.1 million.

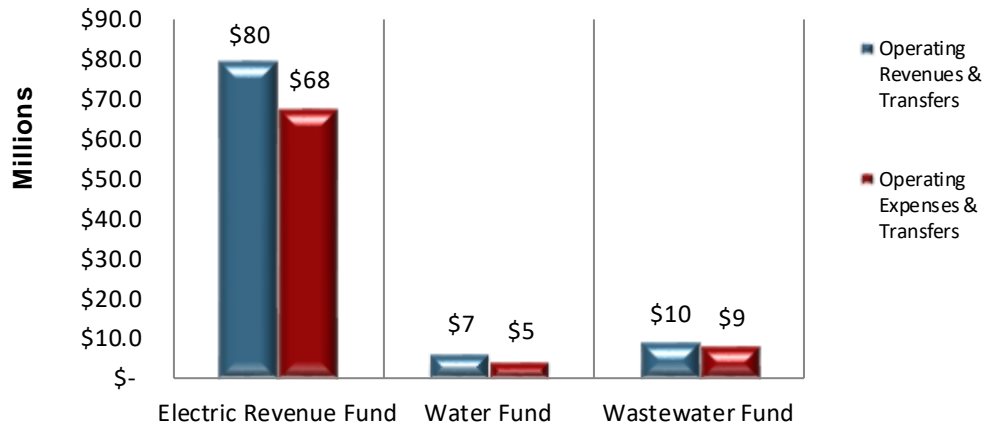
The water utility realized a positive change in net position of approximately \$1.9 million an increase of less than \$0.1 million. Operating revenues increased by \$0.5 million primarily due to an increase in rent revenues of \$0.2 million, an increase in water fees of \$0.2 million, and increases in State Grants and miscellaneous income of \$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 175 million total gallons. Consumption decreases were primarily driven by customer usage. The billing rate in the water division was changed from the previous year by adding tiers to inside and outside city customers with the rates as follows: inside city customer tiers went from \$3.00 per 1,000 gal to \$2.49 for first 6,000 gal, \$3.11 for 6001 – 100,000 gal, and tier 3 is \$3.74 for over 100,000 gal; outside city customer tiers went from \$4.50 per 1,000 gal to \$3.74 for first 6,000 gal, \$4.67 for 6,001 – 100,000 gal and tier 3 is \$5.60 for over 100,000 gal. These changes resulted in an increase of approximately \$0.2 million in Water fees revenue. Operating expenses in the water fund decreased by \$0.5 million, which was driven mostly by a \$0.3 million

decrease in water treatment division expenses and a reduction of water division expenses by \$0.3 million due to OPEB and Pension expense entries which were credits due to the substantial gains each had in investments within the fiscal year. General Administration expense also decreased because of a reduction in the Interfund Service fee. Offsetting increases aggregating \$0.2 million were in the water engineering division, depreciation, and retiree healthcare costs. The increase in the engineering division was primarily due to an increase in contractual services for an update to the water master plan in the amount of \$0.1 million. Finally, other contributors to the increase in net position was the reduction of nonoperating revenues and expenses of \$1.1 million and transfers out of the fund of \$0.15 million due to the funding of the ERP system was finished in the prior fiscal year.

The wastewater utility realized a positive change in net position of approximately \$0.9 million; a decrease from the prior year of \$0.9 million. Operating revenues increased by just under \$0.8 million primarily due to an increase in: wastewater fees of \$0.6 million, sewer adjustment and ground water adjustment fees of \$0.2 million offset by a decrease in Impact fee revenue of \$0.2 million. There was a system-wide increase in consumption for wastewater which in turn resulted in higher billable usage of approximately 28 million total gallons. Consumption increases were primarily driven by customer usage. The billing rates in the wastewater division were all increased from the previous year except for the Kent County Sewer Treatment Fees rate – which is set by the County. The rates were increased as follows: Wastewater per 1,000-gal charge went from \$2.65 to \$2.84, Wastewater per 1,000-gal charge for outside city customers went from \$3.98 to \$4.25, Wastewater Customer charge went from \$2.50 to \$5.00, and Kent County Sewer Adjustment (I&I flows) increased from \$1.50 to \$1.61 per gal. Operating expenses in the wastewater fund increased from the prior year by \$0.9 million. The driving factor to the increase in operating expense was a \$1.0 million increase in Kent County wastewater treatment expense offset by decreases in the wastewater and engineering divisions totaling \$0.2 million. Cost decreases were due to year end OPEB and Pension entries which reflected substantial investment gains. Finally, other contributors to the increase in net position was the reduction of transfers out of the fund by \$0.15 million due to the funding of the ERP system was finished in the prior fiscal year.

The electric utility realized a positive change in net position of just short of \$6.6 million. Operating revenues decreased by \$1.6 million attributed to decreases in electric revenue for all customer classes totaling \$2.4 million except for residential revenue which increased by \$1.1 million compared to the prior year. This is due to the pandemic where most people were home and businesses were closed. More kwh was generated for residential customers which has a lower rate and explains the increase of kwh with lower revenues. Additionally, there was a reduction in miscellaneous receipts of \$0.3 million driven by lower billable customer installations and one-time miscellaneous receipts totaling \$0.5 million offset by an increase in DEMA Grants \$0.2 million due to storm Isaias in August of 2020. Operating Expenses in the Electric Fund decreased by about \$3.2 million. A significant \$2.7 million reduction in power supply and generation costs, coupled with decreases in all divisions as follows: \$0.5 million in transmission and distribution, \$0.2 million in engineering, \$0.2 million in metering, and \$0.1 million in systems operations division. The decreases were partially offset by an increase of \$1.2 million in General Administration which was driven primarily by costs borne by the capital improvement fund that were not capitalized as an asset. As with the water and wastewater utility, all divisional expense reductions from prior year are realized due to year end OPEB and Pension expense entries recording investment gains realized within the year. Finally, nonoperating expenses were \$5.9 million higher than the prior year primarily due to increased distribution to customers of \$2.3 million and a reduction in fair value of investments of \$2.9 million which reduced the significant increase in Operating income of \$22.3 million to round out the positive change in net position of \$6.6 million, which was \$4.3 million less than the prior year’s positive change of \$10.9 million.

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, 2021, was over \$19.5 million. This represented an increase of over \$5.6 million during the year. Approximately 54% of the combined fund balances, \$10.3 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, 2021, was \$19.1 million. Revenue decreased by \$1.2 million, primarily due to decreases in grant revenue, investment income, police extra duty, library revenues – county reimbursement, and miscellaneous services; other less significant decreases were in library – general revenues, police fines, franchise fees, and property tax revenue which in aggregate fell short of the FY20 revenues by \$1.8 million. The general fund revenue decreases were partially offset by \$0.6 million of increases in license

and permit revenue, sanitation fees, and court of chancery fees when comparing to the prior year.

Total expenses of \$38.4 million reflect a decrease from the prior year of \$1.1 million, which was primarily driven by decreases in expense of: \$0.6 million in recreational services, \$0.5 million in public safety and law enforcement, \$0.4 million in streets and sanitation, \$0.2 million in library services and less significant decreases in engineering services, financial administration, interest and fiscal charges, and insurance totaling less than \$0.1 million collectively. The expense decreases were offset by \$0.3 million in increases to public works, \$0.2 million in general government and \$0.2 million in retiree health care, 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, 2021, the water fund has a net position of \$34.6 million, of which \$4.6 million is unrestricted. The fund’s net position increased \$1.9 million as explained on page 37. As of June 30, 2021, the wastewater fund had a net position of \$33.8 million, of which \$1.1 million is unrestricted. The fund’s net position increased \$0.9 million during the year as explained on page 38. As of June 30, 2021, the electric revenue fund has a net position of \$137.6 million, of which \$24.5 million is unrestricted. This fund experienced an increase in net position of \$6.6 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 to adjust program revenues and expenses based on changes in program revenues and expenses based on actual amounts.
3. To amend revenue and expense accounts based on actual experience during fiscal year 2021.

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 125-126).

The Combining Schedules – Combining General Fund Balance Sheet and Combining Schedule of Revenues, Expenditures and Changes in Fund Balances of the General Fund are included in Part E – Supplementary Information (pages 140-141).

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 142).

General Fund budgeted expenditures were revised to reflect an aggregate increase of \$0.1 million. The expenditure decreases were primarily to Stormwater, Streets, and City Manager totaling \$0.2 million with minor decreases in Tax Assessor, Library, Fleet Maintenance, and Planning. Operating divisions with budgeted increases were Life Safety, Sanitation, Engineering, Procurement and Inventory, Human Resources, Public Works – Administration, Public Inspections, and City Clerk totaling \$0.2 million and offsets the decreases. Additionally, there were three non-divisional budgeted expenditures that increased and are as follows: insurance, Miscellaneous grant expense and a transfer to the library, no other expenditure line-item budgets were changed.

Actual revenues and other financing sources received were above the final budgeted amounts in the General Fund by more than \$2.4 million for the current fiscal year. The budgeted revenues were revised to reflect a small increase of \$0.1 million for a transfer in from other reserves and a minor increase in miscellaneous grants. There were no other revenue line items revised.

Capital Asset and Debt Administration

At the end of the current fiscal year, the City’s governmental and proprietary funds had invested \$59.5 million and \$130.9 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule, which exhibits a net decrease of \$2.2 million for governmental activities and a net decrease of \$4.5 million for the business-type activities. Most of the decrease in assets reported within both the Governmental and Business-Type Activities is attributable to a thorough internal audit and subsequent disposal of assets that were either replaced or disposed of in prior years, but were never removed from the asset records, or did not qualify as a Capital asset based on our current definitions. For the Governmental Activities, the decrease in assets reported was in land (\$0.1 million), equipment (\$0.2 million), buildings (\$0.1 million), land improvements (\$0.07 million), and in furniture & fixtures (\$0.06 million). The value of construction projects that remained open as of June 30, 2021 increased by \$0.9 million, and \$0.2 million of vehicles were sold at auction. The decrease in Business-Type Activities is due primarily to the internal audit mentioned above, with Electric assets of \$2.6 million found to be obsolete. Additionally, this year included the accelerated depreciation for the McKee Run power plant decommissioning. The water fund added \$8.3 million, the wastewater fund added \$1.3 million, and the Electric fund added \$2.0 million in completed construction projects. 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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part B – Management’s Discussion and Analysis

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Depreciable Assets, Net						
Buildings	\$ 21.9	\$ 21.5	\$ -	\$ -	\$ 21.9	\$ 21.5
Equipment & Vehicles	4.7	4.3	5.9	5.8	10.6	10.1
General Infrastructure	28.9	26.8	-	-	28.9	26.8
Utility, Plant, Buildings, and Infrastructure	-	-	114.4	116.9	114.4	116.9
Other	0.3	0.2	1.2	1.0	1.5	1.2
Non-depreciable Assets						
Land	4.7	4.6	1.6	1.6	6.3	6.2
Construction in Progress	1.2	2.1	12.3	5.6	13.5	7.7
	<u>\$ 61.7</u>	<u>\$ 59.5</u>	<u>\$ 135.4</u>	<u>\$ 130.9</u>	<u>\$ 197.1</u>	<u>\$ 190.4</u>

The chart below shows that the City’s Total Net OPEB Liability decreased by \$14.0 million, with the majority of \$11.1 million attributable to the Governmental Activities and the balance attributable to the Business-Type Activities \$2.9 million. The City’s Total Net Pension Liability decrease of \$15.9 million was mostly attributable to the Governmental Activities \$10.7 million and the balance attributable to the Business-Type Activities \$5.2 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 3.69% of its debt limit. The City of Dover’s non-current liabilities as of June 30, 2020 and 2021 are presented below (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Non-current liabilities						
Police Officer Separation Agreement	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.1	\$ -
Liability for Compensated Absences	2.5	2.7	0.8	0.7	3.3	3.4
Bonds (Net of Discount/Issuance Cost)	5.4	6.6	29.4	28.3	34.8	34.9
Bond Premium	-	-	1.1	1.0	1.1	1.0
Net OPEB Liability	17.2	6.1	3.4	0.5	20.6	6.6
Net Pension Liability	16.5	5.8	11.4	6.2	27.9	12.0
Asset Retirement Obligation	-	-	11.9	11.9	11.9	11.9
	<u>\$ 41.7</u>	<u>\$ 21.2</u>	<u>\$ 58.0</u>	<u>\$ 48.6</u>	<u>\$ 99.7</u>	<u>\$ 69.8</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 2021 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 2021 were incorporated into the fiscal year 2022 budget.

- The FY22 General Fund budget includes a property tax increase of \$.055 per \$100 of assessed value on the taxable properties to support the City’s taxpayers and citizens beyond FY22. This increase assisted the City in:
 - Maintaining the increases in staff for critical service levels for public works, add five new police officers, allow for the additional costs to maintain/support the Fire Department with additional Fire Relief Dispatchers in order to cover services provided.
 - The General Governmental Capital Project Fund was able to be restored to prior levels this to continue to address aging facilities, park improvements, drainage and stormwater basin management and upgrades to many of the City facilities. This helps the City maintain a reasonable replacement schedule so as not to compile these costs into future years.
 - City equipment is also an important aspect of this budget cycle as many significant pieces of equipment were at end of life to mention just a few to include: (a) ’12 Street Sweeper; (b) ’06 Jet Vacuum Truck; (c) Two (2) Trash Trucks (d) ’95 Case Backhoe; (e) approximately nine (9) police vehicles and (f) several pieces of fire apparatus.
- The Water and Wastewater Fund saw another year of rate increases, this the second of a four-year plan to adjust rates. The additional revenues from each of the respective and future years will assist with infrastructure improvements and help to establish a prudent reserve over time.
- This budget keeps the Electric Fund PCA credit for electric rates at the FY 21 Level (\$0.007/kwh returned to all customers).
- This budget incorporates the addition of a few select positions the majority of which fall under the General Fund to include: (a) two positions (2) within Customer Service; (b) one (1) in Facilities; (c) one in Information Technology; (d) five positions in the Police department; and (e) three (3) electric groundworkers.
- The City continues to discuss the establishment of a Stormwater Utility. This fund has been discussed for several years and will be established to provide a designated source of revenue to fund the City’s stormwater management costs and capital stormwater system infrastructure costs, of which are currently be funded within the General Fund.
- 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. On March 11, 2021 The American Rescue Plan Act was signed into law providing funding for state and local governments to respond to the public health emergency and its negative economic impacts. The City of Dover anticipates receiving federal funding from this program.
- Decommissioning of McKee Run Power Plant #3 during continues.

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



BASIC FINANCIAL STATEMENTS

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2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Net Position
June 30, 2021

	Governmental	Business-Type	Total
	Activities	Activities	
Assets:			
Cash and Cash Equivalents	\$ 12,591,547	\$ 21,051,380	\$ 33,642,927
Investments	10,244,351	37,924,768	48,169,119
Receivables, Net	554,628	5,255,980	5,810,608
Internal Balances	688,871	(688,871)	-
Due from Other Governments	150,731	-	150,731
Inventory	80,432	3,014,819	3,095,251
Prepaid Items	15,112	442,164	457,276
Restricted Cash and Cash Equivalents	685,153	17,647,632	18,332,785
Restricted Investments	19,096	56,442,629	56,461,725
Capital Assets, Not Being Depreciated	6,752,360	7,173,778	13,926,138
Capital Assets, Net of Depreciation	52,783,219	123,677,730	176,460,949
Total Assets	<u>84,565,500</u>	<u>271,942,009</u>	<u>356,507,509</u>
Deferred Outflows of Resources:			
Pension related Deferred Outflows	3,141,303	-	3,141,303
OPEB related Deferred Outflows	2,238,792	534,157	2,772,949
Total Deferred Outflows of Resources	<u>5,380,095</u>	<u>534,157</u>	<u>5,914,252</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	1,804,576	6,869,406	8,673,982
Unearned Revenue	57,985	602,391	660,376
Customer Deposits	-	2,581,426	2,581,426
Other	262,212	378,351	640,563
Liabilities Due within One Year	1,881,643	2,240,268	4,121,911
Non-Current Liabilities			
Due in more than One Year	7,433,403	27,755,041	35,188,444
Due in more than One Year - OPEB	6,068,847	475,855	6,544,702
Due in more than One Year - Pension	5,841,779	6,238,964	12,080,743
Due in more than One Year - ARO	-	11,915,849	11,915,849
Total Liabilities	<u>23,350,445</u>	<u>59,057,551</u>	<u>82,407,996</u>
Deferred Inflows of Resources:			
Pension related deferred inflows	7,466,025	3,427,053	10,893,078
OPEB related Deferred Inflows	14,071,292	4,007,753	18,079,045
Total Deferred Inflows of Resources	<u>21,537,317</u>	<u>7,434,806</u>	<u>28,972,123</u>
Net Position:			
Net Investment in Capital Assets	52,937,055	101,595,410	154,532,465
Restricted for:			
Capital Projects	113,835	74,090,261	74,204,096
Public Safety Grants	186,966	-	186,966
Verizon Grant	51,394	-	51,394
Library Grant	78,011	-	78,011
Community Development Grants	1,141	-	1,141
Unrestricted	(8,310,569)	30,298,138	21,987,569
Total Net Position	<u>\$ 45,057,833</u>	<u>\$ 205,983,809</u>	<u>\$ 251,041,642</u>

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	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
Governmental Activities								
General Government	\$ 4,828,924	\$ (1,208,599)	\$ 2,607,533	\$ 80,677	\$ -	\$ (932,115)	\$ -	\$ (932,115)
Public Safety	15,074,030	-	3,822,417	1,412,299	-	(9,839,314)	-	(9,839,314)
Public Works	8,484,007	(502,892)	3,125,135	797,580	92,867	(3,965,533)	-	(3,965,533)
Library and Recreation	2,613,161	-	146,402	291,942	98,500	(2,076,317)	-	(2,076,317)
Community and Economic Development	1,023,086	-	-	871,331	-	(151,755)	-	(151,755)
Central Services	1,415,802	(774,021)	-	-	-	(641,781)	-	(641,781)
Financial Administration	3,266,757	(2,354,977)	-	-	-	(911,780)	-	(911,780)
Interest Charges	180,781	-	-	-	-	(180,781)	-	(180,781)
Total Governmental Activities	36,886,548	(4,840,489)	9,701,487	3,453,829	191,367	(18,699,376)	-	(18,699,376)
Business Type Activities								
Water	3,473,858	880,272	6,693,676	-	-	-	2,339,546	2,339,546
Wastewater	7,509,848	673,670	9,507,205	-	-	-	1,323,687	-
Electric	59,822,771	3,286,547	79,820,816	-	-	-	16,711,498	16,711,498
Total Business Type Activities	70,806,477	4,840,489	96,021,697	-	-			
Total Primary Government	\$ 107,693,025	\$ -	\$ 105,723,184	\$ 3,453,829	\$ 191,367	(18,699,376)	20,374,731	1,675,355
General Revenues								
Taxes								
Property Taxes						14,892,966	-	14,892,966
Transfer Taxes						4,962,557	-	4,962,557
Earnings on Investments						15,803	399,058	414,861
Loss on Sale of Assets						-	(480,219)	(480,219)
Total General Revenues						19,871,326	(81,161)	19,790,165
Transfers						11,000,000	(11,000,000)	-
Total General Revenues and Transfers						30,871,326	(11,081,161)	19,790,165
Changes in Net Position						12,171,950	9,293,570	21,465,520
Net Position Beginning						32,885,883	196,690,239	229,576,122
Net Position Ending						\$ 45,057,833	\$ 205,983,809	\$ 251,041,642

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Governmental Funds Balance Sheet
June 30, 2021

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 10,814,727	\$ -	\$ 10,814,727
Restricted Cash and Cash Equivalents	-	685,153	685,153
Investments	8,674,778	-	8,674,778
Restricted Investments	19,096	-	19,096
Receivables, Net			
Accounts	436,170	11,027	447,197
Taxes	102,431	-	102,431
Due from Other Funds	1,081,342	187,019	1,268,361
Temporary Advances	220,000	-	220,000
Due from Other Governments	-	150,731	150,731
Prepaid Items	15,112	-	15,112
Inventory	80,432	-	80,432
Total Assets	<u>\$ 21,444,088</u>	<u>\$ 1,033,930</u>	<u>\$ 22,478,018</u>
Liabilities:			
Accounts Payable	\$ 1,456,192	\$ 38,454	\$ 1,494,646
Unearned Revenue	52,425	5,560	57,985
Due to Other Funds	187,025	392,465	579,490
Temporary Advances	-	220,000	220,000
Other	262,212	-	262,212
Total Liabilities	<u>1,957,854</u>	<u>656,479</u>	<u>2,614,333</u>
Deferred Inflows of Resources:			
Unavailable Revenue	346,068	-	346,068
Total Deferred Inflows of Resources	<u>346,068</u>	<u>-</u>	<u>346,068</u>
Fund Balances:			
Non-Spendable	117,139	-	117,139
Restricted	53,896	377,451	431,347
Committed	2,111,592	-	2,111,592
Assigned	6,540,786	-	6,540,786
Unassigned	10,316,753	-	10,316,753
Total Fund Balances	<u>19,140,166</u>	<u>377,451</u>	<u>19,517,617</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 21,444,088</u>	<u>\$ 1,033,930</u>	<u>\$ 22,478,018</u>

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2021

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

Total fund balances for governmental funds (Page 49)	19,517,617
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	59,535,579
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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	346,068	346,068
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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	3,141,303	
Deferred Inflows - Pension	(7,466,025)	
Deferred Outflows - OPEB	2,238,792	
Deferred Inflows - OPEB	(14,071,292)	(16,157,222)

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.	3,042,296
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Accrual basis of bond interest paid	(833)
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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	(487,315)	
Compensated Absences	(1,356,828)	
Police Officer separation agreement	(37,500)	
	(1,881,643)	
Long-Term-		
General Obligation Bonds	(6,111,209)	
Compensated Absences	(1,322,194)	
Net Pension Liability	(5,841,779)	
Net OPEB Liability	(6,068,847)	
	(19,344,029)	(21,225,672)

Total net position of governmental activities (Page 47)	\$ 45,057,833
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The notes to financial statements are an integral part of this statement.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	\$ 442,699	\$ 267,109	\$ 709,808
Library Revenue - General	37,015	-	37,015
Library Revenue County Reimbursement	41,981	-	41,981
Licenses and Permits	2,906,024	-	2,906,024
Sanitation Fees and Rebates	3,125,135	-	3,125,135
Recreation	-	20,915	20,915
Miscellaneous Services	871,521	-	871,521
Property Taxes	14,740,033	-	14,740,033
Transfer Taxes	-	4,962,557	4,962,557
Grants Received	1,071,294	2,573,902	3,645,196
Court of Chancery Fees	1,834,620	-	1,834,620
Investment Income	6,156	1,638	7,794
Total Revenues	<u>25,076,478</u>	<u>7,826,121</u>	<u>32,902,599</u>
Expenditures			
Current:			
General Government	1,937,056	-	1,937,056
Library Services	1,608,823	248,829	1,857,652
Public Safety and Law Enforcement	21,568,236	286,709	21,854,945
Public Works	2,886,452	92,377	2,978,829
Recreational Services	1,126,313	-	1,126,313
Streets and Sanitation Services	3,616,943	-	3,616,943
Engineering Services	204,843	-	204,843
Financial Administration	791,540	-	791,540
Garage and Stores	771,974	-	771,974
Insurance	343,044	-	343,044
Retiree Health Care	2,045,400	-	2,045,400
Community and Economic Development	150,000	873,086	1,023,086
Street Lights	815,961	-	815,961
Debt Service:			
Principal Retirement	335,760	-	335,760
Interest and Fiscal Charges	156,154	-	156,154
Total Expenditures	<u>38,358,499</u>	<u>1,501,001</u>	<u>39,859,500</u>
Excess (deficiency) of Revenues over Expenditures	<u>(13,282,021)</u>	<u>6,325,120</u>	<u>(6,956,901)</u>
Other Financing Sources (Uses)			
Bonds Issued	1,563,000	-	1,563,000
Transfers In	17,256,573	1,067	17,257,640
Transfers Out	(1,067)	(6,256,573)	(6,257,640)
Total other Financing Sources (Uses)	<u>18,818,506</u>	<u>(6,255,506)</u>	<u>12,563,000</u>
Net Change in Fund Balances	5,536,485	69,614	5,606,099
Fund Balances at Beginning of Year	13,603,681	307,837	13,911,518
Fund Balances at End of Year	<u>\$ 19,140,166</u>	<u>\$ 377,451</u>	<u>\$ 19,517,617</u>

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

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, 2021

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)	\$ 5,606,099
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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	\$ 1,959,010	
Loss on assets disposed of during the year	(189,094)	
Current year depreciation	<u>(3,871,919)</u>	(2,102,003)

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.	335,760
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Revenues that are not available to pay for current period expenditures are not reported as revenues in the funds.	307,401
---	---------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

2021 General Obligation Bonds	(1,563,000)
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Governmental funds do not report GAAP related pension entries that record the Net Pension Liability. The following is the current year change in Net Pension Liability for the Governmental funds:	10,699,493
--	------------

Changes in Deferred Inflows and Deferred Outflows related to pension entries reported in the Statement of Activities.	(8,199,289)
---	-------------

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.	(4,402,174)
---	-------------

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 between the statement of activities and the governmental funds.

