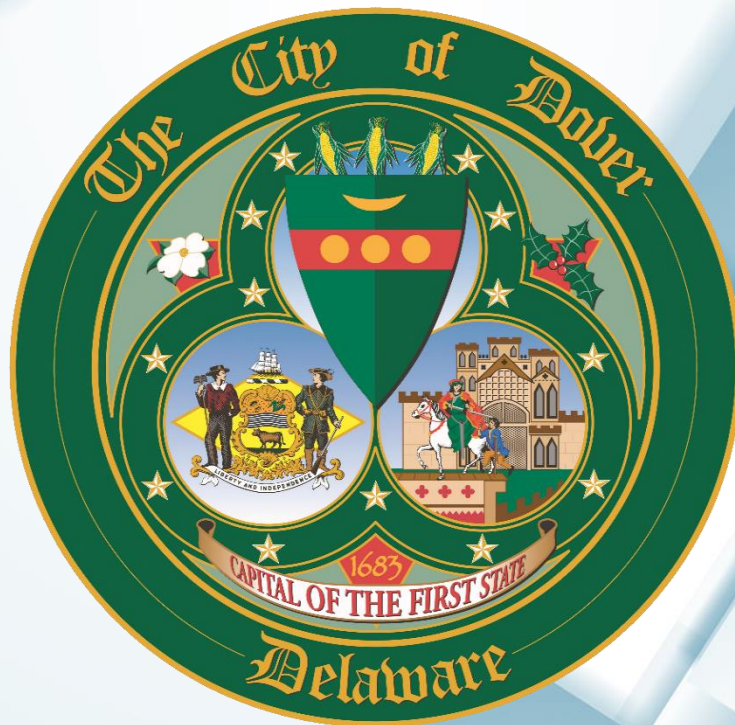


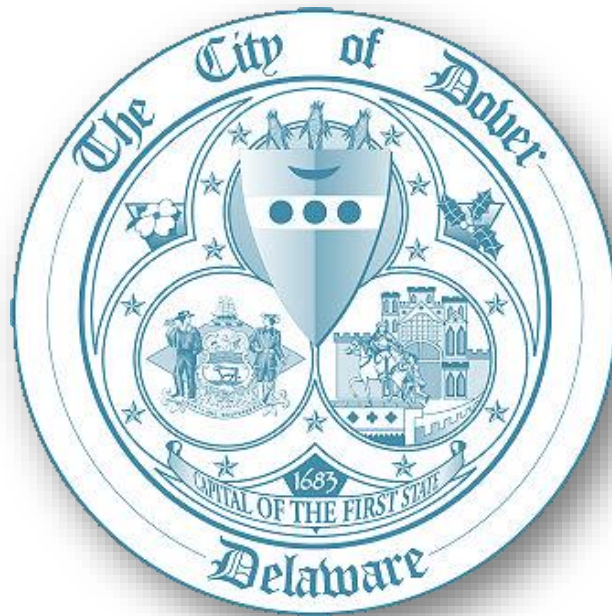
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



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ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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FINANCIAL REPORTING & ACCOUNTING MANAGER

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ACCOUNTANT II

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ACCOUNTANT I

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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 2022

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CITY OF DOVER, DELAWARE

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CITY OF DOVER, DELAWARE

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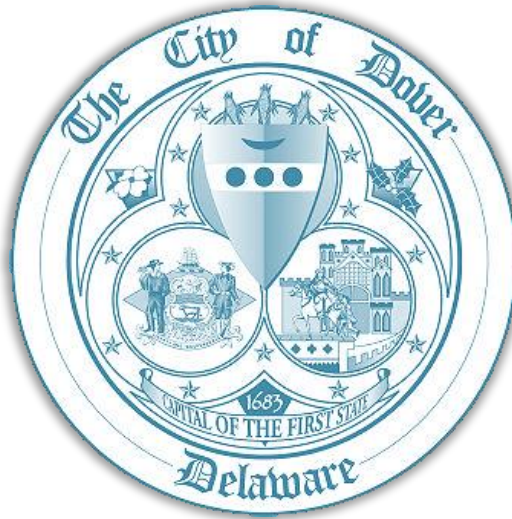
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INTRODUCTORY SECTION



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





December 20, 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, 2022. 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 SB & Company, LLC, an independent firm of certified public accountants as required by Section 46 of the City Charter. SB & Company, LLC has provided an unmodified opinion on the City of Dover financial statements for the year ended June 30, 2022. 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 23.91 square miles and serves a population of approximately 39,491. Dover's governing body is composed of a Mayor and nine Council Members, with one Council Member elected by

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

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 salaries/fringe benefits and 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.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

There were 2,048 building permits of all types issued in FY22, up from the prior year. The City issued 3,725 business licenses, slightly up from the previous year, reflecting a continued recovery of economic conditions. A year-to-year comparison 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 2022 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

A renewed interest in the build-out of residential subdivisions occurred in FY22 for the City, with over eighty-three (83) permits issued for a mix of one-family detached dwellings, duplexes, and townhomes. There was residential construction activity in Eden Hill Farm TND, Patriot Village, Oak Shadows, Nottingham Meadows, and Lexington Glen. A series of permits for one-family dwelling infill projects were also issued throughout the year including within the area of the Downtown Development District and other scattered lots citywide. A number of manufactured home placements also occurred on existing lots in Dover East Estates. Approximately thirty (30) new dwelling units were completed and received Certificates of Occupancy by year's end. FY22 also saw continued activity with Fence, Shed, and Deck Permits as people made improvements at their residences. Construction activity for multi-family units only included the completion in December 2021 of the reconstruction of the Baytree Apartment building (previously destroyed by fire in April 2020).

Downtown Dover Redevelopment

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. Over the course of FY 22, the City authorized \$16,642 in Permit Fee Waivers for 26 properties for the purpose of new housing or business. This includes seventeen new homes which have been built or are in the process of being built within the Downtown Development District. Addresses include 15, 35, and 39 North New Street; 2 and 147 South New Street; 14, 20, 60, 67, 101 and 103 South Queen Street; 23 and 25 South Governors Avenue; 217 North Kirkwood Street; 49 South Kirkwood Street and 534 Fulton Street.

Retail/Commercial Development

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

This sector continues to show significant growth with new and expanded locations along the major highway corridors and throughout the City. Renovations were completed for numerous commercial projects, several of which include the Sugar Factory Restaurant at Baileys, Bob's Discount Furniture on North Dupont Highway, Rise Physical Therapy in the Gateway West Shopping Center, the FedEx facility on Starlifter Avenue, the Macy's fulfillment center at the Dover Mall and Wing Stop on North Dupont Highway. The new facility for the Delaware Solid Waste Authority is currently under construction. An office for Delaware State Police/Homeland Security, and other commercial buildings and renovations were also completed in the Bay Road area.

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 FY22, 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 has numerous renovation projects underway on both their main and downtown campus. 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 are in development, and one completed: site planning for a future Family Court facility is underway; and construction of a new, relocated U.S. Post Office for Dover has been completed. Both locations are within the downtown area. The other governmental project is the completion of the garage at the Delaware Department of Transportation Central District Facility.

Summary

Fiscal Year 2022 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 \$1.9 million in street paving and replacement of sidewalk projects in accordance with its street, concrete and alley funding. The parks and recreation department has improvements and construction underway at numerous parks within the City, totaling \$0.9 million. The police department have asset additions totaling \$0.5 million to include the cooling tower/HVAC related project, tile floor replacement as well as upgrades to the existing camera system, power backup, digital recording system and software/computer upgrades for an online Ticketrak system. Total vehicle and equipment purchases for the General fund totaled approximately \$1.5 million.

The electric utility had fixed asset additions totaling \$7.4 million in fiscal year 2022. 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 \$2.7 million completed in the areas known as Towne Point/White Oak distribution, Delmarva Corrugated Packaging to include backup service, Verona Woods, Patriot Village, Townsend Boulevard, College Road and several additional smaller projects. The City completed improvements to the VanSant Plant to include Exciter replacement and Turbine Casing work of approximately \$1.1 million. Another phase of the LED Lighting conversion project was placed into service totaling \$0.9 million. Additionally, the City also

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

had a roofing project completed at Weyandt Hall on Reed Street and facility improvements at the Electric Utility Admin location to include carpet/tile, windows paint and ceiling tiles and replacement of lighting with LED units and HVAC system. These and some other smaller building improvement projects totaling approximately \$0.7 million.

The water utility had capital improvements totaling \$1.8 million. This total included \$0.8 to include water storage tank inspection and improvements, and wellhead redevelopment improvements in an effort to maintain operations and/or increase or maintain the yield of each well. The City also had \$0.6 million in water quality improvement projects in the areas of West Street and Ross Street. The water quality improvement projects include either replacement and/or relining of existing unlined cast iron pipes. Additionally, there was \$0.4 million in equipment purchases.

The wastewater utility had capital improvements totaling \$1.8 million. Approximately \$1.6 million of this total included pumpstation upgrades to the following pumpstations: Puncheon Run, and Rodney Village. The City also had smaller projects begin in the area(s) of Persimmon Apartments and Heatherfield and undertook manhole replacement work on Stoney Drive. In addition to capital improvements, there was \$0.1 million in equipment purchases.

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 2022/2023 Capital Investment Plan totaled \$23.3 million to include numerous vehicle, equipment, and 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 2023, the General Fund capital improvements budget is \$6.3 million. The Public Works-Stormwater department has an approved budget of \$2.1 million for miscellaneous storm sewer, dam, and basin improvements to include Persimmon Park Place, and Mirror Lake Drainage Basin improvements as well as replacement of Leaf Vac equipment. The Parks and Recreation department has earmarked funding of \$1.0 million for Park Improvements at the Dover Park Building to include an addition of a Splash Pad and there is also funding of \$0.7 million for Schutte Park Skate Park. The Parks and Recreation project budgets include general funds, Parkland Reserve funds as well as State Grant funding. The Public Works-Streets, Sanitation, and Grounds divisions have numerous equipment and/or vehicle replacements totaling approximately \$0.8 million. The Police department has funding available for the officer body worn cameras, tasers and in-car cameras totaling \$0.2 million. There are smaller appropriated amounts for each of the following departments of the City to include: Information Technologies, Code Enforcement, Facilities, Procurement and Inventory as well as funding for replacement fire equipment for the Robbins Hose Company.

The City received funding from the American Rescue Plan Act (ARPA) of 2021 the first tranche of which totaled \$4.8 million, and the City has earmarked thus far for investment in streets, water, and sewer infrastructure projects. A few of the projects are identified as follows: \$2.2 million in a future well installation, \$1.3 million in Water Quality Improvement projects to include N. State Street and West Street East Alley. Expenditures in association of projects funded with the ARPA funding should be spread over the qualifying period through December 2024.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

The Water Fund budget includes capital improvements of \$0.9 million. Of the projects identified to be completed are as follows: Wellhead Redevelopment, SCADA equipment upgrades and several smaller identified projects such as Water Tank and Water Main upgrades.

The total Wastewater Fund capital improvements budget is \$1.0 million and will be used for inflow and infiltration removal, various pump station replacement/improvements and miscellaneous emergency repairs.

The Electric Fund is projecting \$7.4 million in capital improvements for FY23. The new development budget totals \$1.4 million. The McKee Run Power plant decommissioning project continues and will span several years of which the FY23 budget includes \$4.0 million this as the project has slowly been progressing through DNREC environmental sampling and testing requirements after which the plant decommissioning will be planned and initiated. The electric administration division has projects totaling \$1.6 million to include the REED street HVAC Overhaul and the renovation of the Electric Admin rear log renovation. The electric engineering division has an array of capital improvement projects totaling \$0.7 million of this proposed amount there are software and equipment upgrades for such things as SCADA Hardware Replacement, Small Cell Wireless Improvements and ArcFM Migration to Electric Utility Network.

FINANCIAL POLICIES AND FINANCIAL PLANNING

Unassigned fund balances in the General Fund of 25.3% 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 2023 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, 2022, for the utilities are water at 29.4% of the actual water revenues and wastewater at 29.8% of the actual wastewater revenues. Both budget balances are outside of the guidelines and will be addressed in the fiscal year 2023 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 26.6%. This was attributed to higher than projected power supply and generation cost offset by lower than anticipated divisional expense and debt service expense.

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.

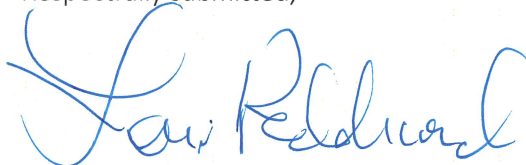
AWARDS AND ACKNOWLEDGEMENTS

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, 2021. This was the thirty-seventh (37) 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 Ms. Mary Ellen Gray, City Planner for her 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, 2021

Christopher P. Morrell

Executive Director/CEO

MAYOR AND MEMBERS OF COUNCIL



Julia M. Pillsbury,
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



CITY OF DOVER, DELAWARE

List of Elected Officials

June 30, 2022

	<u>Length of Service</u>	<u>Term Expires</u>
<i>Mayor</i>		
Robin R. Christiansen	8 Years	May 2023
<i>City Council At-Large</i>		
Andre M. Boggerty	1 Year	May 2025
<i>First District</i>		
Julia M. Pillsbury	9 months	May 2023
Gerald L. Rocha, Sr.	1 Year	May 2025
<i>Second District</i>		
William F. Hare	11 Years	May 2025
Ralph L. Taylor, Jr.	3 Years	May 2023
<i>Third District</i>		
Tricia K. Arndt	1 Year	May 2023
Fred A. Neil	7 Years	May 2025
<i>Fourth District</i>		
David L. Anderson	11 Years	May 2025
* Roy Sudler, Jr.	7 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



CITY OF DOVER, DELAWARE
List of Appointed Officials
June 30, 2022

	Length of Time in Position	Length of Time with the City
City Clerk/Assistant Treasurer – Andria L. Bennett	8 Months	8 Months
City Manager – David S. Hugg, III	9 Months	4 Years
City Solicitor – Nicholas H. Rodriquez	54 Years	54 Years
Deputy City Solicitor – Gary E. Junge	2 Years	2 Years
Council President – Roy Sudler, Jr.	1 Year	7 Years
City Building Inspector – Mary Ellen Gray	1 Month	1 Month
City Planner – Mary Ellen Gray	1 Month	1 Month
Controller/Treasurer – Lori Peddicord	4 Years	7 Years
Fire Chief – David Carey	1 Year	2 Year
Fire Marshal – Jason A. Osika	6 Years	20 Years
Police Chief – Thomas Johnson	2 Years	2 Years

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
Douglas Doyle, 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
Lori Peddicord, Treasurer/Secretary
Carolyn D. Courtney
Vacancy
Vacancy
Vacancy
Vacancy
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

Council Liaison Member, Vacancy
Zachery C. Carter
Jill B. Street
Vacancy
Vacancy
Vacancy

Dover/Kent County MPO Council

Mayor Robin R. Christiansen

Downtown Dover Partnership Board of Directors

City Manager, David S. Hugg III
City Planner, Mary Ellen Gray
Mayor Robin R. Christiansen
Councilman Ralph L. Taylor, Jr.
Councilman Fred A. Neil

Economic Development Committee

Mayor Robin R. Christiansen, Chair
Councilman Ralph L. Taylor, Jr.
Councilman Fred A. Neil
Kim I. Adams
Clayton E. Hammond II
City Manager, David S. Hugg III
City Planner, Mary Ellen Gray
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.
Andria L. Bennett, City Clerk (Liaison Member)

Ethics Commission

Jonathon Sadlowski
Erika D. Crawford
Brandy M. Walker
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.
City Manager, David S. Hugg III
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: Vacancy
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.
City Manager, David S. Hugg III
Controller/Treasurer, Lori Peddicord
Human Resources Director, Kimberly Hawkins

Parks, Recreation and Community Enhancement

Councilman Andre M. Boggerty, Chair

Michael Tholstrup
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: Joan E. Denney
Third District: Chris Cooper
Fourth District: John H. Baldwin, Sr.
Fourth District: Kenneth Roach

Police Pension Plan - Retirement Committee

Councilman David L. Anderson
Councilman Ralph L. Taylor, Jr.
City Manager, David S. Hugg III
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
Chanda P. Jackson - Short
James E. Hosfelt, Jr.

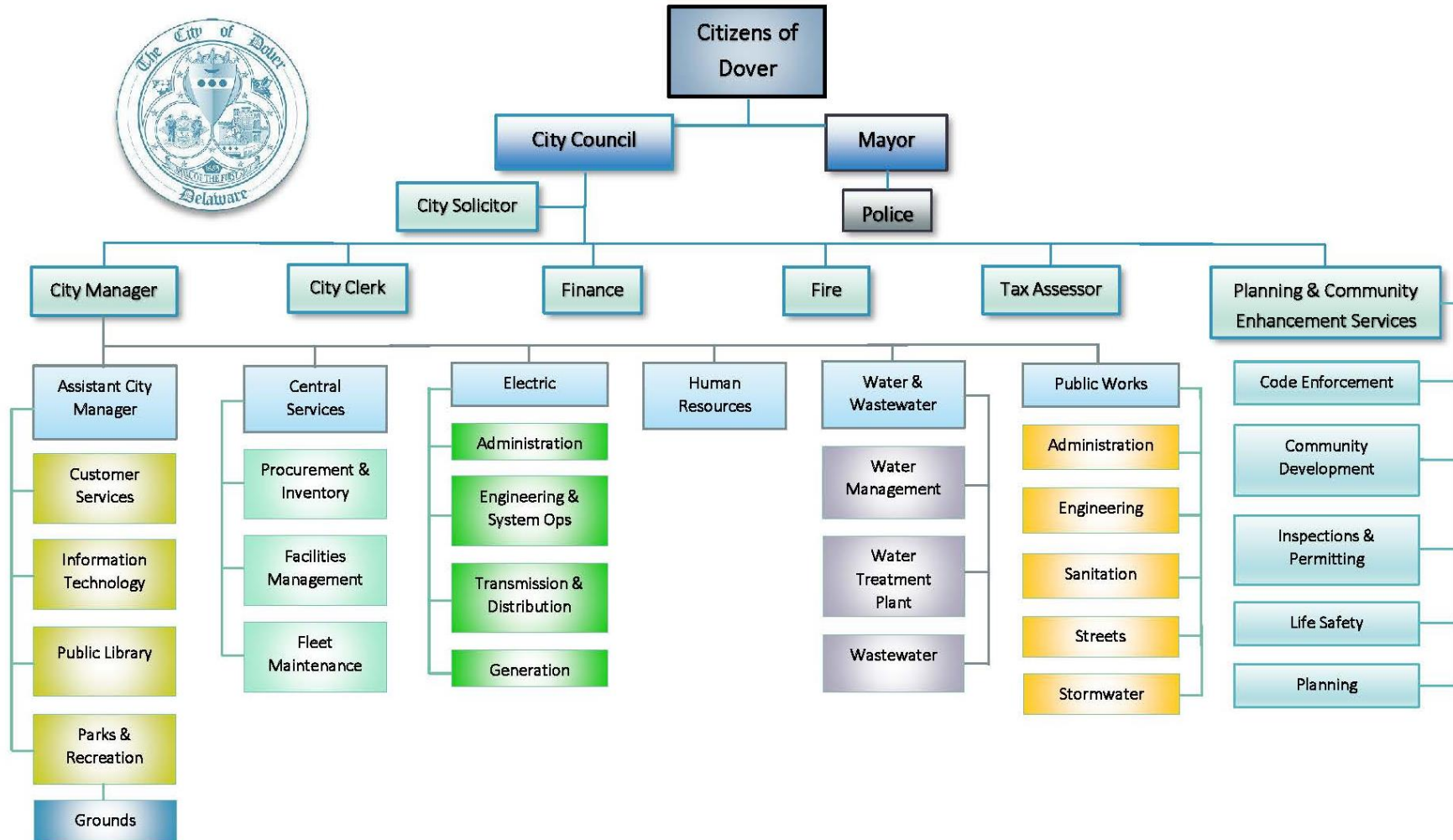
Silver Lake Commission

Vacancy, Chair
Kathleen Marie Doyle
John C. DeMarie
Welton N. Satchell
Marie E. Kozel
Michael W. Lewis
Joan M. Winters

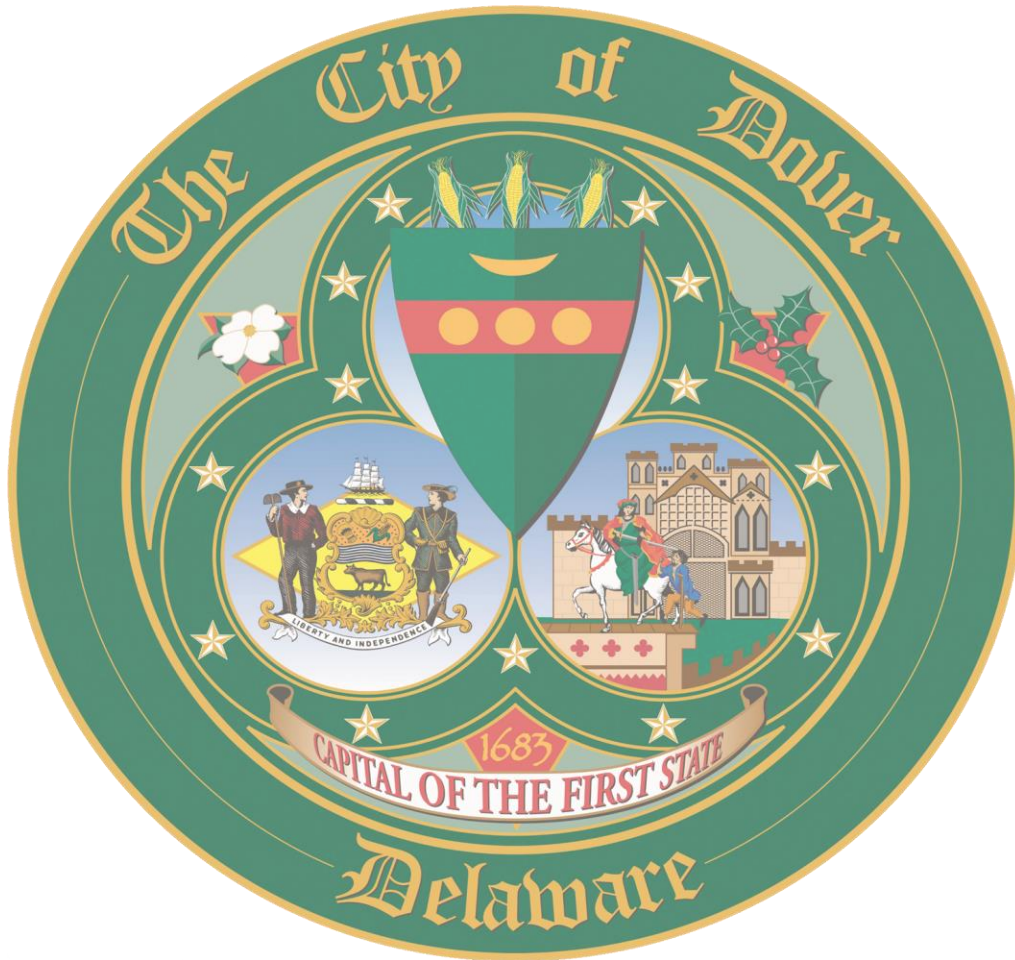
Utility Committee

Councilman Gerald L. Rocha, Sr., Chair
Dana Shelton
LaVaughn T. McCutcheon

FY2022 ORGANIZATION CHART



VISION



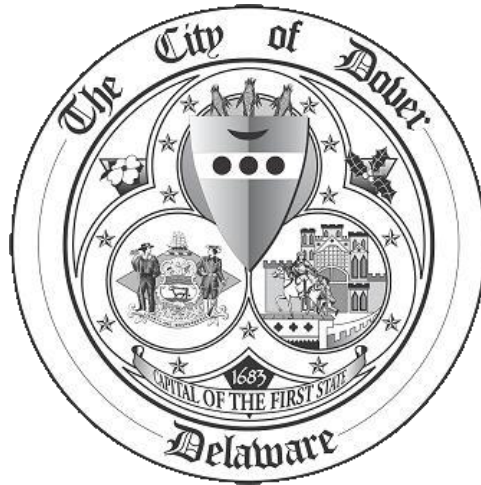
The City of Dover is a place where people want to live!

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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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion the accompanying financial statements 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, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a year after the financial statements are available for issue, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit 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 controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls–related matters that we identified during the audit.

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 OPEB plan, and the schedule of investment returns for the police pension plan, general employee pension plan, and OPEB plan, and the notes to required supplementary information, as listed in the accompanying table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements (nonmajor governmental funds, internal service funds, and fiduciary funds) and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our independent public accountant's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland
December 20, 2022

SB & Company, LLC

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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, 2022

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, 2022. 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 \$267.6 million (net position). Included in this amount is a positive \$38.0 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. Governmental activities reported a positive unrestricted net position of \$6.8 million and the business-type activities; Water, Wastewater and Electric funds, reported a positive \$31.2 million unrestricted net position. The difference between the unrestricted amounts and the total net position is \$229.6 million, of which \$75.1 million is restricted primarily for debt and capital construction purposes, and \$154.5 million is net investment in capital assets. Total assets increased for the governmental activities by \$9.3 million and the business-type activities total assets decreased in the amount of \$5.1 million. Deferred Outflows for both the governmental activities and business-type activities increased by \$6.2 million and \$2.7 million respectively. Deferred Inflows increased for the governmental activities by \$0.2 million, and business-type activities decreased by \$1.0 million. Liabilities decreased for the governmental activities by \$3.3 million, and for the business-type activities, the liabilities increased by \$0.7 million.