Increase in compensated absences	\$ (156,886)	
Bond interest accrual	(24,624)	
Decrease in Net OPEB Liability	<u>11,113,763</u>	10,932,253

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.

Change in net position of governmental activities (Page 48)	<u>\$ 12,171,950</u>
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The notes to financial statements are an integral part of this statement.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Net Position - Proprietary Funds
Proprietary Funds
June 30, 2021

	Business-type Activities			Governmental Activities
	Electric Revenue Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 17,847,702	\$ 3,203,678	\$ 21,051,380	\$ 1,776,820
Investments	29,371,080	8,553,688	37,924,768	1,569,573
Receivables, Net	4,180,899	1,075,081	5,255,980	5,000
Due from Other Funds	-	6	6	-
Inventory	2,959,540	55,279	3,014,819	-
Prepaid Items	442,164	-	442,164	-
Total Current Assets	54,801,385	12,887,732	67,689,117	3,351,393
Non-Current Assets:				
Restricted Assets				
Cash	16,600,618	1,047,014	17,647,632	-
Investments	48,650,805	7,791,824	56,442,629	-
Capital Assets, Not Being Depreciated	4,962,617	2,211,161	7,173,778	-
Capital Assets, Net of Depreciation	58,121,184	65,556,546	123,677,730	-
Total Non-Current Assets	128,335,224	76,606,545	204,941,769	-
Total Assets	183,136,609	89,494,277	272,630,886	3,351,393
Deferred Outflows of Resources:				
OPEB Related Deferred Outflows	324,663	209,494	534,157	-
	324,663	209,494	534,157	-
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Expenses	5,000,810	1,868,596	6,869,406	309,097
Due to Other Funds - Charges	472,359	216,518	688,877	-
Unearned Revenue	602,391	-	602,391	-
Accrued Interest Payable	286,975	91,376	378,351	-
Customer Deposits	2,581,426	-	2,581,426	-
Revenue Bonds Payable	820,000	1,063,803	1,883,803	-
Liability for Compensated Absences	232,449	124,016	356,465	-
Total Current Liabilities	9,996,410	3,364,309	13,360,719	309,097
Non-Current Liabilities:				
Net OPEB Liability	388,513	87,342	475,855	-
Net Pension Liability	4,340,902	1,898,062	6,238,964	-
Asset Retirement Obligation	11,915,849	-	11,915,849	-
Revenue Bonds Payable	14,434,787	12,937,509	27,372,296	-
Liability for Compensated Absences	217,105	165,640	382,745	-
Total Non-Current Liabilities	31,297,156	15,088,553	46,385,709	-
Total Liabilities	41,293,566	18,452,862	59,746,428	309,097
Deferred Inflows of Resources:				
Pension Related Deferred Inflows	2,132,638	1,294,415	3,427,053	-
OPEB Related Deferred Inflows	2,423,826	1,583,927	4,007,753	-
Total Deferred Inflows of Resources	4,556,464	2,878,342	7,434,806	-
Net Position				
Net Investment in Capital Assets	47,829,014	53,766,396	101,595,410	-
Restricted for Capital Construction	65,251,423	8,838,838	74,090,261	-
Unrestricted	24,530,805	5,767,333	30,298,138	3,042,296
Total Net Position	\$ 137,611,242	\$ 68,372,567	\$ 205,983,809	\$ 3,042,296

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Revenues, Expenses and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities			Governmental Activities
	Electric Revenue Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Operating Revenues				
Charges for Services	\$ 78,624,821	\$ 15,080,090	\$ 93,704,911	\$ -
Miscellaneous Services/Income	1,195,995	1,120,481	2,316,476	919,173
Total Operating Revenues	79,820,816	16,200,571	96,021,387	919,173
Operating Expenses				
Water	-	396,698	396,698	-
Wastewater	-	867,982	867,982	-
Water Treatment Plant	-	1,356,366	1,356,366	-
Water/Wastewater Engineering	-	434,856	434,856	-
Kent County Wastewater Treatment	-	4,773,265	4,773,265	-
General Administrative	5,844,102	1,650,412	7,494,514	175,015
Power Supply	38,348,596	-	38,348,596	-
Transmission/Distribution	2,673,257	-	2,673,257	-
Engineering	862,571	-	862,571	-
Metering	287,273	-	287,273	-
Systems Operations	469,818	-	469,818	-
Utility Tax	1,137,022	-	1,137,022	-
Depreciation	7,189,643	2,443,819	9,633,462	-
Contractual Services	-	-	-	15,961
Taxes	-	-	-	33,511
Retirees Health Care	789,600	258,400	1,048,000	-
Self Insurance-Workers' Compensation	-	-	-	145,285
Total Operating Expenses	57,601,882	12,181,798	69,783,680	369,772
Operating Income/Loss	22,218,934	4,018,773	26,237,707	549,401
Non-Operating Revenues (Expenses)				
Interest Earned:				
Operating Funds	293,945	137,268	431,213	-
Reserve Funds	1,142,149	174,755	1,316,904	30,408
Net Increase in Fair Value of Investments	(1,113,314)	(235,745)	(1,349,059)	(22,399)
Interest and Fiscal Charges	(499,894)	(355,850)	(855,744)	-
Distribution of Earnings - PCA Credit	(5,007,542)	-	(5,007,542)	-
Gain (Loss) on Sale of Assets	(480,219)	310	(479,909)	-
Total Non-Operating Revenue (expenses)	(5,664,875)	(279,262)	(5,944,137)	8,009
Income before Contributions and Transfers	16,554,059	3,739,511	20,293,570	557,410
Transfers Out	(10,000,000)	(1,000,000)	(11,000,000)	-
Total transfers	(10,000,000)	(1,000,000)	(11,000,000)	-
Change in Net Position	6,554,059	2,739,511	9,293,570	557,410
Total Net Position--Beginning	131,057,183	65,633,056	196,690,239	2,484,886
Total Net Position--Ending	\$ 137,611,242	\$ 68,372,567	\$ 205,983,809	\$ 3,042,296

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities			Governmental Activities
	Electric Revenue Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities				
Receipts from Customers	\$ 80,082,378	\$ 15,927,924	\$ 96,010,302	\$ -
Payments to Suppliers (including Purchased Power)	(41,862,791)	(6,351,241)	(48,214,032)	(196,614)
Payments to Employees	(5,021,277)	(2,390,977)	(7,412,254)	-
Payments of Personnel Related Costs	(675,800)	(255,131)	(930,931)	966,119
Internal Activity-Payments from (to) Other Funds	(634,135)	(359,715)	(993,850)	-
Other Receipts (Payments) including Claims Paid	(2,483,045)	(1,264,171)	(3,747,216)	(325,470)
Net Cash Provided by (used for) Operating Activities	29,405,330	5,306,689	34,712,019	444,035
Cash Flows from Noncapital Financing Activities				
Transfers Out	(10,000,000)	(1,000,000)	(11,000,000)	-
Distribution to Customers - PCA Credit	(5,007,542)	-	(5,007,542)	-
Net Cash Used for Noncapital Financing Activities	(15,007,542)	(1,000,000)	(16,007,542)	-
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(2,058,758)	(3,505,807)	(5,564,565)	-
Proceeds of issuance of debt	-	674,936	674,936	-
Bond Issuance Costs	-	(3,334)	(3,334)	-
Principal Paid on Revenue Bond Maturities	(785,000)	(1,009,753)	(1,794,753)	-
Interest Paid on Capital Debt	(594,810)	(368,624)	(963,434)	-
Net Cash Used for Capital and Related Financing Activities	(3,438,568)	(4,212,582)	(7,651,150)	-
Cash Flows from Investing Activities				
Interest on Investments	293,945	137,268	431,213	-
Redemption of Investment Securities	-	838,923	838,923	-
Purchase of Investment Securities	(1,447,102)	(590,765)	(2,037,867)	1,001
Interest on Restricted Cash	1,142,149	174,754	1,316,903	-
Net Cash Provided by (used for) Investing Activities	(11,008)	560,180	549,172	1,001
Net Increase/Decrease in Cash and Cash Equivalents	10,948,212	654,287	11,602,499	445,036
Cash and cash equivalents July 1 (incl. \$497,618 for Non-Major Enterprise Funds and \$13,032,907 for Electric fund reported in restricted accounts)	23,500,108	3,596,405	27,096,513	1,331,784
Cash and cash equivalents June 30 (incl. \$1,047,014 for Non-Major Enterprise Funds and \$16,600,618 for Electric fund reported in restricted accounts)	<u>\$ 34,448,320</u>	<u>\$ 4,250,692</u>	<u>\$ 38,699,012</u>	<u>\$ 1,776,820</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income	\$ 22,218,934	\$ 4,018,773	\$ 26,237,707	\$ 549,401
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:				
Depreciation Expense	7,189,643	2,443,819	9,633,462	-
Effect of Changes in Operating Assets and Liabilities:				
Receivables	71,163	(272,790)	(201,627)	-
Due from other funds	9,002	143	9,145	46,946
Due from other funds - Advances	-	400,000	400,000	-
Inventory	1,332,825	16,823	1,349,648	-
Prepaid items	36,055	294	36,349	-
Deferred outflow of resources Pension	558,098	332,263	890,361	-
Deferred outflow of resources OPEB	(167,038)	(118,718)	(285,756)	-
Deferred outflow of resources ARO	243,180	-	243,180	-
Accounts payable and accrued expenses	82,557	294,451	377,008	(152,312)
Unearned revenue	143,054	-	143,054	-
Due to other funds	(234,935)	(146,529)	(381,464)	-
Due to other funds - Advances	-	(400,000)	(400,000)	-
Customer Deposits	38,343	-	38,343	-
Liability for Compensated Absences	(106,276)	54,851	(51,425)	-
Net OPEB Liability	(1,748,866)	(1,241,131)	(2,989,997)	-
Net pension liability	(3,197,735)	(1,951,830)	(5,149,565)	-
Deferred inflow of resources Pension	2,077,560	1,265,939	3,343,499	-
Deferred inflow of resources OPEB	859,766	610,331	1,470,097	-
Net Cash Provided by Operating Activities	<u>\$ 29,405,330</u>	<u>\$ 5,306,689</u>	<u>\$ 34,712,019</u>	<u>\$ 444,035</u>
Non-Cash Investing, Capital and Financing Activities:				
Change in Fair Value of Investments	\$ (1,113,314)	\$ (235,745)	\$ (1,349,059)	\$ (22,399)

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

City of Dover, Delaware
Statement of Net Position
Fiduciary Funds
June 30, 2021

	Pension and Other Post-Employment Benefit Trust Funds	Custodial Funds
Assets		
Cash and Cash Equivalents	\$ 11,168,448	\$ 33,517
Investments at Fair Value - Mutual Funds	118,620,646	-
Prepaid Expenses	-	18,000
Total Assets	<u>129,789,094</u>	<u>51,517</u>
Liabilities		
Vouchers Payable & Deposit Payable	<u>228,389</u>	<u>831</u>
Total Liabilities	<u>228,389</u>	<u>\$ 831</u>
Net Position		
Net Position Restricted for Pensions	73,389,480	-
Net Position Restricted for Health Benefits	56,171,225	-
Net Position Restricted for Other Organizations	-	50,686
Total Net Position	<u>\$ 129,560,705</u>	<u>\$ 50,686</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, 2021

	Pension and Other Postemployment Benefit Trust Funds	Custodial Funds
Additions:		
Net Investment Income	\$ 29,386,127	\$ -
City's Contribution-Payroll Based	2,838,209	-
City's Contribution-Lump Sum	3,528,500	-
Employee Contribution	172,840	-
Gifts/Donations	-	33,417
State Grants	552,277	-
Other	485	22
Total Additions	<u>36,478,438</u>	<u>33,439</u>
Deductions:		
Bank Fees	-	218
Benefit Payments	8,692,294	-
Contractual Services	-	6,126
General Administration	30,418	650
Total Deductions	<u>8,722,712</u>	<u>6,994</u>
Change in Net Position	27,755,726	26,445
Net Position - Beginning	101,804,979	24,241
Net Position - Ending	<u>\$ 129,560,705</u>	<u>\$ 50,686</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, 2021

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, 2021.

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, Downtown Dover Partnership, 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 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 based on 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 how 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 transmission and distribution, as well as generation 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 general fund and its three enterprise funds. Expenses are related to payment of claims, premiums, and administration costs. Actuarial analyses are completed every three (3) years to ensure sufficient reserves for claims for the Workers' Compensation Fund. The last analysis was done on June 30, 2019.

Special Revenue Funds

The City has ten (10) 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 custodial funds and are used to report assets held by the City in a trustee or custodial 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 are accounted for in the Basic Financial Statements.

Custodial Funds

Custodial funds are used to account for assets held by the City as a custodian for individuals, private organizations, or other governments. The City has two (2) custodial funds.

The City acts as the receiving and paying agent for the Fourth of July Celebration Committee and the Dover Days 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 funds are accounted for using the accrual basis of accounting and the economic resources measurement focus.

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

GASB Statement No. 84, “Fiduciary Activities.” Issued in January 2017, the requirements of this Statement enhances consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities, and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. A change in accounting principle resulted in the Downtown Dover partnership fund to be removed as a custodial fund as it did not meet the criteria to be reported and balances previously recorded as liabilities in agency funds to now be recorded as net position in custodial funds. Net position balances of \$11,287 and \$12,954 were recorded for the 4th of July and Dover Day’s Celebration funds, respectively. The effect of the restatement as of July 1, 2020 was \$24,241.

GASB Statement No. 90, “Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61.” The requirements of this Statement improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations, and improve the relevance of financial statement information for certain component units.

GASB Statement No. 98, “The Annual Comprehensive Financial Report.” Issued in October 2021, this statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City early implemented the Statement in fiscal year 2021.

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: Police Federal Grants Fund, Police State Grants Fund, Library Grants Fund, Municipal Street Aid Fund, Community Development Block Grant Fund (Federal), State Department of Transportation Grants Fund (Community Transportation), Substance Abuse Prevention Program Fund, Electronic Red-Light Safety Program Fund, Lodging Tax Fund, and the Realty Transfer Tax 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, 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 Fund, Wastewater Fund, and Electric Fund are 21.8%, 22.7%, 4.5% and 28.3% respectively, and all are exceeding the financial policy maximum for each fund except for Wastewater, which is under the policy minimum. Per the Financial policy, the General Fund, Water and Electric Fund overages will be addressed in the next year's budget. The underage for the Wastewater Fund will also 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 item or project to exceed its original budget 10% or greater will be communicated to City 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 City Council. (Source: City of Dover Policy Manual, Budget Administration – Policy for Operating Departments, 2014).

The following activities exceeded their budget:

1. Life Safety is over budget by \$1,499 due to a new position that was transferred from the Inspections department by the City Manager, thereby creating an overage.
2. The City Manager's Office is over budget by \$13,858 resulting from City Council directing the SEGAL "Study of Classification, Compensation, and Benefit System and Pay for Performance" to move forward even though it was not in the budget.
3. Debt Service exceeded the budget by \$3,688 due to interest on the new HVAC loan, which was not budgeted.
4. Transfer to Cable Franchise Reserve of \$14,765 was not budgeted.
5. Storm Expense of \$271,253 was not budgeted.
6. Appropriation to Police Pension Fund - State Grant is over budget by \$52,277 due to the receipt of State of Delaware funds exceeding the budgeted amount and then passed through to the Police Pension Fund as an expenditure.
7. Appropriation to Street Light Fund exceeded the budget by \$961.

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 both Police Grant Funds (State & Federal) 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.

The Lodging Tax receipts are only to be used for infrastructure, according to City Ordinance #2019-16. Therefore, amounts received in this fund are transferred to the General Capital Projects Fund.

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	\$604,804
Water Fund	21,259
Wastewater Fund	20,101
Electric Revenue Fund	1,061,169

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, 2021 total \$74,794,510 including cash and cash equivalents of \$18,332,785 and \$56,461,725 in investments. Of this amount, \$704,249 is attributed to governmental activities and \$74,090,261 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 and Other Post-Employment Benefits (OPEB). 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 as a deferred inflow of resources 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.

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 previously mentioned 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. To calculate the amounts reported 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, 2021, the carrying amount of unrestricted cash and cash equivalents totaled \$33,642,927, and the bank cash balances totaled \$33,659,715. The carrying amount of restricted cash totaled \$18,332,785 and the bank cash balances on restricted accounts totaled \$18,332,785 and \$3,363,434 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 \$11,201,965 included \$11,201,628 of cash deposits. 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, 2021, 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, 2021:

Investment Type	Weighted Average Maturity (Years)	June 30, 2021	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	2.86	\$ 22,810,066	\$ -	\$ 22,810,066
Federal Agency Bond / Note	3.70	25,301,466	-	25,301,466
Municipal Obligations	4.27	5,407,056	-	5,407,056
Domestic Fixed Income	3.91	33,180,090	-	33,180,090
International Fixed Income	5.76	2,853,322	-	2,853,322
Federal Agency mortgage backed security*	10.28	2,384,576	627,781	1,756,795
Total Investments by fair value level	3.84	\$ 91,936,576	\$ 627,781	\$ 91,308,795
Other Investments, at amortized cost:				
Money Market Mutual Funds & Equity Stock		10,273,883		
Certificates of Deposit		2,420,385		
Total other investments		12,694,268		
Total Government-Wide Investments		\$ 104,630,844		

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 3.84 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, 2021, Federal Agency mortgage-backed security WAL is 10.28.

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, 2021, 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	N/A	21.80%
U.S. Government Agency	N/A	N/A	26.46%
Certificates of Deposit and Time Deposits	Short-Term A-1 Long-Term AA	Short-Term A-1 to A-1+ N/A	2.31% 0.00%
Corporate Debt	Issued by a US Corporation		
Commercial Paper	A-1	N/A	0.00%
Corporate Notes/Bonds	A	BBB+ to AAA	31.71%
International Fixed Income	A	AAA	2.73%
Repurchase Agreements	ST A-1; LT AA	N/A	0.00%
Registered Investment Companies (Money Market Funds)	AAAm	AAAm	9.82%
Municipal Obligations	A	A to AAA	5.17%

Concentration of credit risk: As of June 30, 2021, United States Treasury Notes represented 21.28% of the portfolio, Federal National Mortgage Association represented 10.40% of the portfolio and Federal Home Loan Mortgage Association represented 10.26% 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, 2021.

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Investment Type	June 30, 2021			
Other Postemployment Benefits (OPEB) & Pension Funds (Trustee held):	Employee's Plan	Police Plan	OPEB Trust	Total
Investments measured at the net asset value (NAV)				
Fixed Income:				
Short-term bond funds	2,610,353	934,869	3,277,399	6,822,622
Intermediate-term bond funds	2,089,576	467,719	2,457,276	5,014,571
Long-term bond funds	2,594,462	773,665	2,175,224	5,543,350
Inflation-protected bond funds	2,627,770	784,270	2,199,350	5,611,390
High yield bond funds	2,629,479	784,802	2,750,918	6,165,198
Nontraditional bond funds	2,087,994	467,365	2,457,763	5,013,123
Total Fixed Income	14,639,634	4,212,690	15,317,930	34,170,254
Equities:				
Large cap value funds	4,305,851	1,286,904	4,477,678	10,070,433
Large cap growth funds	5,951,259	1,776,316	6,225,445	13,953,020
Mid-cap value funds	2,140,879	640,244	4,478,129	7,259,253
Mid-cap blend funds	2,152,944	642,924	-	2,795,867
Small-cap value funds	4,288,315	1,281,493	6,149,444	11,719,253
International growth funds	3,724,703	1,111,017	3,896,093	8,731,813
World stock funds	3,731,412	1,113,440	3,903,173	8,748,025
Diversified emerging market funds	6,402,055	1,910,291	6,697,787	15,010,134
Real estate funds	2,628,353	785,121	2,749,120	6,162,595
Total Equities	35,325,772	10,547,751	38,576,869	84,450,392
Total investments measured at the NAV	\$ 49,965,406	\$ 14,760,440	\$ 53,894,800	\$ 118,620,646

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The City recorded the following OPEB and Pension investments as of June 30, 2021:

Investment Type	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)
Other Postemployment Benefits (OPEB) & Pension Funds Investments by fair value level Mutual Funds	\$ 118,620,646	\$ 118,620,646

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, 2021, the Pension and OPEB plans had \$34,170,254 in fixed income investments. The weighted average maturity for all its fixed income funds was 6.49 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 on June 30, 2021 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 on June 30, 2021.

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, 2021, 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, 2021 is presented below and on the following three pages:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 4,724,062	\$ -	\$ 106,395	\$ 2,689	\$ 4,620,356
Construction in progress	1,196,534	1,159,108	173,479	(50,159)	2,132,004
Total capital assets, not being depreciated	5,920,596	1,159,108	279,874	(47,470)	6,752,360
Capital assets, being depreciated:					
Buildings	28,784,722	294,126	99,393	13,797	28,993,252
Furniture and fixtures	821,678	-	62,303	-	759,375
Equipment	9,265,825	515,666	359,834	-	9,421,657
Vehicles	6,664,602	135,459	257,491	42,552	6,585,122
Lights	655,647	-	-	-	655,647
Improvements other than buildings	61,133,220	10,500	78,871	8,750	61,073,599
Total capital assets, being depreciated	107,325,694	955,751	857,892	65,099	107,488,652
Less accumulated depreciation for:					
Buildings	(6,954,454)	(616,073)	88,572	(13,797)	(7,495,752)
Furniture and fixtures	(663,781)	(65,337)	62,303	-	(666,815)
Equipment	(6,966,608)	(432,600)	355,116	-	(7,044,092)
Vehicles	(4,233,110)	(642,923)	251,242	(42,552)	(4,667,343)
Lights	(538,129)	(11,576)	-	-	(549,705)
Improvements other than buildings	(32,252,625)	(2,103,410)	78,874	(4,565)	(34,281,726)
Total accumulated depreciation	(51,608,707)	(3,871,919)	836,107	(60,914)	(54,705,433)
Total capital assets, being depreciated, net	55,716,987	(2,916,168)	(21,785)	4,185	52,783,219
Governmental activities capital assets, net	\$ 61,637,583	\$ (1,757,060)	\$ 301,659	\$ (43,285)	\$ 59,535,579

The capital asset adjustment within the Construction in Progress section above is due to the decision to expense, rather than capitalize Small Park Improvements, since they should be considered maintenance costs.