- For governmental activities, the City reported: a decrease of \$0.8 million invested in capital assets, an increase in restricted net assets of \$4.3 million, and an increase of \$15.1 million in unrestricted net position. As a result of its operations, the City recognized a positive change in net position of governmental activities of \$18.6 million. The current year’s change in net position is \$6.4 million higher than the previous years’ change in net position and is primarily due to increases in program revenues totaling \$6.3 million including an increase in property taxes of \$0.5 million, the expenses increased across all functions of government except for the community and economic development function. The increase in indirect expense allocation offset the increases in expense, resulting in an overall increase in expense of \$0.8 million. There was an increase in transfers of \$1.0 million, rounding out the increase in net position of \$18.6 million.
- For business-type activities, the City reported: an increase of \$0.7 million invested in capital assets, a decrease in restricted net position of \$3.7 million and an increase of \$0.9 million in unrestricted net position. As a result of its operations, the City recognized a negative change in net position of business-type activities of \$2.1 million, which is a decrease from last years’ positive change of \$9.3 million driven primarily by reductions of total revenues of \$1.7 million which includes a net increase of \$1.7 million for water, wastewater, and electric charges for services. Other contributing factors were a significant loss on investments totaling \$3.5 million. Total

expenses increased in the amount of \$8.7 million substantially driven by an increase in electric expenses of \$8.1 million, as well as an increase in indirect expense allocations of \$0.6 million rounding out the decrease in net position of \$2.1 million, which is \$11.4 million less than the prior years’ net increase.

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 a business, 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 the 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. These activities are excluded 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 61-123) that explain some of the information in them and provide more detailed data. The statements are followed by a section of required supplementary information (pages 127-138) that further explains and supports the information in the financial

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part B – Management’s Discussion and Analysis

statements. Other supplementary information includes details on non-major funds and other information that can be found on pages 141 through 170.

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

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part B – Management’s Discussion and Analysis

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 GAAP.
 - The City’s General Fund is the only governmental fund considered to be a major fund under the requirements of GAAP.
- **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, Water, and Wastewater enterprise funds are considered major funds under the requirements of GAAP.
- **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. These activities are excluded 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 2022 are presented below (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Assets						
Non-Capital Assets	\$ 25.0	\$ 35.5	\$ 141.1	\$ 137.0	\$ 166.1	\$ 172.5
Capital Assets	59.5	58.3	130.9	129.9	190.4	188.2
Total Assets	84.5	93.8	272.0	266.9	356.5	360.7
Deferred Outflow of Resources	5.4	11.6	0.5	3.2	5.9	14.8
Liabilities						
Current Liabilities	4.0	3.8	12.7	10.8	16.7	14.6
Non-Current Liabilities	19.3	16.2	46.4	49.0	65.7	65.2
Total Liabilities	23.3	20.0	59.1	59.8	82.4	79.8
Deferred Inflow of Resources	21.5	21.7	7.4	6.4	28.9	28.1
Net Position						
Net investment in Capital						
Assets	53.0	52.2	101.6	102.3	154.6	154.5
Restricted	0.4	4.7	74.1	70.4	74.5	75.1
Unrestricted	(8.3)	6.8	30.3	31.2	22.0	38.0
Total Net Position	\$ 45.1	\$ 63.7	\$ 206.0	\$ 203.9	\$ 251.1	\$ 267.6

2022 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 for the years ended June 30, 2021 and 2022 are presented as follows (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues:						
Program Revenues						
Charges for Services	\$ 9.7	\$ 11.3	\$ -	\$ -	\$ 9.7	\$ 11.3
Water/Wastewater Charges for Services	-	-	16.2	16.9	16.2	16.9
Electric Charges for Services	-	-	79.8	80.8	79.8	80.8
Operating Grants and Contributions	3.4	8.3	-	-	3.4	8.3
Capital Grants and Contributions	0.2	0.6	-	-	0.2	0.6
General Revenues						
Property Taxes	14.9	15.4	-	-	14.9	15.4
Transfer Taxes	5.0	4.3	-	-	5.0	4.2
Gain (Loss) on sale of capital assets	-	-	(0.5)	-	(0.5)	-
Earnings on Investments-Other	-	(0.4)	0.4	(3.5)	0.4	(3.9)
Total Revenues	33.2	39.5	95.9	94.2	129.1	133.7
Expenses						
General Government	4.8	5.3	-	-	4.8	5.3
Public Safety	15.1	15.4	-	-	15.1	15.4
Public Works	8.5	8.7	-	-	8.5	8.7
Library and Recreation	2.6	3.3	-	-	2.6	3.3
Community and Economic Development	1.0	0.6	-	-	1.0	0.6
Central Services	1.4	1.5	-	-	1.4	1.5
Financial Administration	3.3	3.3	-	-	3.3	3.3
Interest Charges	0.2	0.2	-	-	0.2	0.2
Plus (less) Indirect Expense Allocation	(4.8)	(5.4)	4.8	5.4	-	-
Water/Wastewater	-	-	11.0	11.0	11.0	11.0
Electric	-	-	59.8	67.9	59.8	67.9
Total Expenses	32.1	32.9	75.6	84.3	107.7	117.2
Change in Net Position before Transfers	1.2	6.6	20.3	9.9	21.4	16.5
Transfers	11.0	12.0	(11.0)	(12.0)	-	-
Change in Net Position	12.2	18.6	9.3	(2.1)	21.4	16.5
Net Position, beginning of year	32.9	45.1	196.7	206.0	229.6	251.1
Net Position, End of Year	\$ 45.1	\$ 63.7	\$ 206.0	\$ 203.9	\$ 251.1	\$ 267.6

Governmental Activities

The preceding table shows changes in net position for the year ended June 30, 2022, compared to the year ended June 30, 2021. Governmental net position increased by \$18.6 million; this is an increase of \$6.4 million from the prior years’ positive change in net position of \$12.2 million.

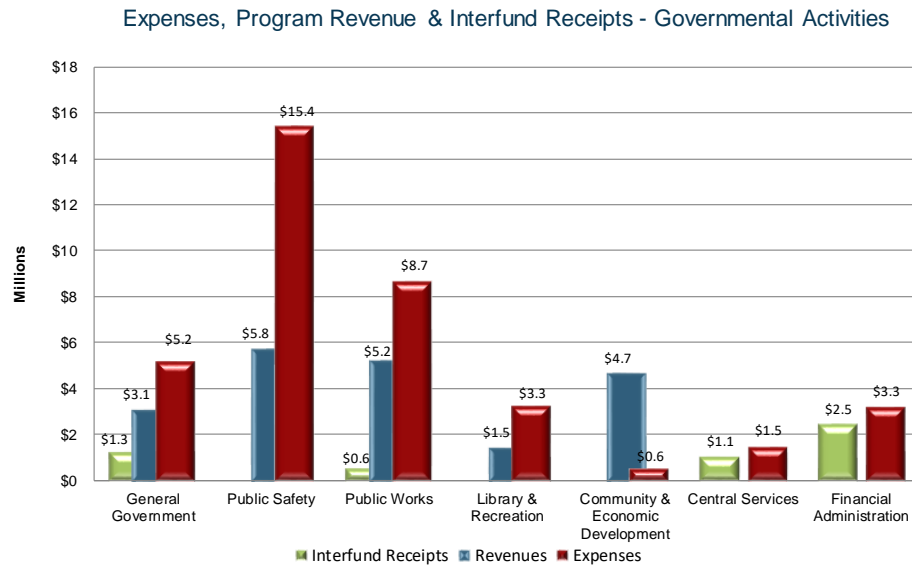
Total revenues of \$39.5 million were more than the prior year by \$6.3 million. The increase in revenues is primarily due to increases in: charges for services, operating grants and contributions, capital grants and contributions as well as property tax receipts, which exceeded the FY21 revenues by \$7.4 million. The increases were partially offset by decreases in transfer taxes and investment earnings reducing the revenues by \$1.1 million.

Total expenses of \$32.9 million reflects an increase from the prior year by \$0.8 million across all but two functions of government – Community and Economic Development – which decreased its FY22 spending by about \$0.4 million and – Financial Administration – which remained constant. The increase in

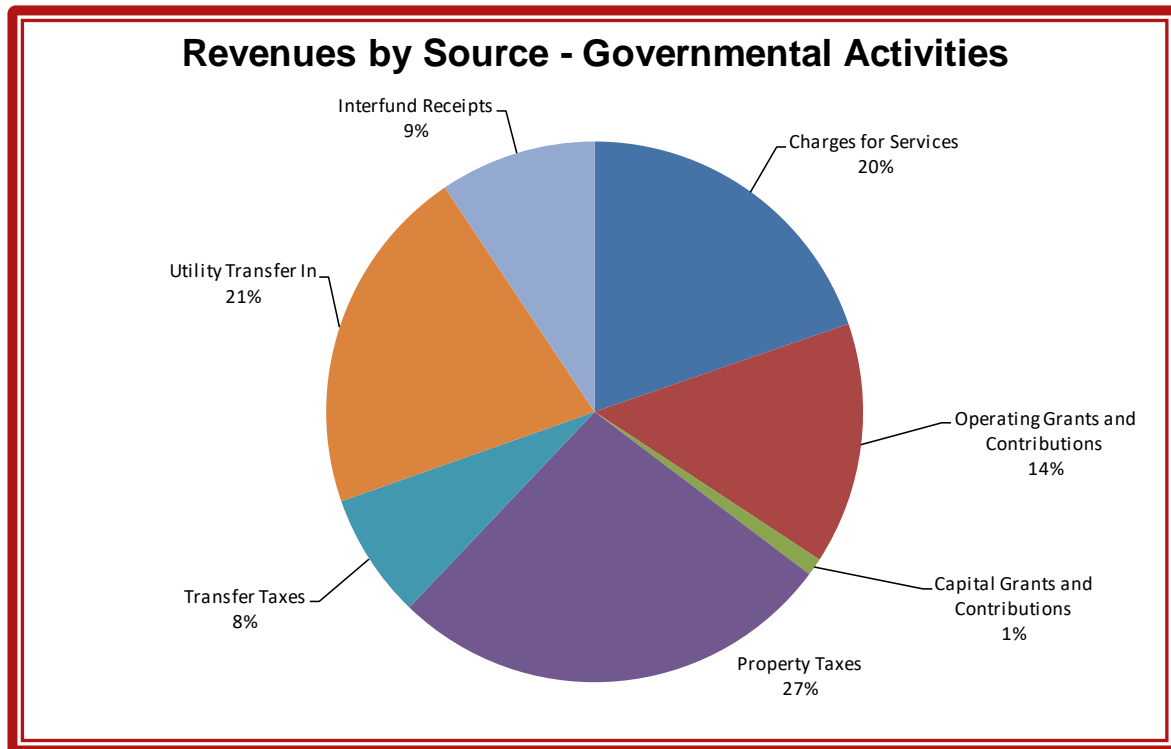
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expenditures is driven by increases in expenditures for general governmental, public safety and law enforcement, library and recreation, and central services.

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 a decrease in net position of \$2.1 million, which was \$11.4 million less than the previous year’s change in net position of \$9.3 million. The decrease was primarily due to the combination of \$1.7 million in total revenue reductions, additional expense increases totaling \$8.7 million. Transfers included \$1.0 million transferred out of the water & wastewater funds and \$11.0 million out of the electric fund to the general fund. The indirect expense allocation increased by \$0.6 million.

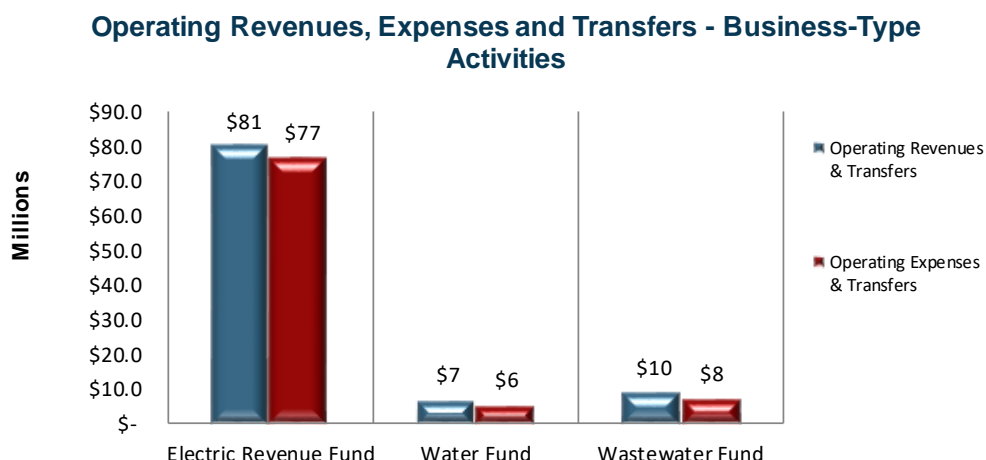
The water utility fund realized a positive change in net position of approximately \$1.1 million; a decrease of \$0.8 million from the prior year. Operating revenues increased by \$0.5 million primarily due to an increase in water fees revenue of \$0.3 million, and an increase in grants of \$0.3 million, offset by decreases in rent revenue and miscellaneous income totaling \$0.1 million. There was a system-wide increase in consumption for water which in turn resulted in higher billable usage of approximately 176 million total gallons. Consumption increases were primarily driven by new customer usage as there were 115 new connections this year. The billing rates in the water division were changed slightly; an increase in the water charge of \$0.17 per 1,000 gallons was implemented for in-city customers and \$0.26 per 1,000 gallons for outside-city customers. Operating expenses in the water fund increased by \$0.9 million, which was driven mostly by a \$0.4 million increase in water treatment division expenses as well as a \$0.4 million increase in depreciation expense; a result of an increase in completed water treatment plant projects to the assets at the beginning of the year. Water division expenses increased by \$0.2 million because of increases in salaries

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and fringes of \$0.1 million and an increase in capital outlay for miscellaneous emergency repairs that were not capitalized. An offsetting decrease of \$0.1 million was in the water engineering division, due to a decrease in contractual services as the water master plan was completed in the prior year. Finally, other contributors to the decrease in net position was the increase of nonoperating expenses of \$0.4 million driven mostly by a large decrease in fair value of investments of \$0.3 million and \$0.15 million in losses on sales of assets.

The wastewater utility fund realized a positive change in net position of approximately \$1.5 million; an increase of \$0.7 million from the prior year. Operating revenues increased by just under \$0.1 million primarily due to an increase in: wastewater fees of \$0.1 million, and ground water adjustment fees of \$0.1 million offset by a decrease in Kent County sewer adjustment fees of \$0.1 million. There was a system-wide increase in consumption for wastewater which in turn resulted in higher billable usage of approximately 45 million total gallons. Consumption increases were primarily driven by new customer usage as there were 53 new connections in the year. The billing rates in the wastewater division were changed slightly; an increase in the wastewater charge of \$0.19 per 1,000 gallons was implemented for in-city customers and \$0.30 per 1,000 gallons for outside-city customers. Operating expenses in the wastewater fund decreased from the prior year by \$0.8 million. The driving factor to the decrease in operating expense was a \$0.9 million reduction in Kent County wastewater treatment expense offset by increases in the wastewater and engineering divisions, as well as an increase in depreciation aggregating to \$0.2 million. Finally, other contributors to the change in net position was the increase of transfers out of the fund by \$0.02 million due to the increase in maintenance costs of the ERP system.

The electric utility fund realized a negative change in net position of \$4.7 million; a decrease of \$11.3 million from the prior year. Operating revenues increased by \$1.0 million attributed to increases in general service billings which includes billing customers for various installations of electric infrastructure for new housing developments, smaller one-house installations as well as business installations. More kwh was purchased for commercial customers which increased the revenue by \$1.0 million, however this was almost completely offset by a reduction in kwh purchased by one of the City’s larger customers, reducing revenue by \$1.0 million. Additionally, there was a reduction in grants revenue of \$0.2 million also offset by increases in miscellaneous revenue of \$0.2 million. Operating expenses in the Electric Fund increased by about \$8.2 million. A significant \$12.0 million increase in power supply and generation costs, coupled with increases in the following divisions: \$0.2 million in transmission and distribution, \$0.1 million in engineering, and small increases in Utility tax, System Operations, and Retiree Healthcare. The increases were partially offset by a decrease of a little less than \$0.8 million in General Administration which was driven primarily by a reduction in capital outlay expense of \$0.1 million offset by an increase in maintenance costs for the ERP system of \$0.3 million. Finally, nonoperating expenses were \$3.1 million higher than the prior year primarily due to increased distribution to customers of \$0.1 million. Additionally, a reduction in fair value of investments of \$2.9 million and an increase in transfers out to the General Fund of \$1.0 million which further reduced the significant decrease in Operating income of \$15.0 million which rounds out the negative change in net position of \$4.8 million, which was \$11.4 million less than the prior year’s positive change of \$6.6 million.



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, 2022, was slightly over \$27.6 million. This represented an increase of \$8.1 million during the year. Approximately 45.5% of the combined fund balances, \$12.6 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 8.

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, 2022, was \$23.0 million. Revenue increased by \$3.0 million, primarily due to increases in fines, licenses and permits, sanitation fees, miscellaneous services; property tax revenue, grants received and court of chancery fees. Other less significant increases were in police fines, library – general revenues, and library revenues – county reimbursement, which in aggregate exceeded the FY21 revenues by \$0.2 million. The general fund revenue increases were partially offset by \$0.3 million of decreases in Investment income when comparing to the prior year.

Total expenditures of \$41.9 million reflect an increase from the prior year of \$3.6 million, which was primarily driven by increases in expense of: \$1.2 million in public safety and law enforcement, \$1.2 million in employee pension, \$0.1 in retiree health care appropriations, \$0.7 million in public works, \$0.1 million in streets and sanitation, \$0.1 million in library services and less significant increases in recreational services, garage and stores, and insurance totaling less than \$0.2 million collectively. The expense increases were offset by \$0.2 million in decreases in general government and 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, 2022, the water fund has a net position of \$35.6 million, of which \$6.3 million is unrestricted. The fund’s net position increased \$1.1 million as explained on page 37. As of June 30, 2022, the wastewater fund had a net position of \$35.3 million, of which \$3.3 million is unrestricted. The wastewater fund’s net position increased \$1.5 million during the year as explained on page 38. As of June 30, 2022, the electric revenue fund has a net position of \$132.9 million, of which \$21.6 million is unrestricted. This fund experienced a decrease in net position of \$4.7 million during the year as explained on page 38.

General Fund Budgetary Highlights

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

1. To re-appropriate budget balances for ongoing capital projects, 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 actual amounts.
2. To amend revenue and expense accounts based on actual experience during fiscal year 2022.

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 127-128).

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 142-143).

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 144).

General Fund budgeted expenditures were revised to reflect an aggregate increase of \$0.8 million. The

divisional expenditure increases were to Recreation, Life Safety, Police Extra-Duty, Streets, Council, City Manager, Finance, Public Works – Administration, Facilities Management, and Customer Services, collectively \$0.5 million with minor increases in Inspections, Police, Public Works – Engineering, Human Resources and Mayor aggregating to less than \$0.05 million. The operating divisions with a budgeted decrease were Stormwater and minor decreases in Planning and Procurement and Inventory. Additionally, there were decreases in non-divisional budgeted expenditures; Insurance and Transfer to Capital Project Fund. The non-divisional budgeted expenditures that increased are as follows: appropriations to the General Employee Pension and the Police Pension Funds, and a transfer to the Electric Fund.

Actual revenues and other financing sources received were slightly above the final budgeted amounts in the General Fund by more than \$1.2 million. The budgeted revenues that were revised to reflect an aggregate increase of \$2.5 million are as follows: transfer taxes, court of chancery fees, miscellaneous charges, permits and other fees, miscellaneous state grant revenue, municipal street aid and interfund service receipts. The budgeted revenues that were revised to reflect a decrease are as follows: fines and police revenue, library revenue, recreation revenue, miscellaneous federal grant revenue, and civil traffic penalties which aggregate to \$0.8 million. The net increase budgeted in revenues was \$1.7 million.

Capital Asset and Debt Administration

At the end of the current fiscal year, the City’s governmental and proprietary funds had invested \$58.3 million and \$129.9 million, respectively, in a variety of capital assets and infrastructure, as reflected in the following schedule. The comparison from last year to this year exhibits a net decrease of \$1.2 million for governmental activities and a net decrease of \$1.0 million for the business-type activities. As the departments continue to review their assets within both the Governmental and Business-Type Activities, 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, accounts for \$0.48 million of the decrease in assets. For the Governmental Activities, the decrease in assets reported was in vehicles and equipment sold at auction or replaced \$0.7 million, totaled vehicles and equipment \$0.3 million, and traded in vehicles \$0.07 million. The value of construction projects that remained open as of June 30, 2022, decreased by \$1.5 million. The Business-Type Activities decreased by \$1.0 million primarily because the City capitalized a number of Construction in Progress projects but did not start as many new projects due to the economic downturn created during the pandemic. Additional detailed data for all capital assets of the City is presented in the Notes to the Basic Financial Statements in Note 4.

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The following schedule is presented in millions of dollars:

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Depreciable Assets, Net						
Buildings	\$ 21.5	\$ 21.5	\$ -	\$ -	\$ 21.5	\$ 21.5
Equipment & Vehicles	4.3	4.1	5.8	7.5	10.1	11.6
General Infrastructure	26.8	27.4	-	-	26.8	27.4
Utility, Plant, Buildings, and Infrastructure	-	-	116.9	117.0	116.9	117.0
Other	0.2	0.1	1.0	0.9	1.2	1.0
Non-depreciable Assets						
Land	4.6	4.6	1.6	1.6	6.2	6.2
Construction in Progress	2.1	0.6	5.6	2.9	7.7	3.5
	<u>\$ 59.5</u>	<u>\$ 58.3</u>	<u>\$ 130.9</u>	<u>\$ 129.9</u>	<u>\$ 190.4</u>	<u>\$ 188.2</u>

The chart below shows that the City’s Total Net OPEB Liability increased by \$3.8 million, with the majority of \$3.0 million attributable to the Governmental Activities and the balance attributable to the Business-Type Activities of \$0.8 million. The City’s Total Net Pension Liability decrease of \$1.5 million was attributed to the Governmental Activities reduction of \$5.5 million and the Business-Type Activities increased by \$4.0 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 3.41% of its debt limit. The City of Dover’s non-current liabilities as of June 30, 2021 and 2022 are presented below (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Non-current liabilities						
Liability for Compensated Absences	\$ 2.7	\$ 2.6	\$ 0.7	\$ 0.7	\$ 3.4	\$ 3.3
Bonds (Net of Discount/Issuance Cost)	6.6	6.1	28.3	26.7	34.9	32.8
Bond Premium	-	-	1.0	0.9	1.0	0.9
Net OPEB Liability	6.1	9.1	0.5	1.3	6.6	10.4
Net Pension Liability	5.8	0.3	6.2	10.2	12.0	10.5
Asset Retirement Obligation	-	-	11.9	11.6	11.9	11.6
	<u>\$ 21.2</u>	<u>\$ 18.1</u>	<u>\$ 48.6</u>	<u>\$ 51.4</u>	<u>\$ 69.8</u>	<u>\$ 69.5</u>

Additional detailed data for all debt of the City is presented in the Notes to the Basic Financial Statements in Note 6.

Economic Factors and Next Year’s Budgets and Rates

The City developed the fiscal year 2023 budget in accordance with the City’s financial policies ensuring all budgets are balanced and reserve requirements were adhered to. The City will receive over \$8 million from the Federal government through the American Rescue Plan Act (ARPA), to help buffer the negative impact of the coronavirus pandemic. These funds will be spent on various capital improvement projects in the Governmental, Water, and Wastewater funds. Additionally, the City was awarded \$3 million from the State of Delaware Community Reinvestment Fund (CRF), which will also be used for capital improvement projects in the Governmental, Water, and Wastewater funds. The following changes over fiscal year 2022 were incorporated into the fiscal year 2023 budget.

- The FY23 General Fund budget includes a property tax increase of \$.02 per \$100 of assessed value on the taxable properties, as well as an increase in the base rate for Sanitation, to support the City’s taxpayers and citizens beyond FY23. Additionally, a Stormwater utility fee will begin being imposed mid-year. These increases will assist the City in:
 - Mitigating the impact of inflation being the highest in 40 years at almost 9%, affecting the cost of supplies, construction, and services.
 - Overcoming the drastic rise in fuel costs over the last year; regular gasoline rose over 63%, while diesel fuel rose over 274% since last year.
 - Supply chain delays and shortages affecting not only the ability to complete projects in a timely manner, resulting in higher than budgeted costs, but also scheduled replacement of vehicles and equipment. This results in more frequent break downs, higher maintenance costs, and reduced overall efficiency.
 - Preparing for personnel and resources needed to accommodate for population growth that’s estimated to reach 40,000 people in the next couple of years.
 - Significant impacts of personnel related costs including fixed union contract increases, built-in step increases, and pension and other benefit cost increases. Additionally, a competitive job market is driving up salaries, hiring bonuses, and benefit offerings, in order to reduce employee turnover and attract qualified applicants.
 - Keeping up with the continuing technological advances, while phasing out older, and obsolete technologies as they are not supported by vendors.
 - Complying with several unfunded mandates such as the minimum wage increases, expanded Family Leave provisions, legislation requiring electric vehicle charging stations.
- The budgets for the Water and Wastewater Funds include another year of rate increases. This is the third of a four-year plan to adjust rates. The additional revenues from the rate increase will assist with infrastructure improvements, will help to alleviate some of the impacts of the inflationary and supply chain issues noted above, and help to establish a prudent reserve over time.
- Due to rapidly escalating wholesale energy costs, driven by record breaking natural gas prices, up more than 82%, rate surcharges, Power Cost Adjustments, and reduction of fund transfers, the Electric Fund has eliminated the PCA credit for its customers in the coming year. Additionally, a 30% electric rate surcharge has been added to customers’ bills. Purchase power costs are projected to rise from \$50.1 million in FY22 to \$91.5 million in FY23.
- This budget includes minimal new personnel, in consideration of the financial challenges, but it allows for expansion where it’s needed most, and contraction wherever possible. The Tax Assessor’s office has been phased out, and remaining staff will merge with the Customer Service department, while Stormwater is adding a new Program Manager halfway through the year. The

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Police Department will be adding 2 new dispatchers, and 2 new civilian employees to accommodate the population increase projected above.