(Continued)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Notes to the Basic Financial Statements

(Continued)

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type activities:					
Electric Revenue Fund					
Capital assets, not being depreciated					
Land	\$ 1,458,066	\$ -	\$ -	\$ -	\$ 1,458,066
Construction in progress *	4,080,996	1,644,050	1,238,256	982,239	3,504,551
Total capital assets, not being depreciated	5,539,062	1,644,050	1,238,256	982,239	4,962,617
Capital assets, being depreciated					
Buildings	14,611,758	183,648	2,211,595	-	12,583,811
Vehicles and Equipment **	28,899,994	670,192	545,702	-	29,024,484
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights	65,830,930	1,324,620	9,500	-	67,146,050
SS, Switch Yards, Switchgears	36,716,722	37,765	25,716	-	36,728,771
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	192,844,096	2,216,225	2,792,513	-	192,267,808
Less accumulated depreciation for:					
Buildings	(11,957,895)	(692,190)	2,221,021	-	(10,429,064)
Vehicles and Equipment	(25,222,322)	(1,020,680)	513,807	8,753	(25,737,948)
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights/Signals	(39,038,418)	(1,778,798)	9,500	-	(40,807,716)
SS, Switch Yards, Switchgears	(16,715,844)	(983,965)	15,307	-	(17,684,502)
Boiler, Turbo Generators, Cap Int - VS	(30,286,361)	(2,530,821)	-	-	(32,817,182)
Other (Streets, EST, Swr Lines, Wells, Eng & Legal Svcs, Land Impr)	(6,487,023)	(183,189)	-	-	(6,670,212)
Total accumulated depreciation	(129,707,863)	(7,189,643)	2,759,635	8,753	(134,146,624)
Total capital assets, being depreciated, net	63,136,233	(4,973,418)	(32,878)	8,753	58,121,184
Total electric revenue fund capital assets, net	\$ 68,675,295	\$ (3,329,368)	\$ (1,271,134)	\$ (990,992)	\$ 63,083,801

* The capital asset adjustment within the Construction in Progress section above is due to 3 small projects that were under the \$5,000 threshold, as well as license expense and maintenance fees that had been included in previous years for the ERP Project.

** The adjustment to accumulated depreciation in Vehicles and Equipment is due to a conversion error which resulted in the asset not being depreciated in the prior 2 years.

(Continued)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Notes to the Basic Financial Statements

(Continued)

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type activities:					
Water Fund					
Capital assets, not being depreciated					
Land	\$ 130,438	\$ -	\$ -	\$ -	\$ 130,438
Construction in progress	7,394,540	2,212,831	8,339,550	-	1,267,821
Total capital assets, not being depreciated	7,524,978	2,212,831	8,339,550	-	1,398,259
Capital assets, being depreciated					
Buildings	1,964,621	7,720,601	-	-	9,685,222
Distribution Mains/Accessories	25,222,369	520,860	8,750	-	25,734,479
Pumping stations	13,159,265	-	-	-	13,159,265
Sewer Lines	38,284	-	-	-	38,284
Vehicles and equipment *	5,264,264	116,083	94,780	(10,586)	5,274,981
Total capital assets, being depreciated	45,648,803	8,357,544	103,530	(10,586)	53,892,231
Less accumulated depreciation for:					
Buildings	(936,997)	(71,691)	-	-	(1,008,688)
Vehicles and Equipment	(3,700,473)	(181,580)	76,601	-	(3,805,452)
Distribution Mains/Accessories	(9,050,698)	(484,224)	4,565	-	(9,530,357)
Pumping Stations	(5,824,178)	(246,025)	-	-	(6,070,203)
Sewer Lines	(18,363)	(759)	-	-	(19,122)
Total accumulated depreciation	(19,530,709)	(984,279)	81,166	-	(20,433,822)
Total capital assets, being depreciated, net	26,118,094	7,373,265	(22,364)	(10,586)	33,458,409
Total water fund capital assets, net	\$ 33,643,072	\$ 9,586,096	\$ (8,361,914)	\$ (10,586)	\$ 34,856,668

* The capital asset adjustment to Vehicles and Equipment is due to a conversion error which resulted in a positive book value on a piece of equipment which had been fully depreciated.

(Continued)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Notes to the Basic Financial Statements

(Continued)

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type activities:					
Wastewater Fund					
Capital assets, not being depreciated					
Land	\$ 32,802	\$ -	\$ -	\$ -	\$ 32,802
Construction in progress	806,333	1,019,063	1,045,296	-	780,100
Total capital assets, not being depreciated	839,135	1,019,063	1,045,296	-	812,902
Capital assets, being depreciated					
Buildings	62,041	-	-	-	62,041
Distribution Mains/Accessories	204,662	-	-	-	204,662
Pumping Stations	17,797,157	24,042	-	-	17,821,199
Sewer Lines	34,257,465	939,692	-	-	35,197,157
Vehicles and equipment *	2,367,469	376,263	64,899	10,586	2,689,419
Total capital assets, being depreciated	54,688,794	1,339,997	64,899	10,586	55,974,478
Less accumulated depreciation for:					
Buildings	(42,005)	(2,681)	-	-	(44,686)
Vehicles and Equipment	(1,624,300)	(137,068)	64,899	-	(1,696,469)
Distribution mains, hydrant, and accessories	(14,968)	(2,868)	-	-	(17,836)
Pumping Stations	(5,695,893)	(536,142)	-	-	(6,232,035)
Sewer Lines	(15,104,534)	(780,781)	-	-	(15,885,315)
Total accumulated depreciation	(22,481,700)	(1,459,540)	64,899	-	(23,876,341)
Total capital assets, being depreciated, net	32,207,094	(119,543)	-	10,586	32,098,137
Total wastewater fund capital assets, net	\$ 33,046,229	\$ 899,520	\$ (1,045,296)	\$ 10,586	\$ 32,911,039
* The capital asset adjustment to Vehicles and Equipment is due to a conversion error which resulted in a negative book value on a piece of equipment which had been fully depreciated.					
Total Business-type Activities	\$ 135,364,596	\$ 7,156,248	\$ (10,678,344)	\$ (990,992)	130,851,508
Capital Assets, not being depreciated	13,903,175	4,875,944	10,623,102	982,239	7,173,778
Capital Assets, being depreciated, net	121,461,421	2,280,304	(55,242)	8,753	123,677,730
Total	\$ 135,364,596	\$ 7,156,248	\$ 10,567,860	\$ 990,992	\$ 130,851,508

General government	\$ 28,293
Central services	38,787
Public safety	550,855
Public works	2,565,026
Library and recreation	660,449
Financial administration	28,509
Total depreciation expense - governmental activities	<u>\$ 3,871,919</u>

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Financial Section – Part C – Notes to the Basic Financial Statements

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>
<u>Governmental Activities</u>						
2019 General Obligation Bonds	\$ 5,700,000	\$ 5,035,524	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
2021 General Obligation Bonds	\$ 1,563,000	\$ 1,563,000	1.69%	7/15/21 - 6/15/31	No	Provide funds to pay a portion of the costs of: Chiller replacement and cooling tower/pump replacement for Police Department, replace entire HVAC system at City Hall, replace HVAC system and all components at the Warehouse building and pay costs of issuance.
<u>Business Type Activities</u>						
Water Bonds						
2010 State of Delaware - Revolving Loan Fund - Municipal Revenue	2,404,017	1,349,320	2.47%	4/1/12 - 10/1/30	No	Water quality improvements and main replacements
2013 Revenue Bonds	4,295,463	2,598,317	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	3,825,038	2.00%	12/1/20 - 6/1/39	No	Water Treatment Plant Improvements
Wastewater Bonds						
2009 State of Delaware - Revolving Loan Fund - Municipal Revenue	5,581,059	3,272,140	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	504,467	2.00%	6/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2013 Revenue Bonds	1,829,538	1,106,683	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	881,356	861,597	2.00%	10/1/20 - 4/1/39	No	Replacement of 3 Pump Stations: Delaware Tech, Walker Woods and Silver Lake
2020 State of Delaware - Revolving Loan Fund - Municipal Revenue	732,200	483,750	2.00%	20 year term once the project is complete	No	Puncheon Run pump station grit removal system replacement
(Coverage ratio on Water/Wastewater Bonds requires net revenues to be at least 1.2 times the maximum annual debt service)						
Electric Revenue Bonds						
2018 Revenue Bonds	\$ 15,700,000	\$ 14,265,000	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, 2021 – General Obligation Bonds

Long-term indebtedness of the City of Dover consists of Series 2019 General Obligation Bonds totaling \$5,035,524 and Series 2021 General Obligation Bonds totaling \$1,563,000 for a grand total of \$6,598,524 in outstanding bonds.

The total General Obligation Bonds outstanding amount includes \$487,315 payable within one year.

C. Change in Long-Term Debt

The following tables summarize the debt transactions for the year ended June 30, 2021:

i. General Long-Term Debt

Item	Balance 7/1/20	Additions	Reductions	Balance 6/30/21	Payable within One Year
Police Officer Separation Agrmt	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ 37,500
Compensated Absences	2,522,137	1,537,746	1,380,861	2,679,022	1,356,828
General Obligation Bonds	5,371,284	1,563,000	335,760	6,598,524	487,315
Net OPEB Liability	17,182,610	-	11,113,763	6,068,847	-
Net Pension Liability	16,541,272	-	10,699,493	5,841,779	-
Sub-total of General Long-Term Debt	<u>\$ 41,692,303</u>	<u>\$ 3,100,746</u>	<u>\$ 23,567,377</u>	<u>\$ 21,225,672</u>	<u>\$ 1,881,643</u>

ii. Enterprise Funds Debt – Water and Wastewater Fund

WATER FUND

Item	Balance 7/1/20	Additions	Reductions	Balance 6/30/21	Payable within One Year
Compensated Absences	\$ 179,202	\$ 112,664	\$ 86,464	\$ 205,402	\$ 81,368
Revenue Bonds-Water	2,861,304	-	262,987	2,598,317	270,001
State of Delaware Municipal Revenue Bond - Water	5,472,966	-	298,608	5,174,358	305,374
Net OPEB Liability	848,581	-	803,914	44,667	-
Net Pension Liability	2,386,355	-	1,439,095	947,260	-
Sub-total of Water Fund	<u>\$ 11,748,408</u>	<u>\$ 112,664</u>	<u>\$ 2,891,068</u>	<u>\$ 8,970,004</u>	<u>\$ 656,743</u>

WASTEWATER FUND

Item	Balance 7/1/20	Additions	Reductions	Balance 6/30/21	Payable within One Year
Compensated Absences	\$ 55,604	\$ 48,800	\$ 20,150	\$ 84,254	\$ 42,648
Revenue Bonds-Water	1,218,696	-	112,013	1,106,683	114,999
State of Delaware Municipal Revenue Bond - Wastewater	4,783,162	674,936	336,143	5,121,954	373,429
Net OPEB Liability	479,892	-	437,217	42,675	-
Net Pension Liability	1,463,537	-	512,735	950,802	-
Sub-total of Wastewater	<u>\$ 8,000,891</u>	<u>\$ 723,736</u>	<u>\$ 1,418,258</u>	<u>\$ 7,306,368</u>	<u>\$ 531,076</u>

State of Delaware Water Pollution Control Revolving Fund (WPCRF) Loan

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, 2021 was:

Loan #	12000102
Interest Rate	2.00%
Maximum Loan Amount	\$732,200
Outstanding as of June 30, 2021	\$483,750

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 7/1/20	Additions	Reductions	Balance 6/30/21	Payable within One Year
Compensated Absences	\$ 555,830	\$ 256,326	\$ 362,602	\$ 449,554	\$ 232,449
Revenue Bonds	15,050,000	-	785,000	14,265,000	820,000
Bond Premium	1,065,093	-	75,306	989,787	82,482
Net OPEB Liability	2,137,379	-	1,748,866	388,513	-
Net Pension Liability	7,538,637	-	3,197,735	4,340,902	-
Asset Retirement Obligation	11,915,849	-	-	11,915,849	-
Sub-total of Electric Revenue Fund	38,262,788	256,326	6,169,509	32,349,605	1,134,931
Sub-total of Enterprise Fund Debt	58,012,087	1,092,726	10,478,835	48,625,977	2,322,750
Grand Totals of Long-Term Debt	\$ 99,704,390	\$ 4,193,472	\$ 34,046,212	\$ 69,851,649	\$ 4,204,393

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, 2021. 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:

Fiscal Year	2019 General Obligation Bonds		2021 General Obligation Bonds		Total General Fund Debt Service
	Principal	Interest	Principal	Interest	
2022	342,624	118,222	144,691	25,294	630,831
2023	349,632	109,842	147,156	22,830	629,460
2024	356,556	101,565	149,662	22,830	630,613
2025	364,092	92,569	152,211	17,774	626,646
2026	371,544	83,664	154,804	15,182	625,194
2027	379,140	74,576	157,440	12,545	623,701
2028	386,760	65,478	160,122	9,864	622,224
2029	2,485,176	55,843	162,849	7,136	2,711,004
2030	-	-	165,622	4,363	169,985
2031	-	-	168,443	1,542	169,985
Total	\$ 5,035,524	\$ 701,759	\$ 1,563,000	\$ 139,360	\$ 7,099,673

ii. Business-type Activities

Water, Wastewater and Electric Revenue Funds

Fiscal Year	2009 Municipal Revenue Bonds (Wastewater)		2010 Municipal Revenue Bonds (Water)		2011 Municipal Revenue Bonds (Wastewater)	
	Principal	Interest	Principal	Interest	Principal	Interest
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
Total	\$ 3,272,140	\$ 371,865	\$ 1,349,320	\$ 182,930	\$ 504,467	\$ 105,842

(Continued)

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ii. Business-type Activities (Continued)

Water, Wastewater and Electric Revenue Funds

Fiscal Year	2013 Revenue Bonds Water and Wastewater		2018 Municipal Revenue Loan (Wastewater)		2018 Municipal Revenue Loan (Water)		2020 Municipal Revenue Loan (Wastewater)		2018 Revenue Bonds Electric		Total Business-Type Activities
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	385,000	124,069	40,203	17,032	178,479	46,766	9,895	4,838	820,000	553,450	2,746,193
2023	395,000	112,369	41,011	16,224	182,067	44,168	20,089	9,377	865,000	511,325	2,763,091
2024	410,000	100,294	41,835	15,400	185,726	41,570	20,492	8,973	910,000	466,950	2,767,702
2025	215,000	90,919	42,676	14,559	189,459	38,971	20,904	8,561	955,000	420,325	2,562,836
2026	220,000	84,256	43,534	13,701	193,267	36,373	21,325	8,141	1,005,000	371,325	2,563,384
2027	225,000	77,106	44,409	12,826	197,152	33,775	21,753	7,713	1,055,000	319,825	2,561,020
2028	235,000	69,281	45,301	11,933	201,115	31,177	22,190	7,275	1,110,000	265,700	2,565,435
2029	245,000	60,269	46,212	11,023	205,157	28,579	22,636	6,829	1,160,000	214,750	2,566,917
2030	255,000	50,269	47,141	10,094	209,281	25,981	23,091	6,374	1,200,000	173,550	2,567,243
2031	265,000	39,869	48,088	9,146	213,487	23,383	23,556	5,910	1,240,000	136,950	2,491,210
2032	275,000	29,069	49,055	8,180	217,779	20,785	24,029	5,437	1,275,000	99,225	2,206,145
2033	285,000	17,869	50,041	7,194	222,156	18,187	24,512	4,954	1,315,000	60,375	2,005,288
2034	295,000	6,084	51,047	6,188	226,621	15,589	25,005	4,461	1,355,000	20,325	2,005,320
2035	-	-	52,073	5,162	231,176	12,990	25,507	3,959	-	-	330,866
2036	-	-	53,120	4,115	235,823	10,392	26,020	3,446	-	-	332,916
2037	-	-	54,187	3,047	240,563	7,794	26,543	2,923	-	-	335,057
2038	-	-	55,276	1,958	245,398	5,196	27,076	2,389	-	-	337,294
2039	-	-	56,388	847	250,332	2,598	27,621	1,845	-	-	339,631
2040	-	-	-	-	-	-	28,176	1,290	-	-	29,466
2041	-	-	-	-	-	-	28,742	724	-	-	29,466
2042	-	-	-	-	-	-	14,588	146	-	-	14,734
Total	\$ 3,705,000	\$ 861,723	\$ 861,597	\$ 168,628	\$ 3,825,038	\$ 444,274	\$ 483,750	\$ 103,406	\$ 14,265,000	\$ 3,614,075	\$34,047,549

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 was 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). 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 fully amortized as of June 30, 2021.

The City of Dover has commenced the decommissioning of McKee Run Generating Station. As of May 31, 2021, all fuel, air, and oil connections to the Unit #3 generator were disconnected rendering the unit officially inoperative and out of service. The City has retained Advanced Geo Services to serve as the Hazardous Substance Cleanup Act (HSCA) contractor that will draft environmental sampling and cleanup plan that will be used to draft a future RFP for demolition. As of June 30, 2021 there have been no payments in relation to the Asset Retirement Obligation.

There were no legally required funding or assurance provisions and there were no assets restricted for payment as of June 30, 2021.

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.	\$ 113,835
Grants-public safety	These represent the Police grants, ERLSP grant and Substance Abuse Prevention grant in the special revenue type funds.	186,966
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.	130,546
Total Restricted Net Position		<u>\$ 431,347</u>

Business Type Activities

Net restricted position for construction purposes - expendable

Water and Wastewater	Restrictions on investments imposed by bond covenants	\$ 8,838,838
Electric	Restrictions on investments imposed by bond covenants	65,251,423
Total Restricted Net Position		<u>\$ 74,090,261</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.

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The composition of the City fund balances as of June 30, 2021 follows:

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	\$ 95,545	\$ -	\$ 95,545
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
Subtotal Nonspendable:	117,139	-	117,139
Restricted for:			
Library Endowment Interest	2,502	-	2,502
Verizon cable franchise	51,394	-	51,394
Highway resurfacing	-	113,835	113,835
CDBG	-	1,141	1,141
Substance Abuse Prevention	-	108,290	108,290
Library Grants	-	75,509	75,509
Police Grants	-	78,676	78,676
Subtotal Restricted for:	53,896	377,451	431,347
Committed to:			
Contingency	727,467	-	727,467
Parkland	1,384,125	-	1,384,125
Subtotal Committed to:	2,111,592	-	2,111,592
Assigned to:			
Capital Projects	6,540,786	-	6,540,786
Unassigned	10,316,753	-	10,316,753
Total fund balances	<u>\$ 19,140,166</u>	<u>\$ 377,451</u>	<u>\$ 19,517,617</u>

As noted in the Introductory section of this report (page 8), 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 nd 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, 2021, there were no material delinquent taxes.

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021 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	\$ 392,465
	Water Fund	129,785
	Wastewater Fund	86,733
	Electric Revenue Fund	472,359
		1,081,342
Water Fund	General Fund	3
Wastewater Fund	General Fund	3
Non-Major Governmental Funds	General Fund	187,019
Total		\$ 1,081,348

B. Temporary Advances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 220,000

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

C. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Non-Major Governmental Funds	\$ 6,256,573	\$ -
Water/ Wastewater Fund	1,000,000	-
Electric Revenue Fund	10,000,000	-
General Fund	-	1,067
Total	\$ 17,256,573	\$ 1,067
		\$ 17,257,640

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 \$69,546 in rental income, and the second lease is with Garrison Energy Center which generated \$35,292 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 \$81,262 in the Electric Revenue Fund consisting of substation rental of \$30,000 and pole attachment rentals of \$51,262.

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 \$529,789 in the fiscal year ended June 30, 2021.

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 two loans in the original amounts of \$635,300 & \$757,900 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 \$32,403 in expenditures for the emergency mold remediation in Station #2, \$41,673 for Squad #1 a 2020 Pierce enforcer rescue engine, and \$77,672 for Engine No. 5.
- C. The City entered 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 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 September 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 \$737,500 in fiscal year 2021 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 \$37,500 to a former employee of the City due to a separation agreement. The former employee is owed this money in the next year.
- 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.

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A summary of the contracts outstanding as of June 30, 2021 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	\$10,000	\$0	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	\$15,000	\$0	No Collateral if exposure under specified threshold
Calpine Energy Services, L.P.		No threshold	\$535	(\$535)	No Specified threshold
Citigroup Energy, Inc.	BBB+	\$7,000	\$7,000	\$0	\$10,000 guaranty from Citigroup Global Markets Holdings, threshold is \$7,000
Connectiv 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	\$20,000	\$20,000	\$0	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	\$8,320	\$1,680	Unlimited guaranty from Morgan Stanley, threshold set by table in contract
NextEra Energy Marketing, LLC.	BBB+	\$10,000	\$5,465	\$4,535	Guaranty from NextEra Energy Capital Holdings, threshold set by table in contract
NJR Energy Services Company		No threshold	\$0	\$0	No Specified threshold
PSEG Energy Resources & Trade, LLC	BBB	\$5,000	\$4,802	\$198	\$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 2019. As of June 30, 2021, \$288,538 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, 2021.

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

	2021	2020
Claims payable, beginning of year	\$ 449,515	\$ 490,800
Claims incurred	96,278	49,300
Payment of claims	(257,255)	(90,585)
Claims payable, end of year	<u>\$ 288,538</u>	<u>\$ 449,515</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 comp time, sick and vacation 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 Code of 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 as well as the State of Delaware's Police defined benefit plan.

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 five members - two Council members appointed by the Council President, the City Manager, the Controller/Treasurer, and the Human Resources Director. The City Manager, the Controller/Treasurer, and the Human Resources Director serve as ex-officio members. 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 of \$2.70 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 on June 30, 2021:

Retirees and beneficiaries receiving benefits	284
Terminated plan members entitled to but not yet receiving the benefits	10
Active plan members	<u>310</u>
Total	<u>604</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.

- The International Brotherhood of Electric Workers (IBEW) union contract period is July 1, 2020 through June 30, 2023.
- 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, 2021 through June 30, 2024.
- The Dover Organization of Employees (DOE) union contract period is July 1, 2021 through June 30, 2024.

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 are eligible for 50% of monthly payment of members eligible or not yet eligible for an unreduced pension upon death or for DOE and non-union members hired prior to July 1, 1994, if member completed 10 years of service.

(Continued)

(Continued)

SUMMARY OF PRINCIPAL PLAN PROVISIONS

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 \$148.50 for 2021; for 2020, the standard premium was \$144.60. 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 or 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 \$148.50 for 2021; for 2020, the standard premium was \$144.60. 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	\$ 2,301,791
Water and Wastewater Fund	308,983
Electric Revenue Fund	893,114
Total Contributions	<u>\$ 3,503,888</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, 2021, the City's average contribution rate was 17.7% of covered payroll of \$19,755,662.

The components of the Net OPEB liability of the City on June 30, 2021, are as follows:

Other Post Employment Benefits Fund Changes in Net OPEB Liability

Changes in Net OPEB Liability	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2020	\$ 63,320,996	\$ 42,672,534	\$ 20,648,462
Changes for the year:			
Service cost	1,089,006	-	1,089,006
Interest	4,094,951	-	4,094,951
Differences between expected and actual exp	(5,370,178)	-	(5,370,178)
Changes in assumptions	2,447,804	-	2,447,804
Benefit payments	(2,866,652)	(2,866,652)	-
Employer contributions	-	3,503,888	(3,503,888)
Net investment income	-	12,864,455	(12,864,455)
Trust administrative expenses	-	(3,000)	3,000
Balances as of June 30, 2021	<u>\$ 62,715,927</u>	<u>\$ 56,171,225</u>	<u>\$ 6,544,702</u>
Plan Fiduciary Net Position as % of total OPEB Liability	89.6%		

Rate of return. For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 30.15%. 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 June 30, 2021, with liabilities as of July 1, 2020 based on an actuarial date of July 1, 2019 projected to the July 1, 2020 on a "no loss / no gain"

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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	27 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 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%
Mortality	Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2020
	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, 2021 are summarized in the following table:

OPEB Trust
Long-Term Expected Rate of Return

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return
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%
Long-Term Expected Rate of Return		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.