- Decommissioning of McKee Run Power Plant #3 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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2022 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, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 16,723,835	\$ 17,678,094	\$ 34,401,929
Investments	9,854,760	36,539,792	46,394,552
Receivables, Net	3,122,503	8,910,185	12,032,688
Internal Balances	204,195	(204,195)	-
Due from Other Governments	50,898	-	50,898
Inventory	195,250	3,221,113	3,416,363
Prepaid Items	163,241	522,010	685,251
Restricted Cash and Cash Equivalents	5,192,573	15,552,128	20,744,701
Restricted Investments	19,198	54,803,658	54,822,856
Capital Assets, Not Being Depreciated	5,226,166	4,554,350	9,780,516
Capital Assets, Net of Depreciation	53,111,745	125,306,495	178,418,240
Total Assets	<u>93,864,364</u>	<u>266,883,630</u>	<u>360,747,994</u>
Deferred Outflows of Resources:			
Pension related Deferred Outflows	6,523,707	1,952,292	8,475,999
OPEB related Deferred Outflows	5,033,110	1,285,928	6,319,038
Total Deferred Outflows of Resources	<u>11,556,817</u>	<u>3,238,220</u>	<u>14,795,037</u>
Liabilities:			
Accounts Payable and Accrued Liabilities	1,538,811	5,019,343	6,558,154
Unearned Revenue	337,685	456,862	794,547
Customer Deposits	-	2,616,709	2,616,709
Other	69,694	349,866	419,560
Liabilities Due within One Year	1,848,537	2,397,122	4,245,659
Non-Current Liabilities			
Due in more than One Year	6,902,736	25,896,580	32,799,316
Due in more than One Year - OPEB	9,074,534	1,284,491	10,359,025
Due in more than One Year - Pension	268,089	10,196,786	10,464,875
Due in more than One Year - ARO	-	11,618,846	11,618,846
Total Liabilities	<u>20,040,086</u>	<u>59,836,605</u>	<u>79,876,691</u>
Deferred Inflows of Resources:			
Pension related Deferred Inflows	10,882,499	-	10,882,499
OPEB related Deferred Inflows	8,638,474	2,546,131	11,184,605
Lease related Deferred Inflows	2,152,256	3,857,054	6,009,310
Total Deferred Inflows of Resources	<u>21,673,229</u>	<u>6,403,185</u>	<u>28,076,414</u>
Net Position:			
Net Investment in Capital Assets	52,211,316	102,312,686	154,524,002
Restricted for:			
Capital Projects	114,487	70,355,786	70,470,273
Public Safety Grants	137,583	-	137,583
Verizon Grant	64,814	-	64,814
Library Grant	191,612	-	191,612
Community Development Grants	1,141	-	1,141
ARPA Grant	4,165,545	-	4,165,545
Unrestricted	6,821,368	31,213,588	38,034,956
Total Net Position	<u>\$ 63,707,866</u>	<u>\$ 203,882,060</u>	<u>\$ 267,589,926</u>

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

2022 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, 2022

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	\$ 5,240,126	\$ (1,282,383)	\$ 3,087,530	\$ 13,421	\$ -	\$ (856,792)	\$ -	\$ (856,792)
Public Safety	15,419,359	-	4,232,464	1,526,728	-	(9,660,167)	-	(9,660,167)
Public Works	8,715,801	(605,342)	3,575,614	1,141,633	520,975	(2,872,237)	-	(2,872,237)
Library and Recreation	3,313,073	-	414,787	965,175	98,500	(1,834,611)	-	(1,834,611)
Community and Economic Development	607,606	-	-	4,690,131	-	4,082,525	-	4,082,525
Central Services	1,533,404	(1,076,281)	-	-	-	(457,123)	-	(457,123)
Financial Administration	3,274,300	(2,456,986)	-	-	-	(817,314)	-	(817,314)
Interest Charges	185,468	-	-	-	-	(185,468)	-	(185,468)
Total Governmental Activities	38,289,137	(5,420,992)	11,310,395	8,337,088	619,475	(12,601,187)	-	(12,601,187)
Business Type Activities								
Water	4,322,543	946,979	7,086,239	-	-	-	1,816,717	1,816,717
Wastewater	6,691,272	707,230	9,783,269	-	-	-	2,384,767	-
Electric	67,913,576	3,766,783	80,782,417	-	-	-	9,102,058	9,102,058
Total Business Type Activities	78,927,391	5,420,992	97,651,925	-	-	-	-	-
Total Primary Government	\$ 117,216,528	\$ -	\$ 108,962,320	\$ 8,337,088	\$ 619,475	(12,601,187)	13,303,542	702,355
General Revenues								
Taxes								
Property Taxes						15,370,628	-	15,370,628
Transfer Taxes						4,256,847	-	4,256,847
Loss on Investments						(351,255)	(3,430,291)	(3,781,546)
Total General Revenues						19,276,220	(3,430,291)	15,845,929
Transfers						11,975,000	(11,975,000)	-
Total General Revenues and Transfers						31,251,220	(15,405,291)	15,845,929
Changes in Net Position						18,650,033	(2,101,749)	16,548,284
Net Position Beginning						45,057,833	205,983,809	251,041,642
Net Position Ending						\$ 63,707,866	\$ 203,882,060	\$ 267,589,926

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

2022 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, 2022

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 14,443,325	\$ -	\$ 14,443,325
Restricted Cash and Cash Equivalents	-	5,192,573	5,192,573
Investments	8,344,847	-	8,344,847
Restricted Investments	19,198	-	19,198
Receivables, Net			
Accounts	2,789,933	272,805	3,062,738
Taxes	54,765	-	54,765
Due from Other Funds	743,621	-	743,621
Temporary Advances	40,000	-	40,000
Due from Other Governments	-	50,898	50,898
Prepaid Items	158,549	4,692	163,241
Inventory	195,250	-	195,250
Total Assets	<u>\$ 26,789,488</u>	<u>\$ 5,520,968</u>	<u>\$ 32,310,456</u>
Liabilities:			
Accounts Payable	\$ 1,263,490	\$ 88,639	\$ 1,352,129
Unearned Revenue	92,498	245,187	337,685
Due to Other Funds	48	539,378	539,426
Temporary Advances	-	40,000	40,000
Other	69,694	-	69,694
Total Liabilities	<u>1,425,730</u>	<u>913,204</u>	<u>2,338,934</u>
Deferred Inflows of Resources:			
Unavailable Revenue	209,083	-	209,083
Leases Revenue	2,152,256	-	2,152,256
Total Deferred Inflows of Resources	<u>2,361,339</u>	<u>-</u>	<u>2,361,339</u>
Fund Balances:			
Non-Spendable	375,393	4,692	380,085
Restricted	67,418	4,603,072	4,670,490
Committed	2,163,317	-	2,163,317
Assigned	7,809,060	-	7,809,060
Unassigned	12,587,231	-	12,587,231
Total Fund Balances	<u>23,002,419</u>	<u>4,607,764</u>	<u>27,610,183</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 26,789,488</u>	<u>\$ 5,520,968</u>	<u>\$ 32,310,456</u>

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

City of Dover, Delaware
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2022

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

Total fund balances for governmental funds (Page 49)	\$ 27,610,183
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	58,337,911
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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	209,083
-------------------------------	---------

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	\$	6,523,707	
Deferred Inflows - Pension		(10,882,499)	
Deferred Outflows - OPEB		5,033,110	
Deferred Inflows - OPEB		(8,638,474)	(7,964,156)

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.	3,609,489
--	-----------

Accrual basis of bond interest paid	(748)
-------------------------------------	-------

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	(496,788)		
Compensated Absences		(1,347,902)	
		(1,844,690)	
Long-Term-			
General Obligation Bonds		(5,614,421)	
Compensated Absences		(1,277,549)	
Leases		(14,613)	
Net Pension Liability		(268,089)	
Net OPEB Liability		(9,074,534)	
		(16,249,206)	(18,093,896)

Total net position of governmental activities (Page 47)	\$ 63,707,866
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The notes to financial statements are an integral part of this statement.

2022 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, 2022

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	\$ 508,080	\$ 198,594	\$ 706,674
Library Revenue - General	120,687	-	120,687
Library Revenue County Reimbursement	139,902	-	139,902
Licenses and Permits	3,100,889	-	3,100,889
Sanitation Fees and Rebates	3,371,689	-	3,371,689
Recreation	-	25,593	25,593
Miscellaneous Services	1,882,688	-	1,882,688
Property Taxes	15,288,770	-	15,288,770
Transfer Taxes	-	4,256,847	4,256,847
Grants	1,861,844	7,094,719	8,956,563
Court of Chancery Fees	2,095,840	-	2,095,840
Investment Income	(307,024)	10,518	(296,506)
Total Revenues	<u>28,063,365</u>	<u>11,586,271</u>	<u>39,649,636</u>
Expenditures			
Current:			
General Government	1,749,343		1,749,343
Library Services	1,723,517	269,890	1,993,407
Public Safety and Law Enforcement	22,743,269	362,337	23,105,606
Public Works	3,569,333	520,975	4,090,308
Recreational Services	1,157,441	-	1,157,441
Streets and Sanitation Services	3,762,686	-	3,762,686
Engineering Services	191,358	-	191,358
Financial Administration	783,575	-	783,575
Garage and Stores	853,904	-	853,904
Insurance	388,361	-	388,361
Retiree Health Care	2,156,000	-	2,156,000
Employee Pension Appropriation	1,234,300	-	1,234,300
Community and Economic Development	150,000	457,606	607,606
Street Lights	826,038	-	826,038
Debt Service:			
Principal Retirement	487,315	-	487,315
Interest and Fiscal Charges	144,822	-	144,822
Total Expenditures	<u>41,921,262</u>	<u>1,610,808</u>	<u>43,532,070</u>
Excess (deficiency) of Revenues over Expenditures	<u>(13,857,897)</u>	<u>9,975,463</u>	<u>(3,882,434)</u>
Other Financing Sources (Uses)			
Transfers In	17,745,150	194,515	17,939,665
Transfers Out	(25,000)	(5,939,665)	(5,964,665)
Total other Financing Sources (Uses)	<u>17,720,150</u>	<u>(5,745,150)</u>	<u>11,975,000</u>
Net Change in Fund Balances	3,862,253	4,230,313	8,092,566
Fund Balances at Beginning of Year	19,140,166	377,451	19,517,617
Fund Balances at End of Year	<u>\$ 23,002,419</u>	<u>\$ 4,607,764</u>	<u>\$ 27,610,183</u>

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

2022 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, 2022

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)	\$ 8,092,566
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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	\$ 3,324,372	
Loss on assets disposed of during the year	(751,767)	
Current year depreciation	(3,792,703)	
Leases	773	(1,219,325)

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.	487,315
--	---------

Revenues that are not available to pay for current period expenditures are not reported as revenues in the funds.	(51,709)
---	----------

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:	5,573,690
--	-----------

Changes in Deferred Inflows and Deferred Outflows related to pension entries reported in the Statement of Activities.	(34,070)
---	----------

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.	8,227,137
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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.

Decrease in compensated absences	\$ 53,571	
Bond interest accrual	(40,647)	
Increase in Net OPEB Liability	(3,005,688)	(2,992,764)

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.	567,193
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Change in net position of governmental activities (Page 48)	\$ 18,650,033
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The notes to financial statements are an integral part of this statement.

2022 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, 2022

	Business-type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 2,874,005	\$ 2,489,138	\$ 12,314,951	\$ 17,678,094	\$ 2,280,510
Investments	5,429,615	2,866,517	28,243,660	36,539,792	1,509,913
Receivables, Net	3,769,698	548,483	4,592,004	8,910,185	5,000
Due from Other Funds	114,057	24	-	114,081	-
Inventory	34,918	-	3,186,195	3,221,113	-
Prepaid Items	-	-	522,010	522,010	-
Total Current Assets	12,222,293	5,904,162	48,858,820	66,985,275	3,795,423
Non-Current Assets:					
Restricted Assets					
Cash	336,971	136,927	15,078,230	15,552,128	-
Investments	2,395,787	5,595,061	46,812,810	54,803,658	-
Capital Assets, Not Being Depreciated	178,253	518,359	3,857,738	4,554,350	-
Capital Assets, Net of Depreciation	33,652,268	31,820,361	59,833,866	125,306,495	-
Total Non-Current Assets	36,563,279	38,070,708	125,582,644	200,216,631	-
Total Assets	48,785,572	43,974,870	174,441,464	267,201,906	3,795,423
Deferred Outflows of Resources:					
Pension Related Deferred Outflows	640,257	196,495	1,115,540	1,952,292	-
OPEB Related Deferred Outflows	331,142	190,408	764,378	1,285,928	-
	971,399	386,903	1,879,918	3,238,220	-
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Expenses	189,415	983,840	3,846,088	5,019,343	185,934
Due to Other Funds - Charges	46,868	166,633	104,775	318,276	-
Unearned Revenue	-	-	456,862	456,862	-
Accrued Interest Payable	55,242	28,149	266,475	349,866	-
Customer Deposits	-	-	2,616,709	2,616,709	-
Revenue Bonds Payable	589,309	505,416	947,482	2,042,207	-
Liability for Compensated Absences	80,851	38,952	235,112	354,915	-
Total Current Liabilities	961,685	1,722,990	8,473,503	11,158,178	185,934
Non-Current Liabilities:					
Net OPEB Liability	262,083	160,919	861,489	1,284,491	-
Net Pension Liability	2,290,413	1,348,702	6,557,671	10,196,786	-
Asset Retirement Obligation	-	-	11,618,846	11,618,846	-
Revenue Bonds Payable	6,607,991	5,493,138	13,404,823	25,505,952	-
Liability for Compensated Absences	129,661	28,090	232,877	390,628	-
Total Non-Current Liabilities	9,290,148	7,030,849	32,675,706	48,996,703	-
Total Liabilities	10,251,833	8,753,839	41,149,209	60,154,881	185,934
Deferred Inflows of Resources:					
OPEB Related Deferred Inflows	703,533	273,683	1,568,915	2,546,131	-
Lease Related Deferred Inflows	3,134,874	-	722,180	3,857,054	-
Total Deferred Inflows of Resources	3,838,407	273,683	2,291,095	6,403,185	-
Net Position					
Net Investment in Capital Assets	26,633,220	26,340,167	49,339,299	102,312,686	-
Restricted for Capital Construction	2,732,758	5,731,988	61,891,040	70,355,786	-
Unrestricted	6,300,753	3,262,096	21,650,739	31,213,588	3,609,489
Total Net Position	\$ 35,666,731	\$ 35,334,251	\$ 132,881,078	\$ 203,882,060	\$ 3,609,489