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, 2021, 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			
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB liability	\$ 14,952,700	\$ 6,544,702	\$ (344,763)

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, 2021, 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			
	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ (648,026)	\$ 6,544,702	\$ 15,367,756

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

For the year ended June 30, 2021, the City recognized OPEB expense (credit) of (\$5,013,357) as calculated in the following table:

OPEB Expense	
Service cost	\$ 1,089,006
Interest	4,094,951
OPEB plan administrative expenses	3,000
Projected earnings on OPEB plan investments	(2,794,003)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	(4,954,392)
Net difference between projected and actual earnings on plan investments	(2,192,954)
Changes of assumptions	(258,965)
Total OPEB Credit	<u>\$ (5,013,357)</u>

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On June 30, 2021, the City reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Deferred Outflows (Inflows) of Resources		
Differences between expected and actual experience	\$ -	\$ (10,452,399)
Changes in assumptions	2,772,949	-
Net difference between projected and actual earnings in OPEB plan investments	-	(7,626,646)
Total Deferred Outflows (Inflows) of Resources	<u>\$ 2,772,949</u>	<u>\$ (18,079,045)</u>

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

Fiscal Year Ending June 30:	
2022	\$ (5,351,160)
2023	(4,048,703)
2024	(3,307,669)
2025	(2,598,564)

Separate Other Postemployment Benefit fund financial statements have not been issued; accordingly, they are presented separately, as follows:

The City of Dover, Delaware
Schedule of Other Post-Employment Benefits Trust Fund Net Position
June 30, 2021

	Other Post-Employment Benefit Trust Fund
Assets:	
Cash and cash equivalents	\$ 2,503,555
Investments at Fair Value - Mutual Funds	53,894,800
Total Assets	<u>56,398,355</u>
Liabilities:	
Accounts Payable	227,130
Total Liabilities	<u>227,130</u>
Net Position:	
Net Position Restricted for Retiree Health Benefits	<u>\$ 56,171,225</u>

The City of Dover, Delaware
Schedule of Changes in Other Post-Employment Benefits Trust Fund Net Position
June 30, 2021

	Other Post-Employment Benefit Trust Fund
Additions:	
Net Investment Income	\$ 12,864,455
City's Contribution-Payroll Based	410,488
City's Contribution-Lump Sum	3,093,400
Total Additions	<u>16,368,343</u>
Deductions:	
Benefit Payments	-
General Administration	2,866,652
Total Deductions	<u>3,000</u>
Change in Net Position	
Net Position - Beginning	13,498,691
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 \$12,077,932 (market value) as of June 30, 2021, with 161 active employees contributing \$493,666. The Nationwide plan has assets of \$4,464,005 (market value) as of June 30, 2021 with 13 active employees contributing \$91,573. 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 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, 2021, there are 383 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 which 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 retirement plan. During fiscal year 2021, the total wages were \$24.1 million. The number of employees eligible for pension benefits as of June 30, 2021 is 383.

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, 2021:

	2021			
	Police	General	DPERS	Total
Pension Assets	\$ 17,487,622	\$ 55,901,858	\$ 37,994,852	\$ 111,384,332
Pension Liabilities	18,137,819	66,024,296	39,302,960	123,465,075
Net Pension Liabilities	650,197	10,122,438	1,308,108	12,080,743
Deferred Outflows of Resources	-	-	3,141,303	3,141,303
Deferred Inflows of Resources	(2,026,208)	(7,266,001)	(1,600,869)	(10,893,078)
Pension Expense	(486,692)	524,219	1,634,917	1,672,444

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 MissionSquare Retirement Corporation. The assets are held in the name of each participant with the MissionSquare Retirement Trust. Quarterly statements are mailed to each participant by MissionSquare. All administration fees are borne by the participants.

The Dover Organization of Employees (DOE) union contract renewed effective July 1, 2021 through June 30, 2024. The contract's mandatory minimum employee contribution (MMEC) as well as the City's minimum matching contribution was unchanged and is as follows:

Effective Date	Minimum Employee Contribution	City's Match (Up to)
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 and pay adjustments. 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, 2021, there were 203 full-time employees enrolled in the 401a plan. The City contributed a total of \$540,394 on wages of approximately \$8.5 million. Employees contributed \$384,971 to the 401a Money Purchase Plan. The market value of the 401a plan assets totaled \$11,098,273 as of June 30, 2021.

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.

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Separate pension fund financial statements for the City Police Pension and General Employees' Pension Plan have not been issued; accordingly, they are presented separately, as follows:

The City of Dover, Delaware
Combining Schedule of Pension Trust Fund Net Position
June 30, 2021

	Police Pension	General Pension	Totals
Assets:			
Cash and cash equivalents	\$ 2,727,182	\$ 5,937,711	\$ 8,664,893
Investments at fair value - Mutual Funds	14,760,440	49,965,406	64,725,846
Total Assets	<u>17,487,622</u>	<u>55,903,117</u>	<u>73,390,739</u>
Liabilities:			
Accounts Payable	<u>-</u>	<u>1,259</u>	<u>1,259</u>
Net position held in trust for pension benefits	<u>\$ 17,487,622</u>	<u>\$ 55,901,858</u>	<u>\$ 73,389,480</u>

The City of Dover, Delaware
Combining Schedule of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2021

	Police Pension	General Pension	Totals
Additions			
Net investment income	\$ 3,815,763	\$ 12,705,909	\$ 16,521,672
City's contribution - payroll based	-	2,427,721	2,427,721
City's contribution - lump sum	435,100	-	435,100
Employee contribution	-	172,840	172,840
State grants	552,277	-	552,277
Other	485	-	485
Total Additions to Net Position	<u>4,803,625</u>	<u>15,306,470</u>	<u>20,110,095</u>
Deductions			
Benefit payments	1,534,080	4,291,562	5,825,642
General administration	6,824	20,594	27,418
Total Deductions From Net Position	<u>1,540,904</u>	<u>4,312,156</u>	<u>5,853,060</u>
Change in net position	3,262,721	10,994,314	14,257,035
Net Position - Beginning	<u>14,224,901</u>	<u>44,907,544</u>	<u>59,132,445</u>
Net Position - Ending	<u>\$ 17,487,622</u>	<u>\$ 55,901,858</u>	<u>\$ 73,389,480</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, 2021, 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.

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, 2021, the State contributed \$552,277.

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 4 years for the 2021 fiscal year and will decline by 1 each year until 1 year.

Total contributions to the plan for the fiscal year ending June 30, 2021 were \$1.0 million, which is 106% 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, 2021 with liabilities projected to the June 30, 2021 measurement date. As of June 30, 2021, the plan was 96.42% funded. The total pension liability for benefits was \$18.1 million, and the fiduciary net position was \$17.5 million, which resulted in a net pension liability (NPL) of \$.7 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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 29.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2021
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	2.2%
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-2020 <u>Survivors:</u> Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020
Disabled	PubS-2010 Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020

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, 2021 are summarized in the following table:

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return
Cash and Equivalents	7.00%	1.11%
Fixed Income	27.00%	1.92%
Real Estate	5.00%	7.24%
Stocks	61.00%	7.38%
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.

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Police Pension Fund
Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2020	\$ 18,644,121	\$ 14,224,901	\$ 4,419,220
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,162,010	-	1,162,010
Differences between expected and actual experience	-	-	-
Changes of assumptions	(134,232)	-	(134,232)
Benefit payments	(1,534,080)	(1,534,080)	-
Employer contributions	-	987,862	(987,862)
Net investment income	-	3,815,763	(3,815,763)
Administrative expenses	-	(6,824)	6,824
Balances as of June 30, 2021	<u>\$ 18,137,819</u>	<u>\$ 17,487,622</u>	<u>\$ 650,197</u>

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.

	Police Pension Fund		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	\$ 2,337,079	\$ 650,197	\$ (794,894)

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

For the year ended June 30, 2021, the City recognized pension credit of (\$486,692) calculated in the following chart:

Police Pension Expense	
	July 1, 2020 to June 30, 2021
Interest on total pension liability	\$ 1,162,010
Projected earnings on pension plan investments	(906,645)
Administrative expenses	6,824
Current period recognition of deferred outflows/(inflows) of resources	
Changes of assumptions	(134,232)
Differences between projected and actual earnings on plan investments	(614,649)
Total Pension Credit	\$ (486,692)

As of June 30, 2021, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	Police Pension Plan
Deferred Inflows of Resources	
Net difference between projected and actual earnings	\$ (2,026,208)

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

	Police Pension Plan
Fiscal Year Ending June 30:	
2022	\$ (484,223)
2023	(473,064)
2024	(487,099)
2025	(581,822)

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, June 30, 2021, the General Employee Pension Plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	218
Active employees	
Fully Vested	71
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, 2021, gross payroll earnings of \$4.9 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. 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.

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, 2021 with liabilities projected to the June 30, 2021 measurement date. As of June 30, 2021, the plan was 84.67% funded. The total pension liability for benefits was \$66.0 million, and the fiduciary net position was \$55.9 million, which resulted in a net pension liability (NPL) of \$10.1 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 199.79%.

Rate of return. For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 29.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts 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, 2021
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	2.2%

Mortality Rates

Healthy

Participants:

PubG-2010 General Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020

Survivors:

Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020

Disabled

PubNS-2010 Non-Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2006 based on Society of Actuaries Scale MP-2020

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, 2021 are summarized in the following table:

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return
Cash	6.00%	1.11%
Fixed Income	28.00%	1.88%
Stocks	61.00%	7.38%
Real Estate	5.00%	7.24%
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**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2020	\$ 66,031,408	\$ 44,907,544	\$ 21,123,864
Changes for the year:			
Service cost	396,232	-	396,232
Interest on total pension liability	4,178,321	-	4,178,321
Effect of assumptions changes or inputs	(290,103)	-	(290,103)
Benefit payments	(4,291,562)	(4,291,562)	-
Employer contributions	-	2,427,721	(2,427,721)
Member contributions	-	172,840	(172,840)
Net investment income	-	12,705,909	(12,705,909)
Administrative expenses	-	(20,594)	20,594
Balances as of June 30, 2021	<u>\$ 66,024,296</u>	<u>\$ 55,901,858</u>	<u>\$ 10,122,438</u>

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.

	General Employee Pension Fund		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	\$ 17,856,886	\$ 10,122,438	\$ 3,667,018

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

For the year ended June 30, 2021, the City recognized pension expense of \$524,219 as calculated in the following chart:

General Employee Pension Expense	
	July 1, 2020 to June 30, 2021
Service cost	\$ 396,232
Interest on total pension liability	4,178,321
Administrative expenses	20,594
Member contributions	(172,840)
Projected earnings on pension plan investments	(2,863,364)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	723,611
Differences between projected and actual earnings on plan investments	(2,150,334)
Changes of assumptions	391,999
Total Pension Expense	<u>\$ 524,219</u>

As of June 30, 2021, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	General Employee Pension Plan
Deferred Inflows of Resources	
Changes in assumptions	(52,085)
Differences between expected and actual experience	(7,120,950)
Net difference between projected and actual earnings	(92,966)
Total Deferred Inflows of Resources	<u>\$ (7,266,001)</u>

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

	General Employee Pension Plan
Fiscal Year Ending June 30:	
2022	\$ (1,884,860)
2023	(1,706,451)
2024	(1,706,179)
2025	(1,968,511)

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 more than 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, 2021, city membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	77
Active employees:	
Fully Vested 5 years	79
Non-Vested	32

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/FY21AnnualReport.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 16.00%, 16.84%, and 16.68% of earnings for the Fiscal Year 2021, 2020 and 2019, respectively. The City's contributions to the plan for years ended June 30, 2021, 2019 and 2018 were \$1,328,868, \$1,317,526, and \$1,276,048, respectively, and were equal to the required contributions for each year. Total eligible full-time wages covered by the State plan were \$7.9 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 8.5117% for the current fiscal year, 8.3407% for the prior year and the change is an increase of 0.171%.

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

On June 30, 2021, the City reported a net pension liability of \$1,308,109 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the pension liability to June 30, 2020. 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, 2021 were as follows (dollar values expressed in thousands):

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

Year	(1) Total proportionate share of the pension liability	(2) Plan fiduciary proportionate share of the net position	(3) The Employers' proportionate share of the net pension liability (asset) (1)-(2)
2020	\$ 39,303	\$ 37,995	\$ 1,308
2019	35,494	33,098	2,396
2018	32,897	30,957	1,940
2017	29,103	28,230	873

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The City recognized pension expense of \$1,634,917 for the year ended June 30, 2021, associated with membership within the Delaware State Police Pension Plan. As of June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	County and Municipal Police & Firefighter's Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 1,301,497
Change in proportion	27,964
Changes of assumptions	482,974
City contributions subsequent to the measurement date	1,328,868
Total Deferred Outflows of Resources	<u>\$ 3,141,303</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ (412,171)
Changes in assumptions	(197,617)
Net difference between actual and expected earnings	(927,422)
Change in proportion	(63,659)
Total Deferred Inflows of Resources	<u>\$ (1,600,869)</u>

The City's contributions of \$1,328,868 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, 2022.

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

	County and Municipal Police & Firefighter's Pension Plan
Fiscal Year Ending June 30:	
2022	\$ (229,264)
2023	(68,750)
2024	92,711
2025	(26,000)
2026	140,559
Thereafter	302,310

The components of collective pension expense for the year ending June 30, 2020 are as follows:

County and Municipal Police & Firefighter's Pension Expense

	<u>June 30, 2020</u>
Service cost	\$ 1,492,612
Member contributions	(547,898)
Administrative expenses	12,427
Changes in benefit terms	10,469
Interest on the total pension liability	2,396,639
Projected earnings on plan investments	(2,222,755)
Recognition of deferred outflow and inflows of resources:	
Changes in assumptions in the measurement of total pension liability	40,941
Differences between expected and actual experience	123,760
Differences between projected and actual earnings on plan investments	328,722
Total Pension Expense	<u>\$ 1,634,917</u>

The proportionate share of the total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions:

Actuarial Assumptions

Investment rate of return/Discount rate ¹	7.0%
Projected salary increases ¹	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**

	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Allocation</u>
Asset class:		
Domestic equity	5.7%	28.5%
International equity	5.7	15.2
Fixed income	2.0	28.8
Alternative investments	7.8	23
Cash and equivalents	-	4.5

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)**

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Proportionate share of the net pension liability (asset)	\$ 7,281	1,308	(3,567)

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

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PART D



REQUIRED SUPPLEMENTARY INFORMATION

SERVICES TO OUR RESIDENTS AND CUSTOMERS

Animal Control

Leaf Collection

Beautification Building

Library

Bulky Trash Collection

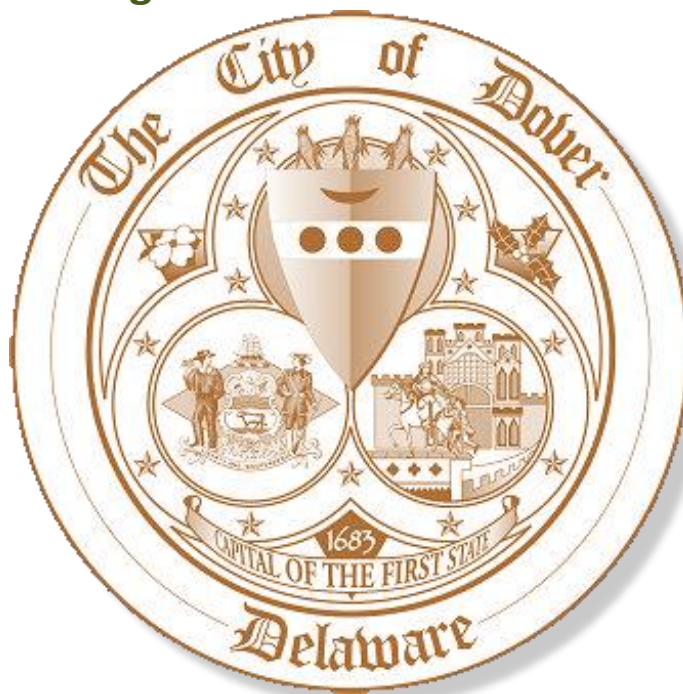
Parks & Recreation

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

Inspections & Code Enforcement

Water & Wastewater

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Financial Section – Part D – Required Supplementary Information

**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, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance	\$ 5,813,100	\$ 5,813,100	\$ 6,468,022	\$ 654,922
REVENUES:				
Fines & Police Revenue	509,500	509,500	379,367	(130,133)
911 Fee	63,300	63,300	63,337	37
Interest Earnings	140,000	140,000	88,840	(51,160)
Library Revenues - General	123,400	123,400	37,015	(86,385)
Kent County Book Reimbursement	245,000	245,000	41,981	(203,019)
Business Licenses	1,470,000	1,470,000	1,378,146	(91,854)
Permits & Other Fees	1,446,000	1,446,000	1,595,722	149,722
Miscellaneous Charges	30,000	30,000	23,592	(6,408)
Police Extra Duty Fees	595,000	595,000	138,741	(456,259)
Property Taxes	14,885,800	14,885,800	14,842,464	(43,336)
Recreation Revenue	135,000	135,000	46,491	(88,509)
Franchise Fee	645,000	645,000	592,261	(52,739)
Sanitation Fees	3,090,600	3,090,600	3,125,135	34,535
Rent Revenue - Garrison Farm	105,000	105,000	104,838	(162)
Court of Chancery Fees	1,440,000	1,440,000	1,834,620	394,620
Interfund Service Receipts	5,592,700	5,592,700	4,840,489	(752,211)
Grants:				
DEMA State Grant	-	-	337,566	337,566
Police Pension Grant	500,000	500,000	552,277	52,277
Green Energy Grant	98,500	98,500	98,500	-
Miscellaneous Grants	25,000	27,274	82,951	55,677
Transfer Tax	1,433,500	1,433,500	4,833,320	3,399,820
Transfer from Municipal Street Aid	750,000	750,000	797,825	47,825
Transfer from Civil Traffic Penalties	445,000	445,000	267,109	(177,891)
Transfer from Police Grant Funds	155,000	155,000	228,352	73,352
Transfer from Other Reserves	-	75,000	75,000	-
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	44,923,300	45,000,574	47,405,939	2,405,365
TOTAL BEGINNING BALANCE & REVENUES	\$ 50,736,400	\$ 50,813,674	\$ 53,873,961	\$ 3,060,287

(Continued)

2021 Annual Comprehensive 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	\$ 245,900	\$ 238,400	\$ 234,968	\$ 3,432
Fire	769,900	769,900	739,416	30,484
Library	1,822,700	1,821,600	1,585,409	236,191
Recreation	1,129,700	1,129,700	842,002	287,698
Life Safety	432,700	434,974	436,473	(1,499)
Code Enforcement	815,000	815,000	396,031	418,969
Planning	663,200	662,700	537,338	125,362
Public Inspections	595,300	595,800	563,081	32,719
Police	17,819,900	17,819,900	17,117,218	702,682
Police Extra Duty	750,000	750,000	292,152	457,848
Streets	699,700	689,700	628,708	60,992
Stormwater	785,900	639,900	520,769	119,131
Sanitation	2,506,800	2,553,425	2,420,078	133,347
Engineering	198,700	294,900	202,985	91,915
Allocated Expenditures:				
City Clerk	508,400	511,891	396,710	115,181
Council	156,600	156,600	108,898	47,702
Grounds Maintenance	1,456,600	1,456,600	1,361,200	95,400
City Manager	1,044,800	991,800	1,005,658	(13,858)
Information Technology	912,800	912,800	767,727	145,073
Finance	992,700	992,700	836,233	156,467
Public Works-Administration	594,600	603,400	520,430	82,970
Facilities Management	655,800	655,800	624,299	31,501
Procurement and Inventory	715,900	730,284	651,157	79,127
Fleet Maintenance	930,600	924,600	863,347	61,253
Customer Services	1,107,600	1,107,600	1,040,432	67,168
Human Resources	524,200	529,200	487,846	41,354
Mayor	221,700	221,700	195,523	26,177
Insurance	800,000	848,000	832,967	15,033
Budget Appropriations				
Contribution to Downtown Dover Partnership	150,000	150,000	150,000	-
Miscellaneous Grant Expense	25,000	100,000	75,000	25,000
Bank & Credit Card Fees	27,000	27,000	24,358	2,642
Retirees Health Care	2,045,400	2,045,400	2,045,400	-
Subtotal	42,105,100	42,181,274	38,503,813	3,677,461
Debt Service - Principal and Interest	462,200	462,200	465,888	(3,688)
Transfer to Capital Fund for Projects	2,078,100	2,078,100	2,078,100	-
Transfer to Library Grant Fund	-	1,100	1,068	32
Appropriation to Police Pension Fund	435,100	435,100	435,100	-
Transfer to Uncollectible Reserve	100,000	100,000	100,000	-
Transfer to Cable Franchise Reserve	-	-	14,765	(14,765)
Storm Expense	-	-	271,253	(271,253)
Appropriation to Police Pension Fund - State Grant	500,000	500,000	552,277	(52,277)
Street Lights	815,000	815,000	815,961	(961)
Total Expenditures	46,495,500	46,572,774	43,238,225	3,334,549
Budget Balance	4,240,900	4,240,900	10,635,736	(6,394,836)
Total Budget Balance & Expenditures	\$ 50,736,400	\$ 50,813,674	\$ 53,873,961	\$ (3,060,287)
Budget Balance - Working Capital			\$ 10,635,736	
Perspective and GAAP (Non-GAAP) Differences:				
Fair Value of Investment Adjustment			72,127	
Deferred Revenues - Non-spendable			(295,565)	
Inventory & Prepaids - Non-spendable			(95,545)	
Unassigned Fund Balance			\$ 10,316,753	

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Financial Section – Part D – Required Supplementary Information

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

	Fiscal Year Ending June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	1,162	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	(134)	633	(88)	(44)	116	-	932	-
Benefit payments	(1,534)	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Net change in total pension liability	(506)	436	(590)	(388)	(201)	(1,083)	972	(198)
Total pension liability, beginning	18,644	18,208	18,798	19,186	19,387	20,471	19,499	19,697
Total pension liability, ending (a)	<u>\$ 18,138</u>	<u>\$ 18,644</u>	<u>\$ 18,208</u>	<u>\$ 18,798</u>	<u>\$ 19,186</u>	<u>\$ 19,388</u>	<u>\$ 20,471</u>	<u>\$ 19,499</u>
Fiduciary Net Position								
Employer contributions	\$ 988	\$ 1,033	\$ 1,097	\$ 1,295	\$ 1,118	\$ 1,093	\$ 1,386	\$ 1,229
Investment income net of investment expenses	3,816	439	820	908	1,433	279	283	1,583
Benefit payments	(1,534)	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Administrative expenses	(7)	(5)	(5)	(5)	(4)	(4)	(6)	(20)
Net change in plan fiduciary net position	3,263	(70)	394	657	1,019	(160)	106	1,244
Fiduciary net position, beginning	14,225	14,295	13,900	13,243	12,225	12,385	12,279	11,035
Fiduciary net position, ending (b)	<u>\$ 17,488</u>	<u>\$ 14,225</u>	<u>\$ 14,295</u>	<u>\$ 13,900</u>	<u>\$ 13,244</u>	<u>\$ 12,225</u>	<u>\$ 12,385</u>	<u>\$ 12,279</u>
Net pension liability, ending = (a) - (b)	<u>\$ 650</u>	<u>\$ 4,419</u>	<u>\$ 3,913</u>	<u>\$ 4,898</u>	<u>\$ 5,942</u>	<u>\$ 7,163</u>	<u>\$ 8,086</u>	<u>\$ 7,220</u>
Fiduciary net position as a % of total pension liability	96.42%	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
2021	\$ 935,006	\$ 987,862	\$ (52,856)	\$ -	N/A
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

Police Pension Fund
Schedule of Investment Returns
Fiscal year 2017 through 2021⁽¹⁾

Fiscal year ending June 30	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	29.77%	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 Fund
Net Pension Liability**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total pension liability	\$ 18,137,819	\$ 18,644,121
Fiduciary net position	17,487,622	14,224,901
Net pension liability	650,197	4,419,220
Fiduciary net position as a % of total pension liability	96.42%	76.30%
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, 2021 with liabilities projected to the June 30, 2021 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, 2021
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	2.2%
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-2020 <u>Survivors:</u> Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020
Disabled	PubS-2010 Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 396	\$ 395	\$ 424	\$ 406	\$ 433	\$ 401	\$ 459	\$ 484
Interest on total pension liability	4,178	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	(290)	1,260	(279)	(99)	1,200	-	1,956	-
Benefit payments	(4,291)	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Net change in total pension liability	(7)	2,973	101	2,492	1,657	135	2,154	751
Total pension liability, beginning	66,031	63,058	62,957	60,465	58,808	58,673	56,519	55,768
Total pension liability, ending (a)	\$ 66,024	\$ 66,031	\$ 63,058	\$ 62,957	\$ 60,465	\$ 58,808	\$ 58,673	\$ 56,519
Fiduciary Net Position								
Employer contributions	\$ 2,428	\$ 2,606	\$ 2,704	\$ 4,777	\$ 2,877	\$ 3,090	\$ 3,420	\$ 3,473
Member contributions	173	183	190	195	202	202	209	212
Investment income net of investment expenses	12,706	1,550	2,765	2,757	4,351	850	955	4,153
Benefit payments	(4,292)	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Administrative expenses	(21)	(19)	(19)	(18)	(18)	(16)	(19)	(20)
Net change in plan fiduciary net position	10,994	200	1,607	3,735	3,666	408	865	4,164
Fiduciary net position, beginning	44,908	44,708	43,100	39,364	35,699	35,291	34,426	30,263
Fiduciary net position, ending (b)	\$ 55,902	\$ 44,908	\$ 44,708	\$ 43,100	\$ 39,365	\$ 35,699	\$ 35,291	\$ 34,427
Net pension liability, ending = (a) - (b)	\$ 10,122	\$ 21,123	\$ 18,350	\$ 19,857	\$ 21,100	\$ 23,109	\$ 23,382	\$ 22,092
Fiduciary net position as a % of total pension liability	84.67%	68.01%	70.90%	68.46%	65.10%	60.70%	60.15%	60.91%
Covered payroll	\$ 5,067	\$ 5,219**	\$ 5,557*	\$ 5,561	\$ 5,636	\$ 5,504	\$ 5,864	\$ 5,971
Net pension liability as a % of covered payroll	199.79%	404.77%	330.20%	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.