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

2022 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, 2022

	Business-type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues					
Charges for Services	\$ 6,144,754	\$ 9,385,564	\$ 78,616,488	\$ 94,146,806	\$ -
Miscellaneous Services/Income	1,091,510	194,661	2,165,929	3,452,100	979,993
Total Operating Revenues	<u>7,236,264</u>	<u>9,580,225</u>	<u>80,782,417</u>	<u>97,598,906</u>	<u>979,993</u>
Operating Expenses					
Water	591,806	-	-	591,806	-
Wastewater	-	900,500	-	900,500	-
Water Treatment Plant	1,744,009	-	-	1,744,009	-
Water/Wastewater Engineering	220,511	171,967	-	392,478	-
Kent County Wastewater Treatment	-	3,852,858	-	3,852,858	-
General Administrative	974,678	697,675	5,075,096	6,747,449	155,014
Power Supply	-	-	50,314,242	50,314,242	-
Transmission/Distribution	-	-	2,896,187	2,896,187	-
Engineering	-	-	1,017,239	1,017,239	-
Metering	-	-	219,794	219,794	-
Systems Operations	-	-	482,066	482,066	-
Utility Tax	-	-	1,151,067	1,151,067	-
Depreciation	1,354,618	1,544,451	3,816,555	6,715,624	-
Contractual Services	-	-	-	-	9,197
Taxes	-	-	-	-	26,888
Retirees Health Care	192,000	93,000	843,500	1,128,500	-
Self Insurance-Workers' Compensation	-	-	-	-	166,952
Total Operating Expenses	<u>5,077,622</u>	<u>7,260,451</u>	<u>65,815,746</u>	<u>78,153,819</u>	<u>358,051</u>
Operating Income/Loss	<u>2,158,642</u>	<u>2,319,774</u>	<u>14,966,671</u>	<u>19,445,087</u>	<u>621,942</u>
Non-Operating Revenues (Expenses)					
Interest Earned:					
Operating Funds	165,385	39,072	285,956	490,413	-
Reserve Funds	50,397	88,887	820,360	959,644	25,999
Net Decrease in Fair Value of Investments	(416,113)	(450,697)	(4,013,538)	(4,880,348)	(80,748)
Interest and Fiscal Charges	(191,900)	(138,051)	(451,960)	(781,911)	-
Distribution of Earnings - PCA Credit	-	-	(5,060,676)	(5,060,676)	-
Gain (Loss) on Sale of Assets	(150,025)	203,044	(351,977)	(298,958)	-
Total Non-Operating Revenue (expenses)	<u>(542,256)</u>	<u>(257,745)</u>	<u>(8,771,835)</u>	<u>(9,571,836)</u>	<u>(54,749)</u>
Income before Contributions and Transfers	<u>1,616,386</u>	<u>2,062,029</u>	<u>6,194,836</u>	<u>9,873,251</u>	<u>567,193</u>
Transfers In	-	-	75,000	75,000	-
Transfers Out	(525,000)	(525,000)	(11,000,000)	(12,050,000)	-
Total transfers	<u>(525,000)</u>	<u>(525,000)</u>	<u>(10,925,000)</u>	<u>(11,975,000)</u>	<u>-</u>
Change in Net Position	1,091,386	1,537,029	(4,730,164)	(2,101,749)	567,193
Total Net Position--Beginning	34,575,345	33,797,222	137,611,242	205,983,809	3,042,296
Total Net Position--Ending	<u>\$ 35,666,731</u>	<u>\$ 35,334,251</u>	<u>\$ 132,881,078</u>	<u>\$ 203,882,060</u>	<u>\$ 3,609,489</u>

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

2022 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, 2022

	Business-type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities					
Receipts from Customers	\$ 7,113,204	\$ 9,479,720	\$ 80,983,246	\$ 97,576,170	\$ -
Payments to Suppliers (including Purchased Power)	(2,333,258)	(4,073,599)	(55,544,278)	(61,951,135)	(209,712)
Payments to Employees	(1,636,880)	(902,878)	(5,325,792)	(7,865,550)	-
Payments of Personnel Related Costs	(1,099,385)	(518,725)	(2,526,545)	(4,144,655)	979,823
Internal Activity-Payments from (to) Other Funds	(225,517)	(91,913)	(1,109,693)	(1,427,123)	-
Other Receipts (Payments) including Claims Paid	(93,619)	(133,271)	(1,473,817)	(1,700,707)	(271,440)
Net Cash Provided by (used for) Operating Activities	1,724,545	3,759,334	15,003,121	20,487,000	498,671
Cash Flows from Noncapital Financing Activities					
Transfers Out	(525,000)	(525,000)	(11,000,000)	(12,050,000)	-
Transfers In	-	-	75,000	75,000	-
Distribution to Customers - PCA Credit	-	-	(5,060,676)	(5,060,676)	-
Net Cash Used for Noncapital Financing Activities	(525,000)	(525,000)	(15,985,676)	(17,035,676)	-
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(478,497)	(769,087)	(4,858,817)	(6,106,401)	-
Proceeds of issuance of debt	-	248,450	-	248,450	-
Principal Paid on Revenue Bond Maturities	(575,374)	(478,534)	(820,000)	(1,873,908)	-
Interest Paid on Capital Debt	(191,900)	(138,052)	(451,960)	(781,912)	-
Net Cash Used for Capital and Related Financing Activities	(1,245,771)	(1,137,223)	(6,130,777)	(8,513,771)	-
Cash Flows from Investing Activities					
Interest on Investments	165,385	39,072	285,956	490,413	-
Purchase of Investment Securities	(518,571)	(289,706)	(1,048,123)	(1,856,400)	5,019
Interest on Restricted Cash	50,397	88,887	820,360	959,644	-
Net Cash Provided by (used for) Investing Activities	(302,789)	(161,747)	58,193	(406,343)	5,019
Net Increase/Decrease in Cash and Cash Equivalents	(349,015)	1,935,364	(7,055,139)	(5,468,790)	503,690
Cash and cash equivalents July 1 (incl. \$738,463 for Water Fund, \$308,551 for Wastewater Fund and \$16,600,618 for Electric fund reported in restricted accounts)	3,559,991	690,701	34,448,320	38,699,012	1,776,820
Cash and cash equivalents June 30 (incl. \$336,971 for Water Fund, \$136,927 for Wastewater Fund and \$15,078,230 for Electric fund reported in restricted accounts)	\$ 3,210,976	\$ 2,626,065	\$ 27,393,181	\$ 33,230,222	\$ 2,280,510
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Operating Income	\$ 2,158,642	\$ 2,319,774	\$ 14,966,671	\$ 19,445,087	\$ 621,942
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:					
Depreciation Expense	1,354,618	1,544,451	3,816,555	6,715,624	-
Effect of Changes in Operating Assets and Liabilities:					
Receivables	(3,143,880)	(100,484)	(411,105)	(3,655,469)	-
Due from other funds	(114,054)	(21)	-	(114,075)	-
Inventory	22,685	(1,060)	(226,655)	(205,030)	-
Prepaid items	-	-	(79,846)	(79,846)	-
Deferred outflow of resources Pension	(640,257)	(196,495)	(1,115,540)	(1,952,292)	-
Deferred outflow of resources OPEB	(202,127)	(109,929)	(439,715)	(751,771)	-
Accounts payable and accrued expenses	(1,073,838)	370,511	(1,175,222)	(1,878,549)	(123,271)
Unearned revenue	-	-	(145,529)	(145,529)	-
Due to other funds	17,707	(20,724)	(367,584)	(370,601)	-
Customer Deposits	-	-	35,283	35,283	-
Liability for Compensated Absences	5,110	(17,211)	18,435	6,334	-
Asset Retirement Obligation	-	-	(297,003)	2,837,871	-
Net OPEB Liability	217,416	118,244	472,976	808,636	-
Net pension liability	1,343,153	397,900	2,216,769	3,957,822	-
Deferred inflow of resources Leases	3,134,874	-	722,180	3,857,054	-
Deferred inflow of resources Pension	(962,521)	(331,894)	(2,132,638)	(3,427,053)	-
Deferred inflow of resources OPEB	(392,983)	(213,728)	(854,911)	(1,461,622)	-
Net Cash Provided by Operating Activities	\$ 1,724,545	\$ 3,759,334	\$ 15,003,121	\$ 20,487,000	\$ 498,671
Non-Cash Investing, Capital and Financing Activities:					
Change in Fair Value of Investments	\$ (416,113)	\$ (450,697)	\$ (4,013,538)	\$ (4,880,348)	\$ (22,399)

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

City of Dover, Delaware
Statement of Net Position
Fiduciary Funds
June 30, 2022

	Pension and Other Post-Employment Benefit Trust Funds	Custodial Funds
	<hr/>	<hr/>
Assets		
Cash and Cash Equivalents	\$ 11,308,291	\$ 29,258
Investments at Fair Value - Mutual Funds	100,372,021	-
Prepaid Expenses	-	25,000
Total Assets	<hr/> 111,680,312 <hr/>	<hr/> 54,258 <hr/>
Liabilities		
Vouchers Payable & Deposit Payable	456,931	-
Total Liabilities	<hr/> 456,931 <hr/>	<hr/> - <hr/>
Net Position		
Net Position Restricted for Pensions	62,880,563	-
Net Position Restricted for Health Benefits	48,342,818	-
Net Position Restricted for Other Organizations	-	54,258
Total Net Position	<hr/> \$ 111,223,381 <hr/>	<hr/> \$ 54,258 <hr/>

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, 2022

	Pension and Other Postemployment Benefit Trust Funds	Custodial Funds
Additions:		
Net Investment Income	\$ (19,267,484)	\$ -
City's Contribution-Payroll Based	4,005,975	-
City's Contribution-Lump Sum	5,134,000	6,000
Employee Contribution	171,257	-
Gifts/Donations	-	44,140
State Grants	668,521	-
Other	3,341	23
Total Additions	<u>(9,284,390)</u>	<u>50,163</u>
Deductions:		
Bank Fees	-	199
Benefit Payments	8,981,652	-
Contractual Services	-	38,470
General Administration	71,282	5,422
Transfer to Governmental Capital Project Fund	-	2,500
Total Deductions	<u>9,052,934</u>	<u>46,591</u>
Change in Net Position	(18,337,324)	3,572
Net Position - Beginning	<u>129,560,705</u>	<u>50,686</u>
Net Position - Ending	<u>\$ 111,223,381</u>	<u>\$ 54,258</u>

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

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Notes to the Basic Financial Statements

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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, 2022.

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). GAAP 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 funds:

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.

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.

The City reports the following non-major funds:

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 eleven (11) 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 activities 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 three (3) custodial funds.

The City acts as the receiving and paying agent for the Fourth of July Celebration Committee, the Dover Days Celebration Committee, and Dover Strong.

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. All revenues not meeting this definition are reported as non-operating.

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.

The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

C. New Pronouncements

The City has adopted the provisions of Governmental Accounting Standard Board (GASB) issued Statement No. 87 entitled Leases, Standard Implementation Guide No. 2019-3 Leases, Statement No. 91 entitled Conduit Debt Obligations, No. 92 entitled Omnibus 2021, Statement No. 93 entitled Replacement of Interbank Offered Rates, and Statement No. 97 entitled Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No.14 and No. 84, and a supersession of GASB Statement No. 32, and Implementation Guide No. 2019-1, Implementation Guidance Update-2019. The adoption of these GASB statements did not have a material effect on the statements.

As of June 30, 2022, GASB issued Statement No. 94 entitled Public-Private Partnerships and Availability Payment Arrangements and Statement No. 96 entitled Subscription-Based Information Technology Arrangements. The City has not yet completed the process of evaluating the impact of these pronouncements on its financial statements

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

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, ARPA Grant 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 25.3%, 29.4%, 29.8% and 26.6% respectively, and all are exceeding the financial policy maximum for each fund. Per the Financial policy, the overages for all funds will be addressed in the next year's budget.