Covered payroll historical adjustments as follows:

* 6/30/2019 - \$5,557,431 corrected covered payroll. Total pensionable compensation from the plan year ending 6/30/2018 per census data. \$5,395,564 times (x) 3.00% based on the assumed rate of annual pay increases for the plan. (Related Ratios FY20 report presentation was \$5,396).

** 6/30/2020 - Adjusted covered payroll \$5,218,784 represents the total pensionable compensation for plan participants from the plan year ending 6/30/2020, based on the census data that was provided as of 7/1/2020. (Related Ratios FY20 report presentation was \$5,067).

**General Employee Pension Plan
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
2021	\$ 2,881,048	\$ 2,427,721	\$ 453,327	\$ 5,066,622	47.92%
2020	2,914,587	2,606,067	308,520	5,218,784	49.94%
2019	2,885,737	2,703,583	182,154	5,557,431	48.65%
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%

There were historical adjustments made to covered payroll for 2019 and 2020, as noted on the Schedule of Changes in Net Pension Liability, Related Ratios (in Thousands).

**General Employee Pension Plan
Schedule of Investment Returns
Fiscal year 2017 through 2021⁽¹⁾**

Fiscal year ending June 30	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	29.71%	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**

	June 30, 2021	June 30, 2020
Total pension liability	\$ 66,024,296	\$ 66,031,408
Fiduciary net position	55,901,858	44,907,544
Net pension liability	10,122,438	21,123,864
Fiduciary net position as a % of total pension liability	84.67%	68.46%
Covered payroll	5,066,622	5,218,784
Net pension liability as a % of covered payroll	199.79%	404.77%

The total pension liability was determined by an actuarial valuation as of July 1, 2021 with liabilities projected to the June 30, 2021 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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

Actuarial Methods and Significant Assumptions

Valuation date	July 1, 2021
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	2.2%
Mortality Rates	

Healthy

Participants:

PubG-2010 General Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020

Survivors:

Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2020

Disabled

PubNS-2010 Non-Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2006 based on Society of Actuaries Scale MP-2020

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	Measurement Date						
	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability(asset)	8.5117%	8.3407%	8.4242%	8.6629%	9.0042%	9.6070%	9.6334%
City's proportionate share of the net pension liability(asset)	\$ 1,308,109	\$ 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	\$ 6,843,159	\$ 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	17.74%	35.01%	28.35%	12.48%	20.11%	(7.44%)	(15.83%)
Plan fiduciary net position as a percentage of the total pension liability	96.67%	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							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,328,868	\$ 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	(1,328,868)	(1,317,526)	(1,276,048)	(1,258,817)	(944,356)	(951,199)	(977,587)	(933,750)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,910,676	\$ 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	16.80%	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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

OPEB Trust Fund
Schedule of Changes in Net OPEB Liability, Related Ratios
(In Thousands)

	Fiscal Year Ending June 30				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 1,089	\$ 1,120	\$ 1,202	\$ 1,222	\$ 1,655
Interest	4,095	4,211	4,288	4,498	4,682
Net difference between expected and actual experience	(5,370)	(4,758)	(5,152)	(6,202)	(2,871)
Effect of assumption changes or inputs	2,448	483	1,311	-	(4,833)
Benefit payments	(2,867)	(2,755)	(2,748)	(2,704)	(2,663)
Net change in total OPEB liability	(605)	(1,699)	(1,099)	(3,186)	(4,030)
Total OPEB liability, beginning	63,321	65,020	66,119	69,305	73,335
Total OPEB liability, ending (a)	\$ 62,716	\$ 63,321	\$ 65,020	\$ 66,119	\$ 69,305
Fiduciary Net Position					
Employer contributions	\$ 3,504	\$ 4,326	\$ 5,448	\$ 5,722	\$ 4,603
Investment income net of investment expenses	12,864	1,871	2,184	2,295	3,074
Benefit payments	(2,867)	(2,755)	(2,748)	(2,704)	(2,663)
Administrative expenses	(3)	(9)	(3)	(8)	(3)
Net change in plan fiduciary net position	13,498	3,433	4,881	5,305	5,011
Fiduciary net position, beginning	42,673	39,240	34,359	29,054	24,043
Fiduciary net position, ending (b)	\$ 56,171	\$ 42,673	\$ 39,240	\$ 34,359	\$ 29,054
Net OPEB liability, ending = (a) - (b)	\$ 6,545	\$ 20,648	\$ 25,780	\$ 31,760	\$ 40,251
Fiduciary net position as a % of total OPEB liability	89.60%	67.40%	60.40%	52.00%	41.90%
Covered payroll	\$ 19,756	\$ 20,262	\$ 19,578	\$ 19,101	\$ 17,657
Net OPEB liability as a % of covered payroll	33.10%	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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	For the year ended June 30				
	2021	2020	2019	2018	2017
Actuarially determined contribution (ADC)	\$ 2,780	\$ 3,190	\$ 4,044	\$ 4,560	\$ 4,644
Contributions in relation to the ADC	(3,504)	(4,326)	(5,447)	(5,722)	(4,603)
Contributions deficiency / (excess)	\$ (724)	\$ (1,136)	\$ (1,403)	\$ (1,162)	\$ 41
Covered payroll	\$ 19,756	\$ 20,262	\$ 19,580	\$ 19,578	\$ 19,101
Contributions as a percentage of covered payroll	17.7%	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 2021⁽¹⁾

Fiscal year ending June 30	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	30.15%	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

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, with liabilities as of July 1, 2020 are based on an actuarial date of July 1, 2019 projected to the July 1, 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
Remaining amortization period	27 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 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%
Mortality	Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2020
	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 exceeded the final budget by \$2,405,365 with positive variances in 911 fees, permits & other fees, miscellaneous charges, sanitation fees, court of chancery fees, investment income, DEMA State Grant, police pension grant, miscellaneous grants, transfer tax, municipal street aid and police grant funds. The sources of revenues with negative variances are fines and police revenue, interest earnings, library revenues – general & county reimbursement, business licenses, police extra duty fees, franchise fees, rent revenue – garrison farm, interfund service receipts, and civil traffic penalties. Actual total expenditures were lower than budget by \$3,334,549 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 \$6,394,836 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: grant budgets, reserve accounts, and program revenues and expenses for the actual results of the prior fiscal year.
3. To amend revenue and expense accounts based on actual experience during fiscal year 2021.

The differences for the year ended June 30, 2021 were as follows:

Total revenues- budgetary basis	\$ 47,405,939
Total expenditures- budgetary basis	43,238,225
Net decrease in fund balance- budgetary basis	<u>4,167,714</u>
Perspective differences	
Transfer to Reserves	114,765
General Fund Subfund Expense Activity for the Capital Project Fund	(2,053,030)
Intrafund Transfers to the General Fund- Capital Projects Fund	2,078,100
General Fund Subfund Revenue Activity for the Capital Project Fund	1,741,759
Fair Value of Investments	(255,923)
Deferred Revenue Adjustment	(256,900)
Net increase in fund balance - GAAP Basis	<u><u>\$ 5,536,485</u></u>

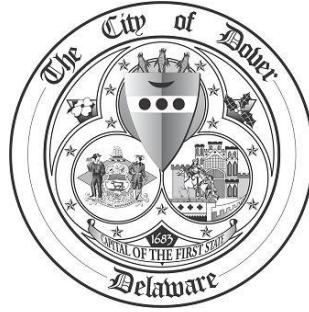
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PART E



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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

The City of Dover, Delaware
Combining General Fund Balance Sheet
June 30, 2021

	General Fund	General Capital Projects Fund	Total General Funds
Assets:			
Cash and Cash Equivalents	\$ 6,270,615	\$ 4,544,112	\$ 10,814,727
Investments	5,111,578	3,563,200	8,674,778
Restricted Investments	19,096	-	19,096
Receivables, net			
Accounts	436,170	-	436,170
Taxes	102,431	-	102,431
Due from Other Funds	951,375	129,967	1,081,342
Temporary Advances	220,000	-	220,000
Prepaid Items	15,112	-	15,112
Inventory, at Cost	80,432	-	80,432
Total Assets	<u>\$ 13,206,809</u>	<u>\$ 8,237,279</u>	<u>\$ 21,444,088</u>
Liabilities:			
Accounts Payable	\$ 1,201,649	\$ 254,543	\$ 1,456,192
Unearned Revenue	(5,400)	57,825	52,425
Due to Other Funds	187,025	-	187,025
Other	262,212	-	262,212
Total Liabilities	<u>1,645,486</u>	<u>312,368</u>	<u>1,957,854</u>
Deferred Inflows of Resources:			
Unavailable revenue	346,068	-	346,068
Total Deferred Inflows of Resources	<u>346,068</u>	<u>-</u>	<u>346,068</u>
Fund Balances:			
Non-Spendable			
Inventory and Prepaids	95,545	-	95,545
Library Endowment	5,000	-	5,000
Patronage Stock	16,594	-	16,594
Restricted			
Library Endowment	2,502	-	2,502
Verizon Cable Franchise	51,394	-	51,394
Committed			
Contingency	727,467	-	727,467
Parkland Reserve	-	1,384,125	1,384,125
Assigned			
Capital Projects	-	6,540,786	6,540,786
Unassigned	10,316,753	-	10,316,753
Total Fund Balances	<u>11,215,255</u>	<u>7,924,911</u>	<u>19,140,166</u>
Total Liabilities and Fund Balances	<u>\$ 13,206,809</u>	<u>\$ 8,237,279</u>	<u>\$ 21,444,088</u>

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

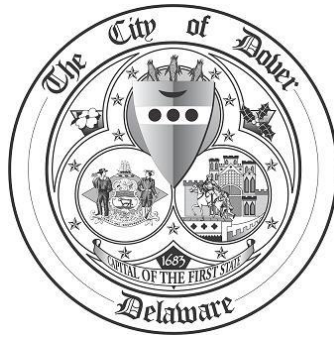
The City of Dover, Delaware
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances of the General Fund (Non-GAAP Basis)
For the Year Ended June 30, 2021

	General Fund	General Capital Projects Fund	Total General Funds
Revenues			
Fines	\$ 442,704	\$ -	\$ 442,704
Library Revenue- General	37,015	-	37,015
Library Revenue County Reimbursement	41,981	-	41,981
Licenses and Permits	2,973,868	-	2,973,868
Sanitation Fees	3,125,135	-	3,125,135
Miscellaneous Services	994,763	52,222	1,046,985
Property Taxes	14,842,464	-	14,842,464
Grants Received	1,071,294	-	1,071,294
Court of Chancery Fees	1,834,620	-	1,834,620
Investment Income	(24,358)	(3,430)	(27,788)
Total Revenues	25,339,486	48,792	25,388,278
Expenditures			
Current:			
General Government	2,966,941	-	2,966,941
Library Services	1,585,409	23,414	1,608,823
Public Safety and Law Enforcement	19,544,371	1,040,203	20,584,574
Public Works	3,297,951	91,393	3,389,344
Recreational Services	842,002	284,311	1,126,313
Streets and Sanitation Services	3,048,786	568,157	3,616,943
Engineering services	202,985	-	202,985
Financial Administration	2,644,392	12,202	2,656,594
Garage and Stores	1,514,504	33,350	1,547,854
Insurance	832,967	-	832,967
Retiree Health Care	2,045,400	-	2,045,400
Community and Economic Development	225,000	-	225,000
Street Lights	815,961	-	815,961
Debt Service:			
Principal Retirement	309,734	-	309,734
Interest and Fiscal Charges	156,154	-	156,154
Total Expenditures	40,032,557	2,053,030	42,085,587
Excess (deficiency) of Revenues over Expenditures	(14,693,071)	(2,004,238)	(16,697,309)
Other Financing Sources and Uses			
Proceeds from Sale of Bonds		1,563,000	1,563,000
Reserve Transfers	75,000	(26,026)	48,974
Interfund Transfers	18,785,785	2,078,100	20,863,885
Total Other Financing Sources and Uses	18,860,785	3,615,074	22,475,859
Net Change in Fund Balances	4,167,714	1,610,836	5,778,550
Fund Balances at Beginning of Year	6,468,022	3,221,479	9,689,501
Fund Balances at End of Year	\$ 10,635,736	\$ 4,832,315	\$ 15,468,051
Perspective and GAAP (Non-GAAP) Differences:			
Fair Value of Investment Adjustment	\$ 72,127	\$ 50,254	\$ 122,381
Deferred Revenues - Non-spendable	(295,565)	-	(295,565)
Inventory & Prepaids - Non-spendable	(95,545)	-	(95,545)
Capital Asset - Assigned	-	(4,882,569)	(4,882,569)
Unassigned Fund Balance	\$ 10,316,753	\$ -	\$ 10,316,753

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Beginning Balance - Working Capital	\$ 369,100	\$ 369,100	\$ 3,221,479	\$ 2,852,379
Revenues:				
Bond Proceeds	1,198,300	1,198,300	1,563,000	364,700
State Grant - Other	1,245,000	1,245,000	-	(1,245,000)
Transfer from General Fund for Projects	2,078,100	2,078,100	2,078,100	-
Transfer from Capital Asset Reserve	346,400	346,400	-	(346,400)
Transfer from Lodging Tax	110,000	110,000	129,967	19,967
Income from Sale of Assets	-	-	50,222	50,222
Interest Earnings	-	-	(3,430)	(3,430)
Miscellaneous Receipts	-	-	2,000	2,000
Total Revenues	4,977,800	4,977,800	3,819,859	(1,157,941)
Total Beginning Balance & Revenues	\$ 5,346,900	\$ 5,346,900	\$ 7,041,338	\$ 1,694,438
Expenditures:				
Fire	\$ 173,300	\$ 173,300	\$ 151,748	\$ 21,552
Library	-	19,859	23,414	(3,555)
Recreation	395,000	1,062,300	284,311	777,989
Life Safety	-	67,500	67,291	209
Code Enforcement	-	37,800	37,776	24
Planning	20,400	15,500	3,716	11,784
Inspections	18,600	23,500	-	23,500
Police	912,400	986,800	779,672	207,128
Streets	936,000	3,209,400	568,157	2,641,243
Sanitation	475,200	475,200	-	475,200
Stormwater	1,110,700	1,342,200	91,393	1,250,807
Information Technology	61,600	61,600	12,202	49,398
Facilities Management	700,000	700,000	-	700,000
Engineering	39,600	39,600	1,858	37,742
Purchasing	25,000	325,000	31,492	293,508
Subtotal	4,867,800	8,539,559	2,053,030	6,486,529
Transfers and Miscellaneous Expenses:				
Transfer to Other Reserve	-	-	1,116,078	(1,116,078)
Bond Issue Costs	-	-	26,026	(26,026)
Total Expenditures	4,867,800	8,539,559	3,195,134	5,344,425
Budget Balance - Working Capital	479,100	(3,192,659)	3,846,204	(7,038,863)
Budget Balance & Expenditures	\$ 5,346,900	\$ 5,346,900	\$ 7,041,338	\$ (1,694,438)
Budget Balance - Working Capital			\$ 3,846,204	
Perspective and GAAP (Non-GAAP) Differences:				
Fair value of investment adjustment			50,254	
Assigned to Capital assets			2,644,328	
Committed to Parks & Recreation improvements			1,384,125	
Total Fund Balances			\$ 7,924,911	



FINANCIAL STATEMENTS SPECIAL REVENUE FUNDS

Special Revenue Funds include the group of funds classified as grant funds, Lodging Tax Fund, 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 FEDERAL GRANTS

The City of Dover Police Department receives various grants from the U.S. Department of Justice for local law enforcement. All federal grant transactions are recorded in this fund.

POLICE STATE GRANTS

The City of Dover Police Department receives various grants from the State of Delaware for public and highway safety. All state grant transactions are recorded in this fund.

LIBRARY GRANTS

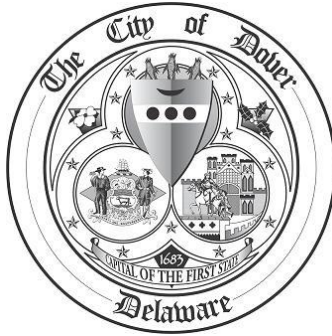
The City of Dover Public Library receives various grants from the State of Delaware, Kent County, Miscellaneous entities, and the Federal Government. Activities associated with these grants are recorded in this fund.

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

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.



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.

LODGING TAX

Pursuant to an act of the Delaware Legislature, City Council adopted an ordinance to enact a local lodging tax paid by the occupants of hotels, motels, and tourist homes in the City limits. All lodging tax receipts are reserved and directed toward infrastructure in the City of Dover, which will benefit all Dover residents and businesses.

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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
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CITY OF DOVER, DELAWARE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	POLICE FEDERAL GRANTS	POLICE STATE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG HOUSING GRANTS	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	LODGING TAX	REALTY TRANSFER TAX	TOTALS
ASSETS:											
Cash	\$ 60,070	\$ 151,700	\$ 99,847	\$ 2,275	\$ 1,241	\$ 112,604	\$ 111,204	\$ -	\$ 129,776	\$ 16,436	\$ 685,153
Receivables	10,836	-	-	-	-	-	-	-	191	-	11,027
Due from other funds-charges	-	-	2,228	-	184,791	-	-	-	-	-	187,019
Due from other governments	91,053	-	-	-	35,109	1,231	-	23,338	-	-	150,731
TOTAL ASSETS	\$ 161,959	\$ 151,700	\$ 102,075	\$ 2,275	\$ 221,141	\$ 113,835	\$ 111,204	\$ 23,338	\$ 129,967	\$ 16,436	\$ 1,033,930
LIABILITIES AND FUND BALANCE:											
Liabilities:											
Vouchers Payable	\$ 2,415	\$ 8,101	\$ 25,034	\$ -	\$ -	\$ -	\$ 2,904	\$ -	\$ -	\$ -	\$ 38,454
Unearned Revenue	4,028	-	1,532	-	-	-	-	-	-	-	5,560
Due to other funds-charges	144,407	76,032	-	2,275	-	-	10	23,338	129,967	16,436	392,465
Due to other funds-temporary advances	-	-	-	-	220,000	-	-	-	-	-	220,000
Total Liabilities	150,850	84,133	26,566	2,275	220,000	-	2,914	23,338	129,967	16,436	656,479
Fund Balances:											
Restricted	11,109	67,567	75,509	-	1,141	113,835	108,290	-	-	-	377,451
Total Fund Balances	11,109	67,567	75,509	-	1,141	113,835	108,290	-	-	-	377,451
TOTAL LIABILITIES AND FUND BALANCES	\$ 161,959	\$ 151,700	\$ 102,075	\$ 2,275	\$ 221,141	\$ 113,835	\$ 111,204	\$ 23,338	\$ 129,967	\$ 16,436	\$ 1,033,930

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
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CITY OF DOVER
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021

	POLICE FEDERAL GRANTS	POLICE STATE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG HOUSING GRANTS	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	LODGING TAX	REALTY TRANSFER TAX	TOTALS
REVENUES:											
Grants received	\$ 211,061	\$ 309,121	\$ 291,942	\$ 797,580	\$ 831,331	\$ 92,867	\$ 40,000	\$ -	\$ -	\$ -	\$ 2,573,902
Recreation revenue	-	-	-	-	-	-	20,915	-	-	-	20,915
Police fines	-	-	-	-	-	-	-	267,109	-	-	267,109
Taxes	-	-	-	-	-	-	-	-	129,967	4,832,590	4,962,557
Investment income (loss)	266	-	-	246	-	396	-	-	-	730	1,638
TOTAL REVENUES	211,327	309,121	291,942	797,826	831,331	93,263	60,915	267,109	129,967	4,833,320	7,826,121
EXPENDITURES:											
Program expenditures	87,326	199,383	248,829	-	832,018	92,377	41,068	-	-	-	1,501,001
TOTAL EXPENDITURES	87,326	199,383	248,829	-	832,018	92,377	41,068	-	-	-	1,501,001
Excess (deficiency) of revenues over (under) expenditures	124,001	109,738	43,113	797,826	(687)	886	19,847	267,109	129,967	4,833,320	6,325,120
OTHER FINANCING SOURCES (USES):											
Operating transfers-in	-	-	1,067	-	-	-	-	-	-	-	1,067
Transfers-out	(186,180)	(42,171)	-	(797,826)	-	-	-	(267,109)	(129,967)	(4,833,320)	(6,256,573)
Net Change in fund balances	(62,179)	67,567	44,180	-	(687)	886	19,847	-	-	-	69,614
FUND BALANCE AT BEGINNING OF YEAR	73,288	-	31,329	-	1,828	112,949	88,443	-	-	-	307,837
FUND BALANCE AT END OF YEAR	\$ 11,109	\$ 67,567	\$ 75,509	\$ -	\$ 1,141	\$ 113,835	\$ 108,290	\$ -	\$ -	\$ -	\$ 377,451

**CITY OF DOVER, DELAWARE
POLICE FEDERAL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 50,000	\$ 129,000	\$ 78,991	\$ (50,009)
Interest earned	-	-	266	266
Grants received	785,000	635,000	209,388	(425,612)
TOTAL REVENUES & BEGINNING BALANCE	835,000	764,000	288,645	(475,355)
EXPENDITURES:				
Program expenses/supplies	585,000	643,600	85,729	(557,871)
Telephone/fax	20,000	20,000	-	(20,000)
Training/Conference/Food/Travel	75,000	19,700	1,598	(18,102)
Audit Fees	-	1,000	-	(1,000)
TOTAL EXPENDITURES	680,000	684,300	87,327	(596,973)
Other financing uses:				
Operating transfers - out	155,000	4,300	186,181	181,881
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ 75,400	\$ 15,137	\$ (60,263)
Fund Balance - Working Capital			15,137	
GAAP Differences				
Deferred Revenue - non-spendable			(4,028)	
Total Fund Balance			<u>\$ 11,109</u>	

**CITY OF DOVER, DELAWARE
POLICE STATE GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Grants received	212,400	212,400	309,121	96,721
TOTAL REVENUES & BEGINNING BALANCE	212,400	212,400	309,121	96,721
EXPENDITURES:				
Program expenses/supplies	118,000	118,000	199,383	81,383
Training/Conference/Food/Travel	63,500	63,500	-	(63,500)
TOTAL EXPENDITURES	181,500	181,500	199,383	17,883
Other financing uses:				
Operating transfers - out	30,900	30,900	42,171	11,271
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ 67,567	\$ 67,567

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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, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ 18,900	\$ 31,329	\$ 12,429
Grants received: State	275,000	280,800	288,532	7,732
Grants received: Other	-	-	2,666	2,666
Grants received: Federal	2,700	1,800	2,275	475
Miscellaneous Revenue	-	-	1,068	1,068
TOTAL REVENUES & BEGINNING BALANCE	277,700	301,500	325,870	24,370
EXPENDITURES:				
Program expenditures/supplies (Fed Grant)	2,700	2,700	2,200	(500)
Program expenditures/supplies (Other Grant)	-	-	4,729	4,729
Program expenditures/supplies (State Grant)	28,200	25,500	19,250	(6,250)
Office Supplies	23,100	28,000	14,363	(13,637)
Printing/duplicating	15,000	13,700	1,145	(12,555)
Postage	100	200	65	(135)
Books	125,000	128,800	119,323	(9,477)
Furniture/Fixtures	5,000	5,500	4,905	(595)
Audio visual supplies	67,700	79,000	71,678	(7,322)
Training/conference/food/travel	3,000	4,200	974	(3,226)
Office equipment repairs	1,900	4,000	644	(3,356)
Office equipment lease	2,500	2,100	4,041	1,941
Computer software	3,000	2,500	5,074	2,574
Computer hardware	500	5,300	438	(4,862)
TOTAL EXPENDITURES	277,700	301,500	248,829	(52,671)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ 77,041	\$ 77,041
Fund Balance - Working Capital			77,041	
Corrections to balance				
Deferred Revenue - non-spendable			(1,532)	
Total Fund Balance			<u>75,509</u>	

**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, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 100	\$ 100	\$ -	\$ (100)
State Grant - Operations	750,000	750,000	797,580	47,580
Interest Earned	-	-	246	246
TOTAL REVENUES & BEGINNING BALANCE	750,100	750,100	797,826	47,726
Other financing uses:				
Operating transfers-out	(750,100)	(750,100)	(797,826)	(47,726)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ -	\$ -

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
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**CITY OF DOVER, DELAWARE
HOUSING PROGRAMS - CDBG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance CDBG	\$ 2,500	\$ 2,013	\$ 1,828	\$ (185)
Federal grant received	332,443	1,021,589	831,331	(190,258)
TOTAL REVENUES & BEGINNING BALANCE	334,943	1,023,602	833,159	(190,443)
EXPENDITURES:				
Closing Cost/Down Payment Program	100,000	211,347	190,000	21,347
Dover Interfaith Ministry	61,016	66,690	26,690	40,000
MHDC Emergency Home Repair	40,000	72,911	25,359	47,552
Milford Housing H/O Rehab	25,827	90,568	60,050	30,518
Central DE Hosing Collaboration	20,600	20,600	11,829	8,771
Cares Act COVID19	-	470,082	457,482	12,600
NCALL Research Demo	30,000	30,000	15,000	15,000
Administrative Expense	55,000	59,391	45,608	13,783
TOTAL EXPENDITURES	332,443	1,021,589	832,018	189,571
CDBG BALANCE CARRIED TO NEXT YEAR	\$ 2,500	\$ 2,013	\$ 1,141	\$ 872

**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, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 662,400	\$ 662,400	\$ 112,949	\$ (549,451)
Grants received: State	400,000	400,000	92,867	(307,133)
Interest earned	-	-	396	396
TOTAL REVENUES & BEGINNING BALANCE	1,062,400	1,062,400	206,212	(856,188)
EXPENDITURES:				
Program expenditures grant related	750,000	833,400	92,377	(741,023)
TOTAL EXPENDITURES	750,000	833,400	92,377	741,023
BALANCE CARRIED TO NEXT YEAR	\$ 312,400	\$ 229,000	\$ 113,835	\$ (115,165)

**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, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 83,700	\$ 83,700	\$ 88,443	\$ 4,743
Grants revenue	28,000	28,000	40,000	12,000
Recreation revenue	33,000	33,000	20,915	(12,085)
TOTAL REVENUES & BEGINNING BALANCE	144,700	144,700	149,358	4,658
EXPENDITURES:				
Temporary help/benefits	68,500	68,500	21,360	(47,140)
Program expenditures/supplies	35,000	35,000	19,708	(15,292)
TOTAL EXPENDITURES	103,500	103,500	41,068	(62,432)
BALANCE CARRIED TO NEXT YEAR	\$ 41,200	\$ 41,200	\$ 108,290	\$ 67,090

**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, 2021**

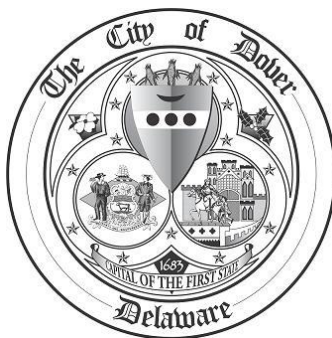
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 100	\$ 100	\$ -	\$ (100)
Grants received: State	445,100	445,100	267,109	(177,991)
TOTAL REVENUES & BEGINNING BALANCE	445,200	445,200	267,109	(178,091)
EXPENDITURES:				
Transfer to General Fund	445,100	445,100	267,109	(177,991)
TOTAL EXPENDITURES	445,100	445,100	267,109	177,991
BALANCE CARRIED TO NEXT YEAR	\$ 100	\$ 100	\$ -	\$ (100)

**CITY OF DOVER, DELAWARE
LODGING TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Realty Transfer Taxes	110,000	110,000	129,967	19,967
TOTAL REVENUES & BEGINNING BALANCE	110,000	110,000	129,967	19,967
EXPENDITURES:				
Transfer to General Fund	110,000	110,000	129,967	19,967
TOTAL EXPENDITURES	110,000	110,000	129,967	19,967
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ -	\$ -

**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, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Realty Transfer Taxes	1,433,500	1,525,000	4,832,590	3,307,590
Interest earned	-	-	730	730
TOTAL REVENUES & BEGINNING BALANCE	1,433,500	1,525,000	4,833,320	3,308,320
EXPENDITURES:				
Transfer to General Fund	1,433,500	1,525,000	4,833,320	3,308,320
TOTAL EXPENDITURES	1,433,500	1,525,000	4,833,320	(3,308,320)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ -	\$ -



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.

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CITY OF DOVER, DELAWARE
ELECTRIC REVENUE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	\$ 10,230,300	\$ 10,230,300	\$ 16,657,995	\$ 6,427,695
Distribution of Earnings - PCA Credit	(5,246,100)	(5,246,100)	(5,007,541)	238,559
	<u>4,984,200</u>	<u>4,984,200</u>	<u>11,650,454</u>	<u>6,666,254</u>
REVENUES:				
Direct base sales	80,417,400	80,417,400	77,487,799	(2,929,601)
Rental income	110,000	110,000	61,270	(48,730)
Miscellaneous services	530,000	530,000	46,578	(483,422)
DEMA Grant	-	-	210,822	210,822
Utility tax	1,245,100	1,245,100	1,137,022	(108,078)
Green Energy	127,000	127,000	127,492	492
Interest earned - operating	157,400	157,400	122,055	(35,345)
Transfer from Rate Stabilization	2,500,000	2,500,000	2,500,000	-
Transfer from Uncollectible Reserve	-	-	28,200	28,200
Total Revenues	<u>85,086,900</u>	<u>85,086,900</u>	<u>81,721,238</u>	<u>(3,365,662)</u>
TOTAL BEGINNING BALANCE & REVENUES	\$ 90,071,100	\$ 90,071,100	\$ 93,371,692	\$ 3,300,592
EXPENSES:				
Power Supply & Generation				
Hedged Energy	\$ 19,715,300	\$ 19,715,300	\$ 17,595,536	\$ 2,119,764
Power Supply Management	634,800	634,800	634,800	-
Capacity Charges	15,048,100	15,048,100	14,266,256	781,844
Dover Sun Park Energy	3,401,100	3,401,100	2,726,425	674,675
Solar Renewal Energy Credits	384,100	384,100	365,836	18,264
Renewable Energy Credits	614,600	614,600	18,484	596,116
RGGI	12,300	12,300	-	12,300
PJM Charges - Energy	5,871,900	5,871,900	3,261,176	2,610,724
PJM Charges - Transmission & Fees	8,476,800	8,476,800	7,082,694	1,394,106
Total Power Supply	<u>54,159,000</u>	<u>54,159,000</u>	<u>45,951,207</u>	<u>8,207,793</u>
Plant Operations	4,706,100	4,706,100	4,744,085	(37,985)
Generation Fuels	488,400	488,400	604,651	(116,251)
Capacity Credits	(12,191,700)	(12,191,700)	(12,189,422)	(2,278)
PJM Spot Market Energy	(808,300)	(808,300)	(649,602)	(158,698)
PJM Credits	(369,400)	(369,400)	(397,109)	27,709
Total Generation	<u>(8,174,900)</u>	<u>(8,174,900)</u>	<u>(7,887,397)</u>	<u>(287,503)</u>
Utility Tax	1,245,100	1,245,100	1,137,022	108,078
Administration	707,400	707,400	504,196	203,204
Transmission/Distribution	3,995,600	4,010,600	3,543,138	467,462
Electrical Engineering	1,396,400	1,381,400	1,217,003	164,397
Systems Operations	871,100	871,100	738,110	132,990
Meter Reading	375,300	375,300	364,192	11,108
Contractual Services - Power Supply	-	-	1,500	(1,500)
Legal Expenses	100,000	100,000	39,947	60,053
Storm Expense	-	-	120,964	(120,964)
Provision for Uncollectible	300,000	300,000	300,000	-
Retirees Health Care	789,600	789,600	789,600	-
Green Energy Payment to DEMEC	127,000	127,000	-	127,000
Bank & CC Fees	330,300	330,300	485,204	(154,904)
Interest on Deposits	21,000	21,000	131,675	(110,675)
Interfund Service Fees	3,798,900	3,798,900	3,286,547	512,353
Other Appropriations:				
Electric Capital Project Fund	6,000,000	6,000,000	6,000,000	-
General Fund	10,000,000	10,000,000	10,000,000	-
Debt Service	1,378,600	1,378,600	1,394,163	(15,563)
Green Energy Grant	-	-	99,200	(99,200)
Rate Stabilization Fund	2,000,000	2,000,000	2,000,000	-
Transfer to Other Reserve	-	-	28,301	(28,301)
TOTAL EXPENSES	<u>79,420,400</u>	<u>79,420,400</u>	<u>70,244,572</u>	<u>9,175,828</u>
Budget Balance - Working Capital	10,650,700	10,650,700	23,127,120	(12,476,420)
TOTAL BUDGET BALANCE & EXPENSES	\$ 90,071,100	\$ 90,071,100	\$ 93,371,692	\$ (3,300,592)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

**CITY OF DOVER, DELAWARE
ELECTRIC IMPROVEMENT AND EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	\$ 15,640,000	\$ 16,384,800	\$ 20,970,718	\$ 4,585,918
TOTAL BEGINNING BALANCES	15,640,000	16,384,800	20,970,718	4,585,918
REVENUES:				
Transfer from Electric Operating Fund	6,000,000	6,000,000	6,000,000	-
Transfer from Depreciation Reserve	1,000,000	1,000,000	-	(1,000,000)
General Service Billing	400,000	400,000	247,334	(152,666)
Miscellaneous Receipts	-	27,400	16,548	(10,852)
Interest Earnings	218,200	218,200	171,890	(46,310)
Total Revenues	7,618,200	7,645,600	6,435,772	(1,209,828)
TOTAL BEGINNING BALANCES & REVENUES	\$ 23,258,200	\$ 24,030,400	\$ 27,406,490	\$ 3,376,090
EXPENSES:				
Electric Administration	\$ 360,000	\$ 2,604,400	\$ 317,794	\$ 2,286,606
Electric Generation	1,267,000	1,302,700	113,803	1,188,897
Transmission and Distribution	1,100,000	1,293,100	754,521	538,579
Electrical Engineering	2,968,900	2,706,600	1,364,433	1,342,167
ERP System	500,000	1,244,800	208,590	1,036,210
Total Expenses	6,195,900	9,151,600	2,759,141	6,392,459
Budget Balance - Improvement & Extension Fund	17,062,300	14,878,800	24,647,349	(9,768,549)
Total Budget Balances - Working Capital	17,062,300	14,878,800	24,647,349	(9,768,549)
TOTAL BUDGET BALANCES & EXPENSES	\$ 23,258,200	\$ 24,030,400	\$ 27,406,490	\$ (3,376,090)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
PROPRIETARY FUNDS
COMBINING NON-MAJOR ENTERPRISE FUNDS BALANCE SHEET
JUNE, 30 2021

	Business-type Activities		
	Water Fund	Wastewater Fund	Total Non-Major Enterprise Funds
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 2,821,528	\$ 382,150	\$ 3,203,678
Investments	5,596,306	2,957,382	8,553,688
Receivables, Net	625,818	449,263	1,075,081
Due from Other Funds	3	3	6
Inventory	57,603	(2,324)	55,279
Total Current Assets	9,101,258	3,786,474	12,887,732
Non-Current Assets:			
Restricted Assets			
Cash	738,463	308,551	1,047,014
Investments	2,126,637	5,665,187	7,791,824
Capital Assets, Not Being Depreciated	1,398,259	812,902	2,211,161
Capital Assets, Net of Depreciation	33,458,409	32,098,137	65,556,546
Total Non-Current Assets	37,721,768	38,884,777	76,606,545
Total Assets	46,823,026	42,671,251	89,494,277
Deferred Outflows of Resources:			
OPEB Related Deferred Outflows	129,015	80,479	209,494
	129,015	80,479	209,494
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Expenses	1,257,786	610,810	1,868,596
Due to Other Funds - Charges	29,161	187,357	216,518
Accrued Interest Payable	60,708	30,668	91,376
Revenue Bonds Payable	575,375	488,428	1,063,803
Liability for Compensated Absences	81,368	42,648	124,016
Total Current Liabilities	2,004,398	1,359,911	3,364,309
Non-Current Liabilities:			
OPEB Liability	44,667	42,675	87,342
Net Pension Liability	947,260	950,802	1,898,062
Revenue Bonds Payable	7,197,300	5,740,209	12,937,509
Liability for Compensated Absences	124,034	41,606	165,640
Total Non-Current Liabilities	8,313,261	6,775,292	15,088,553
Total Liabilities	10,317,659	8,135,203	18,452,862
Deferred Inflows of Resources:			
Pension Related Deferred Inflows	962,521	331,894	1,294,415
OPEB Related Deferred Inflows	1,096,516	487,411	1,583,927
Total Deferred Inflows of Resources	2,059,037	819,305	2,878,342
Net Position			
Net Investment in Capital Assets	27,083,993	26,682,403	53,766,396
Restricted for Capital Construction	2,865,100	5,973,738	8,838,838
Unrestricted	4,626,252	1,141,081	5,767,333
Total Net Position	\$ 34,575,345	\$ 33,797,222	\$ 68,372,567

CITY OF DOVER, DELAWARE
PROPRIETARY FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - NON-MAJOR ENTERPRISE FUNDS
JUNE, 30 2021

	Business-type Activities		
	Water Fund	Wastewater Fund	Non-Major Enterprise Funds
Operating Revenues			
Charges for Services	\$ 5,777,175	\$ 9,302,915	\$ 15,080,090
Miscellaneous Services/Income	918,045	202,436	1,120,481
Total Operating Revenues	6,695,220	9,505,351	16,200,571
Operating Expenses			
Water	396,698	-	396,698
Wastewater	-	867,982	867,982
Water Treatment Plant	1,356,366	-	1,356,366
Water/Wastewater Engineering	303,787	131,069	434,856
Kent County Wastewater Treatment	-	4,773,265	4,773,265
General Administrative	929,221	721,191	1,650,412
Depreciation	984,279	1,459,540	2,443,819
Retirees Health Care	176,900	81,500	258,400
Total Operating Expenses	4,147,251	8,034,547	12,181,798
Operating Income/Loss	2,547,969	1,470,804	4,018,773
Non-Operating Revenues (Expenses)			
Interest Earned:			
Operating Funds	96,986	40,282	137,268
Reserve Funds	56,962	117,793	174,755
Net Increase in Fair Value of Investments	(112,766)	(122,979)	(235,745)
Interest and Fiscal Charges	(206,879)	(148,971)	(355,850)
Gain (Loss) on Sale of Assets	(1,544)	1,854	310
Total Non-Operating Revenue (expenses)	(167,241)	(112,021)	(279,262)
Income before Contributions and Transfers	2,380,728	1,358,783	3,739,511
Transfers Out	(500,000)	(500,000)	(1,000,000)
Total transfers	(500,000)	(500,000)	(1,000,000)
Change in Net Position	1,880,728	858,783	2,739,511
Total Net Position--Beginning	32,694,617	32,938,439	65,633,056
Total Net Position--Ending	\$ 34,575,345	\$ 33,797,222	\$ 68,372,567

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
COMBINING SCHEDULE OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
JUNE, 30 2021

	Business-type Activities		
	Water Fund	Wastewater Fund	Total Non-Major Enterprise Funds
Cash Flows from Operating Activities			
Receipts from Customers	\$ 6,498,256	\$ 9,429,668	\$ 15,927,924
Payments to Suppliers (including Purchased Power)	(820,741)	(5,530,500)	(6,351,241)
Payments to Employees	(1,519,125)	(871,852)	(2,390,977)
Payments of Personnel Related Costs	(173,858)	(81,273)	(255,131)
Internal Activity-Payments from (to) Other Funds	(273)	(359,442)	(359,715)
Other Receipts (Payments) including Claims Paid	(778,363)	(485,808)	(1,264,171)
Net Cash Provided by (used for) Operating Activities	<u>3,205,896</u>	<u>2,100,793</u>	<u>5,306,689</u>
Cash Flows from Noncapital Financing Activities			
Transfers Out	(500,000)	(500,000)	(1,000,000)
Net Cash Used for Noncapital Financing Activities	<u>(500,000)</u>	<u>(500,000)</u>	<u>(1,000,000)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(2,192,341)	(1,313,466)	(3,505,807)
Proceeds of issuance of debt	-	674,936	674,936
Bond Issuance Costs	-	(3,334)	(3,334)
Principal Paid on Revenue Bond Maturities	(561,596)	(448,157)	(1,009,753)
Interest Paid on Capital Debt	(213,955)	(154,669)	(368,624)
Net Cash Used for Capital and Related Financing Activities	<u>(2,967,892)</u>	<u>(1,244,690)</u>	<u>(4,212,582)</u>
Cash Flows from Investing Activities			
Interest on Investments	96,986	40,282	137,268
Redemption of Investment Securities	588,001	250,922	838,923
Purchase of Investment Securities	(347,864)	(242,901)	(590,765)
Interest on Restricted Cash	56,961	117,793	174,754
Net Cash Provided by (used for) Investing Activities	<u>394,084</u>	<u>166,096</u>	<u>560,180</u>
Net Increase/Decrease in Cash and Cash Equivalents	132,088	522,199	654,287
Cash and cash equivalents July 1 (incl. \$497,618 for Non-Major Enterprise Funds reported in restricted accounts)	3,427,903	168,502	3,596,405
Cash and cash equivalents June 30 (incl. \$1,047,014 for Non-Major Enterprise Funds reported in restricted accounts)	<u>\$ 3,559,991</u>	<u>\$ 690,701</u>	<u>\$ 4,250,692</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income	\$ 2,547,969	\$ 1,470,804	\$ 4,018,773
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:			
Depreciation Expense	984,279	1,459,540	2,443,819
Effect of Changes in Operating Assets and Liabilities:			
Receivables	(197,030)	(75,760)	(272,790)
Due from other funds	66	77	143
Due from other funds - Advances	400,000	-	400,000
Inventory	15,203	1,620	16,823
Prepaid items	147	147	294
Deferred outflow of resources Pension	251,134	81,129	332,263
Deferred outflow of resources OPEB	(76,799)	(41,919)	(118,718)
Accounts payable and accrued expenses	365,002	(70,551)	294,451
Due to other funds	(196,541)	50,012	(146,529)
Due to other funds - Advances	-	(400,000)	(400,000)
Liability for Compensated Absences	26,200	28,651	54,851
Net OPEB Liability	(803,914)	(437,217)	(1,241,131)
Net pension liability	(1,439,095)	(512,735)	(1,951,830)
Deferred inflow of resources Pension	934,045	331,894	1,265,939
Deferred inflow of resources OPEB	395,230	215,101	610,331
Net Cash Provided by Operating Activities	<u>\$ 3,205,896</u>	<u>\$ 2,100,793</u>	<u>\$ 5,306,689</u>
Non-Cash Investing, Capital and Financing Activities:			
Change in Fair Value of Investments	\$ (112,766)	\$ (122,979)	\$ (235,745)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

**CITY OF DOVER, DELAWARE
WATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Water	\$ 1,218,900	\$ 1,218,900	\$ 1,548,586	\$ 329,686
TOTAL BEGINNING BALANCES	1,218,900	1,218,900	1,548,586	329,686
REVENUES:				
Water Services	6,231,700	6,231,700	5,777,175	(454,525)
Miscellaneous service fees	67,800	139,600	223,204	83,604
Water tank space leasing	420,100	420,100	529,789	109,689
Interest - Water	34,000	34,000	9,455	(24,545)
Water Impact Fees	570,000	570,000	172,127	(397,873)
Total Revenues	7,323,600	7,395,400	6,711,750	(683,650)
TOTAL BEGINNING BALANCES & REVENUES	\$ 8,542,500	\$ 8,614,300	\$ 8,260,336	\$ (353,964)
EXPENSES:				
Engineering & Inspection	\$ 397,800	\$ 441,400	\$ 392,313	\$ 49,087
Water Department	669,800	669,800	552,314	117,486
Water Treatment Plant	2,221,600	2,066,300	1,812,660	253,640
Interfund Service Fees	1,033,200	1,033,200	880,272	152,928
Retirees Health Care	176,900	176,900	176,900	-
Debt Service - Water	762,800	762,800	778,168	(15,368)
Bank & Credit Card Fees	20,000	20,000	22,748	(2,748)
Transfer To:				
Water Improvement and Extension	1,300,000	1,455,300	1,622,080	(166,780)
General Fund from Water	500,000	500,000	500,000	-
Total Expenses	7,082,100	7,125,700	6,737,455	388,245
Budget Balance - Water	1,460,400	1,488,600	1,522,881	(34,281)
Total Budget Balances - Working Capital	1,460,400	1,488,600	1,522,881	(34,281)
TOTAL BUDGET BALANCES & EXPENSES	\$ 8,542,500	\$ 8,614,300	\$ 8,260,336	\$ 353,964

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
WATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Water	\$ 3,794,200	\$ 4,618,200	\$ 5,292,564	\$ 674,364
TOTAL BEGINNING BALANCES	3,794,200	4,618,200	5,292,564	674,364
REVENUES:				
Interest earnings	50,000	50,000	87,531	37,531
Income from sale of assets	-	-	13,415	13,415
Transfer from Operating Fund - Water	1,300,000	1,455,300	1,622,080	166,780
Transfer from Water Impact Fee Reserve	39,200	70,100	-	(70,100)
Total Revenues	1,389,200	1,575,400	1,723,026	147,626
TOTAL BEGINNING BALANCES & REVENUES	\$ 5,183,400	\$ 6,193,600	\$ 7,015,590	\$ 821,990
EXPENSES:				
Water	\$ 1,205,500	\$ 1,647,200	\$ 1,368,645	\$ 278,555
Water Engineering and Inspection	20,400	20,400	929	19,471
Water Treatment Plant	-	568,500	882,221	(313,721)
Total Expenses	1,225,900	2,236,100	2,251,795	(15,695)
Budget Balance - Water	3,957,500	3,957,500	4,763,795	(806,295)
Total Budget Balances - Working Capital	3,957,500	3,957,500	4,763,795	(806,295)
TOTAL BUDGET BALANCES & EXPENSES	\$ 5,183,400	\$ 6,193,600	\$ 7,015,590	\$ (821,990)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