The City Manager may approve transfers of savings from completed CIP items to non-completed CIP items. Any transfers that cause the 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. Police Extra-Duty is over budget by \$10,156, but is offset by Grant revenue.
2. The City Manager's Office is over budget by \$40,206 resulting from an overage in salaries due to attrition.
3. Debt Service exceeded the budget by \$137 due to interest on the new HVAC loan, which was not budgeted.
4. Transfer to Cable Franchise Reserve of \$13,421 was not budgeted.
5. Appropriation to Police Pension Fund - State Grant is over budget by \$168,520 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.
6. Appropriation to cover Street Light expense was low by \$26,038.

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 Governmental 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. Inventory and Prepaid Items

Both inventory and prepaid items are accounted for using the consumption method. Inventory 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.

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	\$604,110
Water Fund	21,313
Wastewater Fund	19,925
Electric Revenue Fund	1,355,455

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, 2022, total \$75,567,557 including cash and cash equivalents of \$20,744,701 and \$54,822,856 in investments. Of this amount, \$5,211,771 is attributed to governmental activities and \$70,355,786 is attributable to business-type activities.

K. 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.

L. 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, state grants, and lease activity.

M. 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.

N. 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.

O. 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.

As of June 30, 2022, the carrying amount of unrestricted cash and cash equivalents totaled \$34,401,929, and the bank cash balances totaled \$35,302,688. The carrying amount of restricted cash totaled \$20,744,701 and the bank cash balances on restricted accounts totaled \$20,731,054 and \$2,814,970 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 \$11,337,549 included \$11,337,562 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, 2022, 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.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Notes to the Basic Financial Statements

The City recorded the following investments as of June 30, 2022:

		Fair Value Measurements Using:		
Investment Type	Weighted Average Maturity (Years)	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Government-Wide:				
Investments by fair value level				
Debt securities:				
U.S. Government Treasuries	1.90	\$ 24,084,548	\$ -	\$ 24,084,548
Federal Agency Bond / Note	2.08	18,875,619	582,923	18,292,696
Municipal Obligations	2.35	5,406,345	-	5,406,345
Domestic Fixed Income	2.76	31,500,882	-	31,500,882
International Fixed Income	2.76	9,421,189	-	9,421,189
Federal Agency mortgage backed security*	9.00	2,156,590	583,767	1,572,823
Total Investments by fair value level	2.52	91,445,173	\$ 1,166,690	\$ 90,278,483
Other Investments, at amortized cost:				
Money Market Mutual Funds & Equity Stock		8,392,668		
Certificates of Deposit		4,444,535		
Total other investments		12,837,203		
Total Government-Wide Investments		104,282,376		
Less: Cash and Cash Equivalents				
Money Market Funds & Certificates of Deposit		(3,064,968)		
Total Investments per statement of net position		\$ 101,217,408		

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates the City's investment policy limits U.S. Government securities and most other investments to a maximum maturity of 10 years from the date of purchase. Commercial Paper, Bankers' Acceptances and Repurchase Agreements all have a much shorter investment period ranging from 90 days to 365 days. Short-term cash flow balances are invested up to one year. The portfolio's weighted average maturity is 2.52 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, 2022, Federal Agency mortgage-backed security WAL is 9.00.

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, 2022, 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:

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Notes to the Basic Financial Statements

Authorized Investments	Policy Minimum Rating Category	Portfolio Ratings	Percent Allocation
U.S. Government Treasuries	N/A	N/A	23.10%
U.S. Government Agency Bonds/Notes	N/A	N/A	20.17%
Certificates of Deposit and Time Deposits	Short-Term A-1 Long-Term AA	Short-Term A-1 to A-1+ N/A	4.26% 0.00%
Corporate Debt Issued by a US Corporation			
Commercial Paper	A-1	N/A	0.00%
Corporate Notes/Bonds	A	BBB+ to AAA	30.21%
International Fixed Income	A	AAA	9.03%
Repurchase Agreements	ST A-1; LT AA	N/A	0.00%
Registered Investment Companies (Money Market Funds)	AAAm	AAAm	8.05%
Municipal Obligations	A	A to AAA	5.18%

Concentration of credit risk: As of June 30, 2022, United States Treasury Notes represented 25.07% of the portfolio, Federal National Mortgage Association represented 11.22% of the portfolio and Federal Home Loan Mortgage Association represented 7.02% 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, 2022.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Notes to the Basic Financial Statements

Investment Type	June 30, 2022			
Other Postemployment Benefits (OPEB) & Pension Funds (Trustee held):	Employee's Plan	Police Plan	OPEB Trust	Total
Investments measured at the net asset value (NAV)				
Money market funds	\$ 1,871,211	\$ 727,230	\$ 1,241,549	\$ 3,839,990
Fixed Income:				
Short-term bond funds	2,477,078	932,771	3,201,991	6,611,840
Intermediate-term bond funds	1,915,555	450,827	2,300,983	4,667,365
Long-term bond funds	2,227,350	698,963	1,847,384	4,773,697
Inflation-protected bond funds	2,807,738	734,228	2,090,373	5,632,339
High yield bond funds	2,299,001	721,428	2,462,172	5,482,601
Nontraditional bond funds	1,885,261	591,595	2,268,914	4,745,770
Total Fixed Income	13,611,983	4,129,812	14,171,817	31,913,612
Equities:				
Large-cap value funds	3,230,428	1,013,705	3,474,858	7,718,991
Large-cap growth funds	3,674,397	1,153,029	4,818,994	9,646,420
Mid-cap value funds	1,768,665	555,006	4,368,100	6,691,771
Mid-cap blend funds	1,690,387	530,444	-	2,220,831
Small-cap value funds	2,918,714	915,888	1,908,563	5,743,165
Small-cap growth	-	-	1,728,695	1,728,695
International growth funds	3,169,014	994,435	3,643,434	7,806,883
World stock funds	2,911,168	913,526	3,965,329	7,790,023
Infrastructure funds	2,437,893	765,011	-	3,202,904
Diversified emerging market funds	4,617,746	1,449,052	5,117,632	11,184,430
Real estate funds	1,744,560	547,439	2,432,297	4,724,296
Total Equities	28,162,972	8,837,535	31,457,902	68,458,409
Total investments measured at the NAV	\$ 41,774,955	\$ 12,967,347	\$ 45,629,719	\$ 100,372,021

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The City recorded the following OPEB and Pension investments as of June 30, 2022:

Investment Type	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)
Other Postemployment Benefits (OPEB) & Pension Funds		
Investments by fair value level		
Mutual Funds	\$ 100,372,021	\$ 100,372,021

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%	4.00%	4.50%
Inflation Protected Bonds	6.00%	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	7.00%	7.00%	7.00%
Large Cap Growth	9.00%	9.00%	11.00%
Mid Cap	8.00%	8.00%	9.00%
Small Cap	7.00%	7.00%	8.00%
Real Estate Investment	4.00%	4.00%	5.00%
Infrastructure	5.00%	5.00%	0.00%
Foreign Equity	15.00%	15.00%	18.00%
Emerging Markets	10.00%	10.00%	11.00%
	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, 2022, the Pension and OPEB plans had \$31,913,612 in fixed income investments. The weighted average maturity for all its fixed income funds was 6.36 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, 2022, 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, 2022.

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, 2022, 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, 2022, is presented below and on the following four pages:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 4,620,356	\$ -	\$ -	\$ -	\$ 4,620,356
Construction in progress ¹	2,132,004	1,328,362	2,821,571	(32,985)	605,810
Total capital assets, not being depreciated	6,752,360	1,328,362	2,821,571	(32,985)	5,226,166
Capital assets, being depreciated:					
Buildings	28,993,253	629,423	45,770	-	29,576,906
Furniture and fixtures	759,375	-	-	-	759,375
Equipment	9,421,657	875,306	1,449,780	-	8,847,183
Vehicles	6,585,122	563,231	462,521	-	6,685,832
Lights	655,646	-	-	-	655,646
Improvements other than buildings	61,073,599	2,782,604	-	-	63,856,203
Total capital assets, being depreciated	107,488,652	4,850,564	1,958,071	-	110,381,145
Less accumulated depreciation for:					
Buildings	(7,495,752)	(635,069)	43,611	9,692	(8,077,518)
Furniture and fixtures	(666,815)	(65,337)	-	-	(732,152)
Equipment ²	(7,044,092)	(382,572)	1,263,196	-	(6,163,468)
Vehicles ²	(4,667,343)	(544,235)	256,249	(354,017)	(5,309,346)
Lights	(549,705)	(11,576)	-	-	(561,281)
Improvements other than buildings	(34,281,726)	(2,153,915)	-	(5,380)	(36,441,021)
Total accumulated depreciation	(54,705,433)	(3,792,704)	1,563,056	(349,705)	(57,284,786)
Total capital assets, being depreciated, net ³	52,783,219	1,057,860	(395,015)	(349,705)	53,096,359
Governmental activities capital assets, net	\$ 59,535,579	\$ 2,386,222	\$ 3,216,586	\$ (382,690)	\$ 58,322,525

¹ The capital asset adjustment within the Construction in Progress section above is due to some prior year expenses which were donations or maintenance costs.

² The adjustments in vehicles depreciation was due to some Police Department assets that were reclassified from equipment to vehicles.

³ The addition of leased assets is the difference between this schedule and the financial statements.

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(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 ¹	1,267,821	166,548	1,376,654	(9,900)	47,815
Total capital assets, not being depreciated	1,398,259	166,548	1,376,654	(9,900)	178,253
Capital assets, being depreciated					
Buildings ²	9,685,222	-	-	105	9,685,327
Distribution Mains/Accessories	25,734,479	613,592	-	-	26,348,071
Pumping stations	13,159,265	783,200	707,604	-	13,234,861
Sewer Lines	38,284	-	-	-	38,284
Vehicles and equipment ³	5,274,981	428,783	336,700	(35,514)	5,331,550
Total capital assets, being depreciated	53,892,231	1,825,575	1,044,304	(35,409)	54,638,093
Less accumulated depreciation for:					
Buildings	(1,008,688)	(425,555)	-	-	(1,434,243)
Vehicles and equipment ³	(3,805,452)	(198,542)	336,700	(35,927)	(3,703,221)
Distribution Mains/Accessories	(9,530,357)	(490,953)	-	(7,094)	(10,028,404)
Pumping Stations	(6,070,203)	(238,809)	508,936	-	(5,800,076)
Sewer Lines	(19,122)	(759)	-	-	(19,881)
Total accumulated depreciation	(20,433,822)	(1,354,618)	845,636	(43,021)	(20,985,825)
Total capital assets, being depreciated, net	33,458,409	470,957	(198,668)	(78,430)	33,652,268
Total water fund capital assets, net	\$ 34,856,668	\$ 637,505	\$ (1,575,322)	\$ (88,330)	\$ 33,830,520

¹ The capital asset adjustment to Construction In Progress was for inspections and maintenance in the Wellhead Redevelopment Program.

² The capital asset adjustment to Buildings was due to a corrected invoice which was added to the Water Treatment Plant Improvements project from FY21.

³ The capital asset and accumulated depreciation adjustments to Vehicles and Equipment were due to a conversion error that had the wrong accounts for 3 assets.

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(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	780,100	485,557	780,100	-	485,557
Total capital assets, not being depreciated	812,902	485,557	780,100	-	518,359
Capital assets, being depreciated					
Buildings	62,041	-	-	-	62,041
Distribution Mains/Accessories	204,662	-	-	-	204,662
Pumping Stations ¹	17,821,199	1,612,500	2,128	2,250	19,433,821
Sewer Lines ¹	35,197,157	70,000	-	19,222	35,286,379
Vehicles and equipment ²	2,689,419	139,462	94,533	35,514	2,769,862
Total capital assets, being depreciated	55,974,478	1,821,962	96,661	56,986	57,756,765
Less accumulated depreciation for:					
Buildings	(44,686)	(2,681)	-	-	(47,367)
Vehicles and Equipment	(1,696,469)	(174,518)	94,532	(102,219)	(1,878,674)
Distribution mains, hydrant, and accessories	(17,836)	(2,869)	-	-	(20,705)
Pumping Stations	(6,232,035)	(579,123)	1,011	(508,936)	(7,319,083)
Sewer Lines	(15,885,315)	(785,260)	-	-	(16,670,575)
Total accumulated depreciation	(23,876,341)	(1,544,451)	95,543	(611,155)	(25,936,404)
Total capital assets, being depreciated, net	32,098,137	277,510	(1,117)	(554,169)	31,820,361
Total wastewater fund capital assets, net	\$ 32,911,039	\$ 763,068	\$ (781,217)	\$ (554,169)	\$ 32,338,721

¹ The capital asset adjustments to Pumping Stations and Sewer Lines were FY22 improvements to existing assets.

² The capital asset and accumulated depreciation adjustments to Vehicles and Equipment were due to a conversion error that had the wrong accounts for 3 assets.