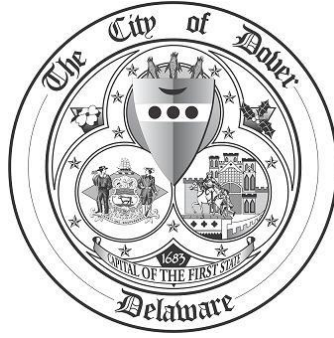
**CITY OF DOVER, DELAWARE
WASTEWATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Wastewater	\$ 47,900	\$ 47,900	\$ 743,117	695,217
TOTAL BEGINNING BALANCES	47,900	47,900	743,117	695,217
REVENUES:				
Wastewater Services	4,467,500	4,467,500	4,232,183	(235,317)
Wastewater Treatment Services	3,275,100	3,275,100	3,122,477	(152,623)
Groundwater inflow adjustment	2,040,400	2,040,400	1,948,255	(92,145)
Miscellaneous service fees	1,300	1,300	35,769	34,469
Interest - Wastewater	20,000	20,000	1,870	(18,130)
Income from Sale of Assets	-	-	14,971	14,971
Wastewater Impact Fees	480,000	480,000	151,696	(328,304)
Total Revenues	10,284,300	10,284,300	9,507,221	(777,079)
TOTAL BEGINNING BALANCES & REVENUES	\$ 10,332,200	\$ 10,332,200	\$ 10,250,338	\$ (81,862)
EXPENSES:				
Engineering & Inspection	\$ 288,300	\$ 288,300	\$ 244,159	\$ 44,141
Wastewater Department	1,144,200	1,144,200	996,439	147,761
Debt Service - Wastewater	659,900	659,900	589,659	70,241
Retirees Health Care	81,500	81,500	81,500	-
Kent County Treatment Charge	4,302,900	4,302,900	4,773,265	(470,365)
Interfund Service Fees	782,000	782,000	673,669	108,331
Bank & Credit Card Fees	10,000	10,000	7,739	2,261
Bond Issue Cost	-	-	3,334	(3,334)
Storm Expense	-	-	11,133	(11,133)
Transfer To:				
General Fund from Wastewater	500,000	500,000	500,000	-
Wastewater Improvement and Extension	1,200,000	1,200,000	1,200,000	-
Total Expenses	8,968,800	8,968,800	9,080,897	(112,097)
Budget Balance - Wastewater	1,363,400	1,363,400	1,169,441	193,959
Total Budget Balances - Working Capital	1,363,400	1,363,400	1,169,441	193,959
TOTAL BUDGET BALANCES & EXPENSES	\$ 10,332,200	\$ 10,332,200	\$ 10,250,338	\$ 81,862

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

**CITY OF DOVER, DELAWARE
WASTEWATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Wastewater	\$ 242,100	\$ 1,243,700	\$ 750,155	(493,545)
TOTAL BEGINNING BALANCES	242,100	1,243,700	750,155	(493,545)
REVENUES:				
State Loan Fund - Wastewater	-	578,600	674,936	96,336
Transfer from Operating Fund - Wastewater	1,200,000	1,200,000	1,200,000	-
Transfer from Wastewater Impact Fee Reserve	31,600	31,600	-	(31,600)
Interest earnings	10,000	10,000	38,412	28,412
Income from sale of assets	-	-	(468)	(468)
Total Revenues	1,241,600	1,820,200	1,912,880	92,680
TOTAL BEGINNING BALANCES & REVENUES	\$ 1,483,700	\$ 3,063,900	\$ 2,663,035	\$ (400,865)
EXPENSES:				
Wastewater Engineering	14,000	14,000	929	13,071
Wastewater	1,085,000	2,665,200	1,461,269	1,203,931
Total Expenses	1,099,000	2,679,200	1,462,198	1,217,002
Budget Balance - Wastewater	384,700	384,700	1,200,837	(816,137)
Total Budget Balances - Working Capital	384,700	384,700	1,200,837	(816,137)
TOTAL BUDGET BALANCES & EXPENSES	\$ 1,483,700	\$ 3,063,900	\$ 2,663,035	\$ 400,865



FINANCIAL SCHEDULES PROPRIETARY FUND TYPES INTERNAL SERVICE FUNDS

WORKERS' COMPENSATION INSURANCE FUND

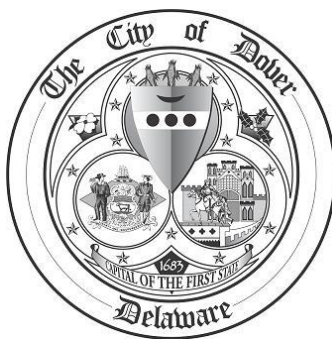
The City has created this fund to account for the revenues and expenses related to a self-insured Workers' Compensation Fund. The revenues are received from the City's various funds. These funds contribute to the Workers' Compensation Fund an amount based on salaries at a pre-determined assessment rate.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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

**CITY OF DOVER, DELAWARE
 WORKERS' COMPENSATION
 SCHEDULE OF REVENUES AND EXPENSES
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OPERATING REVENUES:				
Beginning Balance	\$ 1,540,000	\$ 2,450,500	\$ 2,450,486	\$ (14)
Interest Earned	22,500	31,500	30,501	(999)
City Contribution	990,100	880,100	919,173	39,073
Insurance Refund	-	-	-	-
Miscellaneous Revenue	-	-	-	-
OPERATING EXPENSES:				
Program Expenses	\$ 560,000	\$ 394,000	\$ 175,015	\$ 218,985
Contractual Services	20,000	22,100	15,961	6,139
Insurance	130,000	110,800	145,285	(34,485)
Bank Fees	-	-	-	-
Transfer to General Fund for Retirees	-	-	-	-
TOTAL EXPENSES	\$ 749,000	\$ 560,400	\$ 369,772	\$ 190,628
 BUDGET BALANCE - CARRY FORWARD	 \$ 1,803,600	 \$ 2,801,700	 \$ 3,030,388	 \$ (228,688)



FINANCIAL STATEMENTS FIDUCIARY FUND TYPES PENSION AND OTHER EMPLOYEE BENEFIT TRUSTS

POLICE PENSION, EMPLOYEE PENSION, AND OTHER POST-EMPLOYMENT BENEFIT (OPEB)

These trust funds account for resources that are required to be held in trust for the members and beneficiaries of the City's defined benefit pension plans, defined contribution plan, and other post-employment benefit plan.

City of Dover, Delaware
Combining Statement of Net Position
Fiduciary Funds

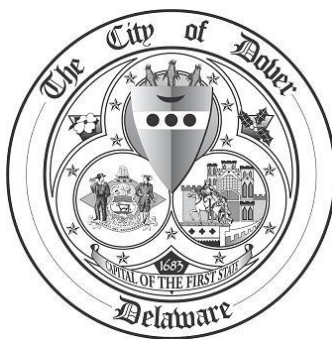
	Police Pension Trust	Employee Pension Trust	OPEB Trust Fund	Total Pension and OPEB Benefit Trust Funds
Assets				
Cash and Cash Equivalents	\$ 2,727,182	\$ 5,937,711	\$ 2,503,555	\$ 11,168,448
Investments at Fair Value - Mutual Funds	14,760,440	49,965,406	53,894,800	118,620,646
Total Assets	<u>\$ 17,487,622</u>	<u>\$ 55,903,117</u>	<u>\$ 56,398,355</u>	<u>\$ 129,789,094</u>
Liabilities				
Vouchers Payable & Deposit Payable	-	1,259	227,130	228,389
Total Liabilities	<u>-</u>	<u>1,259</u>	<u>227,130</u>	<u>228,389</u>
Net Position				
Net Position Restricted for Pensions	17,487,622	55,901,858		73,389,480
Net Position Restricted for Health Benefits			56,171,225	56,171,225
Total Net Position	<u>\$ 17,487,622</u>	<u>\$ 55,901,858</u>	<u>\$ 56,171,225</u>	<u>\$ 129,560,705</u>

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

City of Dover, Delaware
Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Police Pension Trust	Employees' Pension Trust	OPEB Trust Fund	Pension and Other Postemployment Benefit Trust Funds
Additions:				
Net Investment Income	\$ 3,815,763	\$ 12,705,909	\$ 12,864,455	\$ 29,386,127
City's Contribution-Payroll Based	-	2,427,721	410,488	2,838,209
City's Contribution-Lump Sum	435,100	-	3,093,400	3,528,500
Employee Contribution	-	172,840	-	172,840
State Grants	552,277	-	-	552,277
Other	485	-	-	485
Total Additions	<u>4,803,625</u>	<u>15,306,470</u>	<u>16,368,343</u>	<u>36,478,438</u>
Deductions:				
Benefit Payments	1,534,080	4,291,562	2,866,652	8,692,294
General Administration	6,824	20,594	3,000	30,418
Total Deductions	<u>1,540,904</u>	<u>4,312,156</u>	<u>2,869,652</u>	<u>8,722,712</u>
Change in Net Position	3,262,721	10,994,314	13,498,691	27,755,726
Net Position - Beginning	14,224,901	44,907,544	42,672,534	101,804,979
Net Position - Ending	<u>\$ 17,487,622</u>	<u>\$ 55,901,858</u>	<u>\$ 56,171,225</u>	<u>\$ 129,560,705</u>



FINANCIAL STATEMENTS FIDUCIARY FUND TYPES CUSTODIAL

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

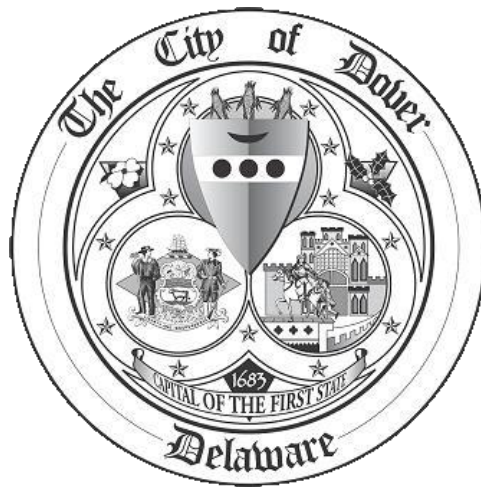
The Dover Days Celebration Committee was established to fund the annual Old Dover Days Festival; one of Delaware's largest and longest-running free events dedicated to promoting our state's heritage and culture.

City of Dover, Delaware
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	<u>4th of July Celebration</u>	<u>Dover Day's Celebration</u>	<u>Total Custodial Funds</u>
Additions:			
Gifts/Donations	\$ 14,917	\$ 18,500	\$ 33,417
Interest Income	22	-	22
Total Additions	<u>14,939</u>	<u>18,500</u>	<u>33,439</u>
Deductions:			
Supplies/Materials	419	231	650
Bank Fees	218	-	218
Contractual Services	-	6,126	6,126
Total Deductions	<u>637</u>	<u>6,357</u>	<u>6,994</u>
Change in Net Position	14,302	12,143	26,445
Net Position - Beginning	11,287	12,954	24,241
Net Position - Ending	<u>\$ 25,589</u>	<u>\$ 25,097</u>	<u>\$ 50,686</u>

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STATISTICAL SECTION



**This section of the City of Dover's
Annual Comprehensive 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.

2021 Annual Comprehensive 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net investment in capital assets	\$ 52,937,055	\$ 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
Restricted	431,347	346,826	342,285	961,101	306,474	932,728	556,553	612,054	721,682	482,780
Unrestricted	(8,310,569)	(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)
Total governmental activities net position	45,057,833	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
Business-type activities										
Net investment in capital assets	101,595,410	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
Restricted	74,090,261	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
Unrestricted	30,298,138	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
Total business-type activities net position	205,983,809	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
Primary government										
Net investment in capital assets	154,532,465	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
Restricted	74,521,608	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
Unrestricted	21,987,569	(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
Total primary government net position	\$ 251,041,642	\$ 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

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.

2021 Annual Comprehensive 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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 3,620,325	\$ 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
Public safety	15,074,030	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
Public works	7,981,115	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
Library and recreation	2,613,161	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
Community and economic development	1,023,086	531,306	461,983	513,857	449,356	551,879	444,474	676,554	939,966	773,208
Central services	641,781	626,259	521,020	589,846	473,498	483,426	443,072	512,586	454,816	469,385
Financial administration	911,780	886,495	894,670	964,051	746,714	1,249,012	1,247,976	1,368,048	1,122,830	1,146,524
Other post-employment benefits	-	-	-	-	-	-	-	3,348,267	5,119,778	6,534,630
Interest on long-term debt	180,781	132,711	178,514	129,723	118,275	118,565	174,912	122,812	114,785	90,161
Total governmental activities expenses	32,046,059	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
Business-type activities										
Non-major enterprise funds	12,537,648	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
Electric	63,109,318	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
Total business-type activities	75,646,966	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
Total primary government expenses	107,693,025	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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,607,533	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
Public safety	3,822,417	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
Public works	3,125,135	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
Library and recreation	146,402	457,674	612,737	640,061	602,873	667,996	696,179	699,622	656,001	632,824
Operating grants and contributions	3,453,829	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
Capital grants and contributions	191,367	571,817	372,136	344,561	360,538	675,784	166,379	1,226,559	2,107,444	6,292,303
Total governmental activities program revenues	13,346,683	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
(Continued)										

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

(Table 2 Continued - Changes in Net Position)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues										
Business-type activities:										
Charges for services:										
Non-major enterprise funds	16,200,881	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
Electric	79,820,816	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
Capital contributions	-	1,409,145	-	-	1,201,963	44,955	1,516,932	401,947	-	441,285
Total business-type activities program revenues	96,021,697	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
Total primary government program revenues	109,368,380	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
Net (expense)/revenue:										
Governmental activities	(18,699,376)	(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)
Business-type activities	20,374,731	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
Total primary government net revenue (expense)	1,675,355	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
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	14,892,966	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
Transfer taxes	4,962,557	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
Investment earnings	15,803	551,771	809,345	100,903	132,228	263,667	92,479	142,390	36,793	141,925
Transfers	11,000,000	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
Total governmental activities	30,871,326	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
Business-type activities:										
Investment earnings	399,058	4,179,682	3,752,939	208,800	379,160	1,058,028	544,624	832,919	112,402	630,420
Loss on Sale of Assets	(480,219)	-	-	-	-	-	-	-	-	-
Transfers	(11,000,000)	(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)
Total business-type activities	(11,081,161)	(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)
Total primary government	19,790,165	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
Change in Net Position										
Government activities	12,171,950	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
Business-type activities	9,293,570	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
Total primary government	\$ 21,465,520	\$ 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

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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 3

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Non-spendable	\$ 117,139	\$ 212,467	\$ 234,974	\$ 259,258	\$ 187,294	\$ 195,134	\$ 202,620	\$ 207,884	\$ 227,457	\$ 198,175
Restricted	53,896	38,989	27,070	10,572	7,979	173,769	127,706	129,476	131,237	83,356
Committed	2,111,592	2,145,574	1,047,987	1,111,182	2,441,641	1,059,197	1,041,130	723,300	936,899	920,475
Assigned	6,540,786	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
Unassigned	10,316,753	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
Total general fund	19,140,166	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
All other governmental funds										
Special revenue funds										
Non-spendable	-	-	-	9,990	3,993	350	181	2,447	-	13,099
Restricted	377,451	307,837	315,215	950,529	298,495	758,959	428,847	482,578	590,445	399,424
Assigned	-	-	-	-	-	-	-	-	123,349	171,381
Total all other governmental funds	377,451	307,837	315,215	960,519	302,488	759,309	429,028	485,025	713,794	583,904
Total fund balances	<u>\$19,517,617</u>	<u>\$13,911,518</u>	<u>\$13,064,101</u>	<u>\$12,929,409</u>	<u>\$10,424,068</u>	<u>\$ 9,918,533</u>	<u>\$ 9,631,497</u>	<u>\$ 8,144,195</u>	<u>\$ 8,920,113</u>	<u>\$ 5,452,783</u>

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 4

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Fines	\$ 709,808	\$ 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
Library revenue	78,996	329,501	410,154	392,108	380,561	419,677	480,823	498,553	471,065	475,822
Licenses and permits	2,906,024	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
Sanitation fees and rebates	3,125,135	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
Recreation	20,915	43,203	61,147	87,125	53,301	65,145	66,038	49,144	40,446	44,522
Miscellaneous services	871,521	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
Taxes	19,702,590	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
Grants	3,645,196	4,307,401	2,814,036	2,534,707	2,386,060	3,449,238	2,489,239	3,416,319	5,119,089	8,909,758
Court of chancery fees	1,834,620	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
Investment income	7,794	475,051	730,797	93,751	123,234	234,885	77,769	122,490	45,198	117,405
Total revenues	32,902,599	31,197,898	29,336,239	29,981,182	27,735,638	29,549,941	25,447,992	26,166,503	27,483,012	32,736,657
Expenditures										
General government	1,937,056	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
Library services	1,857,652	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
Public safety	21,854,945	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
Public works	2,978,829	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
Recreational services	1,126,313	1,754,771	1,087,393	821,613	733,961	783,976	865,938	683,363	651,341	827,230
Streets and sanitation services	3,616,943	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
Engineering services	204,843	209,197	266,332	263,930	219,198	166,579	26,996	-	-	-
Financial administration	791,540	815,956	754,400	762,860	764,622	919,086	979,112	1,002,539	909,877	902,009
Garage and stores	771,974	742,353	492,111	499,289	501,559	465,843	419,597	415,593	431,542	503,036
Insurance	343,044	376,584	276,689	302,258	295,923	280,901	278,682	272,895	241,395	198,241
Retiree health care lump sum	2,045,400	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
Employee pension unfunded liability	-	-	-	619,000	-	594,300	543,000	121,000	1,693,500	1,545,000
Street lights	815,961	807,794	805,185	803,924	811,992	804,246	775,197	774,533	878,760	986,430
Community and economic development	1,023,086	531,306	461,983	513,857	449,356	551,879	444,474	676,554	939,966	773,208

(Continued)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 4 (Continued) - Changes in Fund Balances of Governmental Funds

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenditures										
Debt service										
Principal	335,760	328,716	322,745	332,355	573,497	553,824	848,069	429,239	296,003	275,000
Interest	156,154	135,352	34,773	128,455	118,771	118,565	114,243	122,812	73,071	52,734
Other charges (issuance of debt)	-	-	-	-	-	-	60,668	-	1,029	27,255
Total expenditures	39,859,500	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
Excess of revenues over(under) expenditures	(6,956,901)	(9,745,595)	(10,665,308)	(8,394,659)	(10,369,465)	(10,562,964)	(13,147,698)	(9,275,918)	(9,672,888)	(11,935,913)
Other financing sources (uses)										
Bond proceeds	1,563,000	-	5,700,000	-	-	-	4,135,000	-	2,648,500	851,500
Transfers in	17,257,640	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
Transfers out	(6,257,640)	(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)
Payments to refunded bond escrow agent	-	-	(5,700,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	12,563,000	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
Net change in fund balances	\$ 5,606,099	\$ 995,995	\$ 134,692	\$ 2,505,341	\$ 505,535	\$ 287,036	\$ 1,487,302	\$ (775,918)	\$ 3,467,330	\$ (2,783,617)
Debt service as a percentage of noncapital expenditures	1.30%	1.34%	0.99%	0.94%	1.30%	2.14%	2.06%	2.76%	1.81%	1.59%
Capital outlay included in total expenditures (1)	\$ 1,959,010	\$ 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

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
2021	\$ 14,740,033	\$ 4,962,557	\$ 19,702,590
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

NOTES

1. Property Tax rate of \$.4050 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.
2. Transfer Taxes equal 1.5% of the real property sales value.

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Table 6

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

REAL PROPERTY

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
2021	\$ 4,964,063,500	\$ 1,383,980,400	\$ 3,580,083,100	\$ 4,964,063,500	72.12%	\$ 0.4050
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

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 \$0.4050 to \$0.4400 per \$100. The revised rate represents a \$0.0350 increase.
4. In 2021, the City property tax rate was decreased from \$0.4400 to \$0.4050 per \$100. The revised rate represents a \$0.0350 decrease.

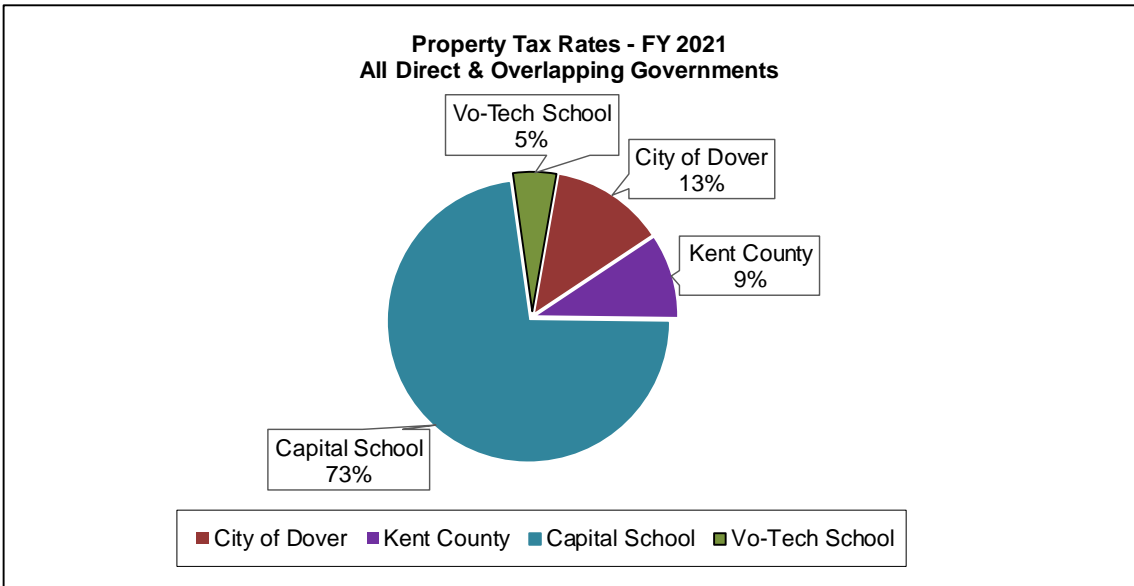
Table 7

**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.
5.	In 2021, the City Tax rate decreased to \$.4050.

Fiscal Year	Direct	Overlapping			Total Direct & Overlapping
	City of Dover	Kent County	Capital School District	Vo-Tech School District	
2021	0.4050	0.3000	2.2841	0.1571	3.1462
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

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



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Table 8

Principal Tax Payers Current Year and Nine Years Ago

TAX PAYERS	2021 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	2012 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
GLP Capital LP*	\$82,417,900	1	1.66%	\$82,025,600	1	2.59%
Dover Mall LP/Dover Commons	61,564,100	2	1.24%	80,921,800	2	2.55%
Dover International Speedway Inc*	60,506,200	3	1.22%	64,822,000	1	2.05%
Blue Hen Apt LLC	35,842,700	4	0.72%	-	-	-
Leander Lakes LLC	24,571,900	5	0.49%	-	-	-
Medcore Realty Eden Hill LLC	24,018,100	6	0.48%	27,270,100	3	0.86%
Kraft-General Foods Corp.	23,505,400	7	0.47%	19,565,300	5	0.62%
CW Dover LLC	21,140,300	8	0.43%	25,035,100	4	0.79%
Onix Dover LLC	16,860,500	9	0.34%	-	-	-
GM Country Club LLC	15,946,800	10	0.32%	13,176,500	8	0.42%
Millers Dover Downs	-	-	-	13,463,600	7	0.42%
Dover Bay Court Plaza	-	-	-	14,400,000	6	0.45%
McKee Road Business Park LLC	-	-	-	12,774,400	9	0.40%
Multi-Residential -M LLC	-	-	-	12,396,200	10	0.39%

Source: Tax Assessor's Office, City of Dover \$366,373,900

Total taxable assessed valuation for current year is 4,964,063,500

Total taxable assessed valuation for ten years ago is 3,169,307,760

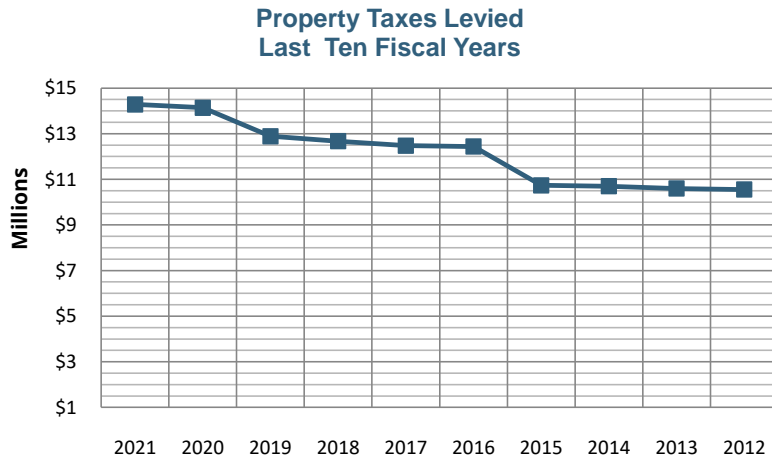
*In 2012, Dover Downs race track and hotel properties were reported as one entity, in 2021 they are reported separately.

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
2021	\$ 14,286,063	\$ 14,248,670	99.7%	\$ -	\$ 14,248,670	99.74%
2020	14,136,787	13,799,173	97.6%	26,836	13,826,009	97.80%
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%	39,607	12,666,665	99.98%
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%

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.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
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Table 10

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

Fiscal Year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Population
	General Obligation Bonds	Water Revenue Bonds	Wastewater Revenue Bonds	Electric Revenue Bonds				
2021	\$ 6,598,524	\$ 7,772,675	\$ 6,228,637	\$ 15,254,787	\$ 35,854,623	3.7%	933	38,412
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

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.

Fiscal Year 2021 Electric Revenue Bonds includes a premium of \$989,787.

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
2021	38,412	\$3,580,083,100	\$6,598,524	\$6,598,524	0.18%	171.78
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

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 ⁽¹⁾	Ratio of Debt Service to Total General Expenditures
2021	\$ 335,760	\$ 130,128	\$ 465,888	\$ 46,433,359	1.00%
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%

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, 2021**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Dover	Amount Applicable to City of Dover
City of Dover	\$ 6,598,524	100%	\$ 6,598,524
Kent County ⁽¹⁾	53,953,289	0%	N/A
Capital School District ⁽²⁾	62,514,276	0%	N/A
TOTAL	<u>\$ 123,066,089</u>		<u>\$ 6,598,524</u>

Sources: City of Dover Financial Records, Kent County Levy Court - Accounting Department and
Capital School District - Administration Department.

NOTES

1. Kent County: Total debt for Kent County is \$53,953,289 as of June 30, 2021. Although Kent County's bonds are general obligation bonds, \$50,856,251 is payable from the Kent County Sewer Fund(s) or other committed sources.
2. Capital School District: As of June 30, 2021, the net outstanding debt was \$62,514,276. Percentage and amount is not applicable to the City of Dover.

2021 Annual Comprehensive 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										
	2021	2020	2019	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 179,004	\$ 163,700	\$ 162,904	\$ 160,737	\$ 157,816	\$ 155,396	\$ 158,485	\$ 157,995	\$ 159,075	\$ 158,465	\$ 156,832
Net (Taxable) Assessed Value on Books	3,580,083	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
Total net debt applicable to limit	6,599	5,371	5,700	5,877	6,209	6,783	7,337	4,050	4,479	1,550	1,820
Legal Debt Margin	\$ 172,406	\$ 158,328	\$ 157,204	\$ 154,860	\$ 148,613	\$ 151,149	\$ 153,945	\$ 154,596	\$ 156,915	\$ 155,012	\$ 143,271
Total Net Debt applicable to limit as a percentage of debt limit	3.69%	3.28%	3.50%	3.59%	4.36%	4.63%	2.56%	2.82%	0.98%	1.16%	1.43%

Legal Debt Margin Calculation for the current fiscal year

Net (Taxable) Assessed Value on Books \$ 3,580,083

Debt Limit - 5 Percent of Total Assessed Value \$ 179,004

DEBT
(For which the City's full faith and credit has been pledged)

Gross Bonded Debt 6,599

LEGAL DEBT MARGIN \$ 172,406

Source: City of Dover Financial Reports, City of Dover Charter, Section 50(b), and Tax Assessor's Office

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
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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
2021	\$ 80,114,761	\$ 50,412,239	\$ 29,702,522	\$ 785,000	\$ 573,950	\$ 1,358,950	21.86
2020	81,872,067	52,849,253	29,022,814	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

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 2021 is as follows:</p> <table style="margin-left: 40px;"> <tr> <td>Gross Revenue:</td> <td></td> </tr> <tr> <td>Operating Revenues</td> <td style="text-align: right;">\$ 79,820,816</td> </tr> <tr> <td>Interest Earned-Operating Funds</td> <td style="text-align: right;">293,945</td> </tr> <tr> <td>Total Gross Revenue</td> <td style="text-align: right; border-top: 1px solid black;">\$ 80,114,761</td> </tr> </table> <p>3. Direct operating expenses do not include depreciation expense.</p> | Gross Revenue: | | Operating Revenues | \$ 79,820,816 | Interest Earned-Operating Funds | 293,945 | Total Gross Revenue | \$ 80,114,761 | <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 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 | \$ 79,820,816 | | | | | | | | |
| Interest Earned-Operating Funds | 293,945 | | | | | | | | |
| Total Gross Revenue | \$ 80,114,761 | | | | | | | | |

Table 16

**City of Dover, Delaware
Revenue Bond Coverage - Water Bonds
Last Ten Fiscal Years**

Fiscal Year			Direct Operating Expenses	Net Revenue Available For Debt Service	Maximum Requirements	
					Maximum Debt Service Requirement	Actual Coverage
2021	\$	6,792,206	\$ 3,162,972	\$ 3,629,234	\$ 777,563	4.67
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

Source: City of Dover Financial Records.

NOTES

1. Coverage required by bond resolution is 1.20.
2. Direct operating expenses do not include depreciation expense for coverage purposes as per the bond indenture.
3. In Fiscal year 2013, various capital projects were completed. These capital projects were financed by a state revolving fund loan issued in 2010 in the amount of \$2.4 million resulting in an increase in debt service.
4. 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.
5. Gross revenue is derived by taking gross revenue plus operating interest less the transfer to the water impact fee reserve.
6. In Fiscal year 2020, various capital projects were completed for the Water Treatment Plant. These capital projects were financed by a state revolving fund loan issued in FY 2018 in the amount of \$4.0 million, resulting in an increase in debt service.

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
2021	\$	9,545,633	\$	6,575,007	\$ 2,970,626	\$ 630,158	4.71
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

Source: City of Dover Financial Records.

NOTES

1. Coverage required by bond resolution is 1.20.
2. Direct operating expenses do not include depreciation expense for coverage purposes as per the bond indenture.
3. In Fiscal year 2013, various capital projects were completed. These capital projects were financed by two state revolving fund loans issued in 2009 & 2011 in the amount of \$5.6 million and \$0.8 million, resulting in an increase in debt service.
4. 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.
5. Gross revenue is derived by taking gross revenue plus operating interest less the transfer to the wastewater impact fee reserve.
6. In Fiscal year 2020, three pumpstations were replaced. These capital projects were financed by a state revolving fund loan issued in 2018 in the amount of \$0.9 million, resulting in an increase in debt service.

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 18

**City of Dover, Delaware
Top 10 Water and Wastewater Utility Customers
Fiscal Year Ended June 30, 2021**

Customer	Water Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Garrison Energy Center	253,711	16.83%	\$ 948,157	16.41%
Tidewater Utilities	80,615	5.35%	345,768	5.99%
Procter and Gamble	53,650	3.56%	199,176	3.45%
Delaware State University	41,206	2.73%	152,808	2.65%
Kraft Foods Global	26,285	1.74%	96,825	1.68%
Dover Downs Inc	26,174	1.74%	96,409	1.67%
Dover Housing Authority	23,650	1.57%	84,295	1.46%
Bayhealth Medical Center	21,781	1.44%	75,769	1.31%
Kent General Hospital	21,182	1.40%	77,746	1.35%
Sovereign Property Management	20,090	1.33%	63,319	1.10%
Totals for Top 10 Customers	568,344	37.69%	\$ 2,140,273	37.05%
All Other	939,473	62.31%	3,636,902	62.95%
Total for System	1,507,817	100.00%	\$ 5,777,175	100.00%

Customer	Wastewater Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Kraft Foods Global	66,421	5.33%	\$ 485,756	5.22%
Procter and Gamble	49,146	3.94%	345,736	3.72%
Delaware State University	32,652	2.62%	229,844	2.47%
Dover Downs	26,174	2.10%	184,123	1.98%
Dover Housing Authority	23,629	1.90%	171,035	1.84%
Kent General Hospital	21,182	1.70%	149,449	1.61%
Bayhealth Medical Center	20,400	1.64%	143,982	1.55%
Sovereign Property Management	20,090	1.61%	143,153	1.54%
Garrison Energy Center	18,877	1.51%	132,825	1.43%
Dover East Estates	14,050	1.13%	98,832	1.06%
Totals for Top 10 Customers	292,621	23.47%	2,084,735	22.41%
All Other	954,213	76.53%	7,218,180	77.59%
Total for System	1,246,834	100.00%	\$ 9,302,915	100.00%

NOTES:

- Both the Water and Wastewater revenue billed amounts for each top customer, do not include the monthly flat rate of \$5.00.
- 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, 2021**

Customer	Kwh	% of Total Kwh	Revenue Billed	% of Total Revenue
Dover Air Force Base	69,275,488	9.6%	\$ 4,179,150	5.5%
Kraft	42,579,882	5.9%	2,550,535	3.3%
Edgewell Personal Care Products	41,329,108	5.7%	2,612,110	3.4%
Bay Health/Kent General	27,464,120	3.8%	1,743,616	2.3%
Delaware State University	26,066,699	3.6%	1,648,468	2.2%
Dover Downs	20,361,738	2.8%	1,286,955	1.7%
Procter & Gamble	13,805,071	1.9%	830,971	1.1%
State of Delaware	13,306,141	1.9%	829,142	1.1%
Capital School District	8,525,202	1.2%	535,094	0.7%
Eden Hill Medical Center	5,256,600	0.7%	332,217	0.4%
Totals for Top 10 Customers	267,970,049	37.3%	\$ 16,548,258	21.7%
All Other	451,201,755	62.7%	59,710,926	78.3%
Total for System	719,171,804	100.0%	\$ 76,259,184	100.0%

Note: The revenue billed includes direct base sales and utility tax.

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Table 20

**City of Dover, Delaware
Demographic and Economic Statistics
Last Ten Calendar Years**

Year	Population		Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2021	38,412	\$	965,293,560	\$ 25,130	30.7	6,332	10.9%
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%

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, 2015-2019 Quick Facts

Median Age Source: Data USA; Dover, DE, Deloitte Touche Tohmatsu Limited

Capital School Enrollment Source: Includes kindergarten through 12th grade

Unemployment Rate Source: Ycharts.com

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Table 21

City of Dover, Delaware
Major Employers by Industry
Current Year and Nine Years Ago

Industry Description	2020 4th Quarter			2011 4th Quarter		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Government	18,807	1	28.3%	19,141	1	30.9%
Retail trade	9,151	3	13.7%	9,630	2	15.5%
Health care & social assistance	9,754	2	14.7%	8,143	3	13.1%
Accommodation & food services	5,256	4	7.9%	4,929	4	8.0%
Manufacturing	4,918	5	7.4%	3,309	5	5.3%
Arts, entertainment, & recreation	1,148	10	1.7%	2,734	6	4.4%
Construction	2,775	8	4.2%	2,051	8	3.3%
Transportation & warehousing	2,864	7	4.3%	1,976	9	3.2%
Admin and waste services	3,676	6	5.5%	2,571	7	4.2%
Professional & technical services	<u>1,965</u>	9	<u>3.0%</u>	<u>1,390</u>	10	<u>2.2%</u>
	60,314		90.6%	55,874		90.2%
Total - All Industries	66,559			61,939		

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.

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Statistical Section

Table 22

City of Dover, Delaware
Full-time Equivalent City Government Employees by Function - Budgeted
Last Ten Fiscal Years

	2021	2020	2019	2019	2018	2017	2016	2015	2014	2013
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	6.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	5.0
Customer Services	16.0	16.0	16.0	16.0	13.0	14.0	14.0	15.0	14.0	14.0
Facilities Management	4.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0	9.0	12.0
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	5.0	6.0	8.0	6.0	6.0
Fleet Maintenance	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	4.0	4.0	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	4.0	5.0	5.0	5.0	5.0
Library	14.0	14.0	13.0	13.0	13.0	13.0	14.0	13.0	13.0	12.0
Mayor	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	6.0	9.0	9.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Police Civilian	35.0	34.0	33.0	33.0	33.0	33.0	31.0	31.0	29.0	29.0
Police Law Enforcement	101.0	101.0	101.0	101.0	101.0	101.0	93.0	93.0	93.0	93.0
Procurement & Inventory	5.0	4.0	5.0	3.0	3.0	3.0	3.0	4.0	4.0	6.0
Public Works, Administration	5.0	7.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0	5.0
Planning, Inspections	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Planning, Life Safety	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Economic Development	-	-	-	-	-	3.0	3.0	3.0	3.0	3.0
Public Works, Engineering	2.0	2.0	3.0	3.0	3.0	3.0	3.0	-	-	-
Planning	6.0	6.0	6.0	6.0	6.0	6.0	5.0	4.5	4.5	5.0
Planning, Code Enforcement	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Community Development	-	-	-	-	-	-	-	0.5	0.5	1.0
Public Works, Grounds Maintenance	17.0	14.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0
Public Works, Sanitation	11.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0	13.0
Public Works, Streets	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	11.0
Public Works, Stormwater	7.0	7.0	-	-	-	-	-	-	-	-
General Fund Total	293.0	294.0	281.0	275.0	271.0	277.0	269.0	270.0	269.0	279.0
Public Utilities, Electric Administration	3.0	2.0	3.0	5.0	5.0	4.0	3.0	3.0	3.0	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	7.0	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	4.0	3.0	3.0	3.0	3.0
Public Utilities, Electric Transmission & Distribution	23.0	23.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	25.0
Electric Fund Total	47.0	46.0	46.0	48.0	48.0	47.0	45.0	45.0	45.0	47.0
Public Utilities, Construction	-	-	-	-	-	-	3.0	3.0	5.0	6.0
Public Utilities, Wastewater Engineering	2.5	2.0	2.0	-	-	-	-	-	-	-
Public Utilities, Wastewater Management	11.0	11.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0
Public Utilities, Water Engineering	2.5	3.0	3.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0
Public Utilities, Water Management	6.0	6.0	7.0	6.0	6.0	6.0	4.0	4.0	5.0	4.0
Public Utilities, Water Treatment Plant	14.0	14.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0	10.0
Water Meter Reading	-	-	-	-	-	-	-	-	-	-
Water/Wastewater Fund Total	36.0	36.0	35.0	35.0	35.0	35.0	34.0	34.0	36.0	36.0
Total Full-Time Equivalents	376.0	376.0	362.0	358.0	354.0	359.0	348.0	349.0	350.0	362.0

Source: City of Dover Budget

2021 Annual Comprehensive 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, 2021	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
Land area - Acres	15,278.54	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
Land area - Square Miles	23.87	23.87	23.74	23.74	23.74	23.74	23.30	23.29	23.29	23.29
Total Miles of Street	172.35	172.35	170.52	170.33	169.08	168.01	167.78	164.49	164.08	162.81
City Maintained Miles of Streets	113.00	113.00	111.17	110.98	109.73	108.66	108.43	105.14	104.73	103.46
State Maintained Miles of Streets	59.35	59.35	59.35	59.35	59.35	59.35	59.35	53.35	59.35	59.35
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	38,412	38,349	37,790	38,422	37,686	37,941	37,560	37,540	36,492	36,267
Registered Voters	26,827	25,535	25,131	24,513	23,942	24,170	22,837	22,779	21,998	22,362
Electric Utility:										
Generating Units	1	2	2	2	2	4	4	4	4	4
Co-Generating Unit	0	0	0	0	0	0	1	1	1	1
Total Units	1	2	2	2	2	4	5	5	5	5
Generating Capacity	43 mw	147 mw	147 mw	147 mw	147 mw	175 mw	175 mw	175 mw	175 mw	175 mw
Co-Generating Capacity	0 mw	0 mw	0 mw	0 mw	0 mw	0 mw	175 mw	175 mw	175 mw	175 mw
Area of Service	74.86 sq. mi.	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.
Substations	15	15	15	15	15	15	15	15	15	15
High Peak Load	155.9 mw	164.38 mw	165.16 mw	162.87 mw	165.9 mw	158.5 mw	158 mw	164.162 mw	171 mw	172 mw
Customers:										
Residential	21,161	20,972	20,899	20,545	20,155	20,065	20,143	19,900	19,990	19,908
Commercial	3,411	3,319	3,541	3,577	3,424	3,310	3,343	3,412	3,412	3,354
Primary	36	36	36	36	37	37	36	37	37	39
69 KV Industrial	5	5	5	5	5	5	4	5	4	4
Total Customers Sales \$	\$76,259,184	\$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
Total Customers Sales kWh	719,171,804	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
PowerSupply										
\$ (Including Plant Operations)	38,065,310	\$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
kWh	753,072,000	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
Fire Department:										
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)	204	80	125	125	125	125	125	160	100	100
Equipment	15	16	14	14	10	10	16	15	15	15
Parks and Recreation:										
Major Parks	3	3	3	3	3	3	3	3	3	3
Small Parks	25	25	25	25	25	24	24	24	24	24

(Continued)

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 23 (Continued)

	June 30, 2021	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
Police Department:										
Station	1	1	1	1	1	1	1	1	1	1
Uniformed Personnel	103	94	97	98	99	100	89	94	93	93
Automobiles	77	77	77	81	80	80	76	77	75	78
Motorcycles	7	7	7	7	7	7	7	7	7	7
Motor Boats	0	0	0	0	0	0	0	0	0	0
Bicycles	8	8	8	8	7	7	12	12	12	12
Specialty Vehicles	7	7	7	7	7	7	7	7	7	7
Trailers	4	4	5	4	3	2	2	2	2	2
Golf Carts	6	6	6	6	6	6	5	0	0	0
Rental Vehicles	5	5	0	0	0	0	0	0	0	0
Public Library:										
Books	91,756	93,009	108,763	113,253	103,187	106,493	106,125	100,262	97,801	93,050
Audiovisual Materials (VCRs, DVDs, CDs, Cassettes, Recorded Books)	25,824	29,699	23,626	24,021	26,158	22,345	22,366	21,008	16,929	15,265
Computer Usage	2,611	38,003	49,591	0	0	0	0	0	0	0
Wireless Usage	3,014	13,785	19,355	0	0	0	0	0	0	0
Members	26,222	30,253	31,997	32,256	40,412	41,221	41,348	37,531	34,308	32,717
Magazine Subscriptions	126	129	138	140	147	161	174	191	187	217
Newspaper Subscriptions	11	11	11	11	11	12	10	10	11	11
Circulation of Materials	114,335	256,783	376,380	364,849	377,314	412,969	449,746	463,113	444,333	407,611
Electronic Downloads (E-Books)	43,414	41,892	38,467	32,856	28,397	30,811	24,801	17,219	11,770	2,635
Water Utility:										
Supply - Wells	21	21	21	21	21	21	22	22	22	22
Storage Tanks	7	7	7	7	7	7	6	6	6	6
Total Storage Capacity (Gallons)	5,250,000	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
Water Mains (miles)	229.79	229.79	228.85	226.41	225.15	225.15	224.50	223.15	222.30	217.50
Average Day (Gallons Pumped)	4,792,735	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
Peak Day (Gallons)	7,286,000	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
Total Water Production (Gallons Pumped)	1,719,275,840	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
Total Water Consumption (Gallons Billable)	1,507,817,000	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
Average Day (Gallons Billable)	4,131,005	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
Number of Metered Customers	12,991	12,952	12,904	12,729	12,556	12,376	12,365	12,341	12,373	12,385
Number of New Connections	39	48	175	173	180	11	24	0	0	55
Wastewater Utility:										
Pumping Stations	44	44	44	44	42	45	41	40	40	40
Sanitary Sewer Mains (Miles)	196.08	196.08	195.31	192.41	191.00	191.00	191.00	187.59	186.87	186.87
Average Day (Gallons Pumped)	3,415,984	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
Wastewater Discharge (Gallons Pumped)	1,883,943,000	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
Wastewater Discharge (Gallons Billable)	1,246,834,000	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
Average Day (Gallons Billable)	3,415,984	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
Number of New Connections	48	38	185	169	179	0	22	0	5	55
Water Treatment Plant:										
Capacity	3.0 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
Sales to Customers:										
Water Fees	\$5,777,175	\$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
Wastewater Fees	\$4,232,183	\$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
Wastewater Treatment Fees	\$3,122,477	\$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
Inflow & Infiltration Surcharge	\$1,948,255	\$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

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2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 24

City of Dover, Delaware
Summary of Insurance
As of June 30, 2021

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<u>Property</u>		
Blanket Building & Contents (Special Form, RC, Agreed Amount)	\$167,051,211	\$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	\$18,000 Any One Item	
	\$100,000 Any One Occurrence	\$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 – At Described Premises	\$100,000	
Personal Effects	\$50,000	
Personal Property at Undescribed Premises	\$50,000	
Personal Property in Transit out of Coverage Territory	\$50,000	

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
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Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<u>Crime</u>		
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
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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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
<u>Public Entity Management Liability</u> - Claims Made	
Retroactive Date: 7/1/1996	
Aggregate Limit	\$3,000,000
Each Wrongful Act Limit	\$1,000,000
Deductible	\$25,000
<u>Employment Practices Liability</u> - Claims Made	
Retroactive Date: 7/1/1996	
Aggregate Limit	\$3,000,000
Each Wrongful Employment	
Practice Offense Limit	\$1,000,000
Deductible	\$25,000
Business Auto Policy	
Coverage:	
<u>Automobile</u>	
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
Excess Crime Policy Coverage:	
<u>Excess Crime</u>	
Employee Theft per Loss	\$500,000 excess of \$500,000
(Over Policy# 6300B165227)	

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Umbrella Excess Liability Coverage:	
<u>Umbrella</u>	
General Aggregate Limit	\$6,000,000
Each Occurrence Limit	\$6,000,000
Products & Completed Work	
Aggregate Limit	\$6,000,000
Retained Limit Any One Occurrence or Event	\$10,000
<u>Umbrella Underlying Policies:</u>	
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
Cyber Liability Coverage:	
<u>Cyber Liability – Claims Made</u>	
Retroactive Date: 12/01/2012	
Media Content	\$1,000,000
Security & Privacy Liability	\$1,000,000
Regulatory Action Sublimit	\$1,000,000
Network Interruption	\$1,000,000
	12 Hour Waiting Period
Event Management	\$1,000,000
Cyber Extortion	\$1,000,000
Reputation Guard Insurance	\$50,000
Retention	\$10,000
<u>Excess Cyber Liability</u>	
Excess Network Security/Privacy Liability	\$1,000,000
Policy Aggregate	\$1,000,000
Retention per Claim EO	\$10,000
Pollution Liability Coverage:	
<u>Pollution Liability</u>	
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

2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 24 - Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
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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

Principal Sum:	\$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 Marshal, 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 – Lori Peddicord – Controller

Limit:	\$100,000
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Bond- Public Officials Bond – Janella Tauchus – Asst. Controller/Asst. Treasurer

Limit:	\$100,000
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2021 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 24 - Continued

TYPE OF COVERAGE		PROTECTION LIMIT IN DOLLARS
Power Plants – Property & Boiler and Machinery		
Locations: VanSant Station		
Coverages:		
		\$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:		\$1,000,000
Earthquake:		\$10,000,000
Flood:		\$10,000,000
Debris Removal		\$2,500,000
Property in Transit		\$1,000,000
Demolition & Increase Cost of Construction		\$5,000,000
Unnamed Locations		\$500,000
Valuable Papers		\$100,000
Electronic Data Processing		\$1,000,000
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	
Unmanned Aircraft Policy (Drones):		
Limit of Liability- Each Occ.		\$1,000,000
Medical Expenses		\$5,000
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
Third Party War Liability		\$1,000,000
Personal Injury Limit		\$1,000,000
Volunteer Special Accident:		
Accidental Medical Expense Benefits:		
Maximum Benefits		\$15,000
Deductible		\$100
Maximum Dental Limit		\$250

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