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2022 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 ¹	3,504,551	2,475,116	3,564,490	(15,505)	2,399,672
Total capital assets, not being depreciated	<u>4,962,617</u>	<u>2,475,116</u>	<u>3,564,490</u>	<u>(15,505)</u>	<u>3,857,738</u>
Capital assets, being depreciated					
Buildings	12,583,811	2,557,244	1,853,657	-	13,287,398
Vehicles and Equipment	29,024,484	2,217,686	189,516	-	31,052,654
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights ²	67,146,050	2,673,895	33,635	28,961	69,815,271
SS, Switch Yards, Switchgears	36,728,771	-	-	-	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	<u>192,267,808</u>	<u>7,448,825</u>	<u>2,076,808</u>	<u>28,961</u>	<u>197,668,786</u>
Less accumulated depreciation for:					
Buildings	(10,429,064)	(119,768)	-	-	(10,548,832)
Vehicles and Equipment ³	(25,737,948)	(481,505)	127,231	-	(26,092,222)
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights ³	(40,807,716)	(1,744,377)	1,028	-	(42,551,065)
SS, Switch Yards, Switchgears	(17,684,502)	(967,352)	-	-	(18,651,854)
Boiler, Turbo Generators, Cap Int - VS	(32,817,182)	(390,940)	-	-	(33,208,122)
Other (Streets, EST, Swr Lines, Wells, Eng & Legal Svcs, Land Impr)	(6,670,212)	(112,613)	-	-	(6,782,825)
Total accumulated depreciation	<u>(134,146,624)</u>	<u>(3,816,555)</u>	<u>128,259</u>	<u>-</u>	<u>(137,834,920)</u>
Total capital assets, being depreciated, net	<u>58,121,184</u>	<u>3,632,270</u>	<u>(1,948,549)</u>	<u>28,961</u>	<u>59,833,866</u>
Total electric revenue fund capital assets, net	<u>\$ 63,083,801</u>	<u>\$ 6,107,386</u>	<u>\$ (5,513,039)</u>	<u>\$ 13,456</u>	<u>\$ 63,691,604</u>

¹ The capital asset adjustment within the Construction in Progress section above is due to a maintenance expense for McKee Run Power Plant and a small project that was under the \$5,000 threshold.

² The adjustments in Transformers, etc. is a combination of improvements and corrections to useful life.

³ Adjustments to depreciation are due to an input error and a conversion error which resulted in the assets not being depreciated in previous years.

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

(Continued)

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Total Business-type Activities	\$ 130,851,508	\$ 7,507,959	\$ (7,869,578)	\$ (629,043)	\$ 129,860,845
Capital Assets, not being depreciated	7,173,778	3,127,221	(5,721,244)	(25,405)	4,554,350
Capital Assets, being depreciated, net	123,677,730	4,380,737	(2,148,334)	(603,638)	125,306,495
Total	<u>\$ 130,851,508</u>	<u>\$ 7,507,958</u>	<u>\$ (7,869,578)</u>	<u>\$ (629,043)</u>	<u>\$ 129,860,845</u>
General government		\$ 14,488			
Central services		46,074			
Public safety		501,494			
Public works		2,482,485			
Library and recreation		704,564			
Financial administration		43,598			
Total depreciation expense - governmental activities		<u>\$ 3,792,704</u>			

5. LEASES

The City leases two parcels of land on its Garrison Tract, relating to the Garrison Oak Business & Technology Center that result in rent revenue reported in the General Fund. The first lease is with LS Power – White Oak Solar Energy LLC, which generated \$71,285 in rental income, and the second lease is with Garrison Energy Center which generated \$37,198 in rental income.

The total lease revenue generated by the City's Electric Revenue Fund is \$128,877, consisting of \$65,339 for pole attachment rentals which began in fiscal year 2020, Dark Fiber leases in the amount of \$33,538, and an annual substation rental of \$30,000.

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 \$502,821 in the fiscal year ended June 30, 2022.

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities	Business-type Activities	Total
Lease revenue	\$ 63,263	\$ 4,422,661	\$ 4,485,924
Interest revenue	9,137	-	9,137

As of June 30, 2022, the principal and interest requirements to maturity for the lease receivable are as follows:

	Governmental Activities			Business-type Activities		
	Principle	Interest	Total	Principle	Interest	Total
2023	\$ 35,197	\$ 76,174	\$ 111,371	\$ 346,112	\$ 213,602	\$ 559,714
2024	39,996	75,297	115,293	372,797	198,118	570,915
2025	45,135	74,239	119,374	401,218	181,302	582,520
2026	50,637	72,985	123,622	431,500	163,048	594,548
2027	56,524	71,518	128,042	437,539	143,239	580,778
2028-2032	386,354	326,878	713,232	1,550,889	398,409	1,949,298
2033-2037	608,283	246,786	855,069	377,002	98,809	475,811
2038-2042	916,773	113,242	1,030,015	-	-	-
2043-2047	58,575	550	59,125	-	-	-
	<u>\$ 2,197,474</u>	<u>\$ 1,057,669</u>	<u>\$ 3,255,143</u>	<u>\$ 3,917,057</u>	<u>\$ 1,396,527</u>	<u>\$ 5,313,584</u>

As a lessee, the City Police Department leases a part of a firing range for firearm practice and qualification. In FY22, there are 4 years remaining on the lease, for \$5,000 per year.

6. 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	\$ 4,692,900	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	1,418,309	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	1,222,425	2.47%	4/1/12 - 10/1/30	No	Water quality improvements and main replacements
2013 Revenue Bonds	4,295,463	2,328,316	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	3,646,559	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	2,989,127	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	464,149	2.00%	6/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2013 Revenue Bonds	1,829,538	991,684	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	821,394	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	732,200	2.00%	8/1/22 - 8/1/41	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	13,445,000	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, 2022 – General Obligation Bonds

Long-term indebtedness of the City of Dover consists of Series 2019 General Obligation Bonds totaling \$4,692,900 and Series 2021 General Obligation Bonds totaling \$1,418,309 for a grand total of \$6,111,209 in outstanding bonds.

The total General Obligation Bonds outstanding amount includes \$496,788 payable within one year.

C. Change in Long-Term Debt

The following tables summarize the debt transactions for the year ended June 30, 2022:

i. General Long-Term Debt

Item	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Payable within One Year
Police Officer Separation Agrmt	\$ 37,500	\$ -	\$ 37,500	\$ -	\$ -
Compensated Absences	2,679,022	1,612,508	1,666,079	2,625,451	1,347,902
General Obligation Bonds	6,598,524	-	487,315	6,111,209	496,788
Lease Liability	-	19,233	4,620	14,613	3,847
Net OPEB Liability	6,068,847	3,005,687	-	9,074,534	-
Net Pension Liability	5,841,779	-	5,573,690	268,089	-
Sub-total of General Long-Term Debt	\$ 21,225,672	\$ 4,637,428	\$ 7,769,204	\$ 18,093,896	\$ 1,848,537

ii. Enterprise Funds Debt – Water and Wastewater Fund

WATER FUND

Item	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Payable within One Year
Compensated Absences	\$ 205,402	\$ 123,095	\$ 117,985	\$ 210,512	\$ 80,851
Revenue Bonds-Water	2,598,317	-	270,001	2,328,316	277,014
State of Delaware Municipal Revenue Bond - Water	5,174,358	-	305,374	4,868,984	312,295
Net OPEB Liability	44,667	217,416	-	262,083	-
Net Pension Liability	947,260	1,343,153	-	2,290,413	-
Sub-total of Water Fund	\$ 8,970,004	\$ 1,683,664	\$ 693,360	\$ 9,960,308	\$ 670,160

WASTEWATER FUND

Item	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Payable within One Year
Compensated Absences	\$ 84,254	\$ 47,166	\$ 64,378	\$ 67,042	\$ 38,952
Revenue Bonds-Wastewater	1,106,683	-	114,999	991,684	117,986
State of Delaware Municipal Revenue Bond - Wastewater	5,121,954	248,450	363,534	5,006,870	387,430
Net OPEB Liability	42,675	118,244	-	160,919	-
Net Pension Liability	950,802	397,900	-	1,348,702	-
Sub-total of Wastewater	\$ 7,306,368	\$ 811,760	\$ 542,911	\$ 7,575,217	\$ 544,368

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iii. Enterprise Funds Debt – Electric Revenue Fund

Item	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Payable within One Year
Compensated Absences	\$ 449,554	\$ 312,144	\$ 293,709	\$ 467,989	\$ 235,112
Revenue Bonds	14,265,000	-	820,000	13,445,000	865,000
Bond Premium	989,787	-	82,482	907,305	82,482
Net OPEB Liability	388,513	472,976	-	861,489	-
Net Pension Liability	4,340,902	2,216,769	-	6,557,671	-
Asset Retirement Obligation	11,915,849	-	297,003	11,618,846	-
Sub-total of Electric Revenue Fund	32,349,605	3,001,889	1,493,194	33,858,300	1,182,594
Sub-total of Enterprise Fund Debt	48,625,977	5,497,313	2,729,465	51,393,825	2,397,122
Grand Totals of Long-Term Debt	<u>\$ 69,851,649</u>	<u>\$ 10,134,741</u>	<u>\$ 10,498,669</u>	<u>\$ 69,487,721</u>	<u>\$ 4,245,659</u>

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, 2022. In previous years, the City has used General Fund Revenues to liquidate Net Pension and Net OPEB Liabilities in the General Fund.

D. Debt Service Requirements

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

i. Governmental Activities:

	2019 General Obligation Bonds		2021 General Obligation Bonds		Total General Fund Debt Service
Fiscal					
Year	Principal	Interest	Principal	Interest	
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	\$ 4,692,900	\$ 583,537	\$ 1,418,309	\$ 114,066	\$ 6,808,812

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)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	<u>\$ 2,989,127</u>	<u>\$ 307,830</u>	<u>\$ 1,222,425</u>	<u>\$ 148,535</u>	<u>\$ 464,149</u>	<u>\$ 88,036</u>

(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	
2023	\$ 395,000	\$ 112,369	\$ 41,011	\$ 16,224	\$ 182,067	\$ 44,168	\$ 15,934	\$ 7,322	\$ 865,000	\$ 511,325	\$ 2,756,881
2024	410,000	100,294	41,835	15,400	185,726	41,570	32,347	14,164	910,000	466,950	2,784,748
2025	215,000	90,919	42,676	14,559	189,459	38,971	32,997	13,514	955,000	420,325	2,579,882
2026	220,000	84,256	43,534	13,701	193,267	36,373	33,661	12,851	1,005,000	371,325	2,580,430
2027	225,000	77,106	44,409	12,826	197,152	33,775	34,337	12,174	1,055,000	319,825	2,578,066
2028	235,000	69,281	45,301	11,933	201,115	31,177	35,027	11,484	1,110,000	265,700	2,582,480
2029	245,000	60,269	46,212	11,023	205,157	28,579	35,731	10,780	1,160,000	214,750	2,583,963
2030	255,000	50,269	47,141	10,094	209,281	25,981	36,450	10,062	1,200,000	173,550	2,584,290
2031	265,000	39,869	48,088	9,146	213,487	23,383	37,182	9,329	1,240,000	136,950	2,508,255
2032	275,000	29,069	49,055	8,180	217,779	20,785	37,930	8,582	1,275,000	99,225	2,223,192
2033	285,000	17,869	50,041	7,194	222,156	18,187	38,692	7,820	1,315,000	60,375	2,022,333
2034	295,000	6,084	51,047	6,188	226,621	15,589	39,470	7,042	1,355,000	20,325	2,022,366
2035	-	-	52,073	5,162	231,176	12,990	40,263	6,249	-	-	347,912
2036	-	-	53,120	4,115	235,823	10,392	41,072	5,439	-	-	349,961
2037	-	-	54,187	3,047	240,563	7,794	41,898	4,614	-	-	352,103
2038	-	-	55,276	1,958	245,398	5,196	42,740	3,772	-	-	354,340
2039	-	-	56,388	847	250,332	2,598	43,599	2,912	-	-	356,677
2040	-	-	-	-	-	-	44,475	2,036	-	-	46,511
2041	-	-	-	-	-	-	45,369	1,142	-	-	46,511
2042	-	-	-	-	-	-	23,026	230	-	-	23,256
Total	\$ 3,320,000	\$ 737,654	\$ 821,394	\$ 151,596	\$ 3,646,559	\$ 397,508	\$ 732,200	\$ 151,519	\$ 13,445,000	\$ 3,060,625	\$31,684,157

E. Certain Asset Retirement Obligation

The City recognized an Asset Retirement Obligation (ARO) related to an electric generating facility. 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 initially in fiscal year 2020 recognized a liability of \$11,915,849. This year it has been reduced to \$11,618,846 due to payment of invoices in the amount of \$297,003.

During the 2nd quarter of fiscal year 2022, the City signed a contract with Montrose Environmental as a decommissioning consultant. Since the contract execution, the consultant has worked with City of Dover and DNREC members in preparing the sampling and analysis plans, collection of samples of soil, groundwater, and the preparation of surveys for asbestos and other hazardous materials. Montrose continues to assist with the City's participation in the Voluntary Cleanup Program (VCP) with DNREC. Based on the extended timeline for sampling analysis and the substantial comments and terms received from DNREC on the Conceptual Site Model (CSM) and the Sample and Analysis Plan (SAP), the Remedial Action Report and Workplan have been delayed. The anticipated request for proposals for demolition services will be released in fiscal year 2023.

7. 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.	\$ 114,487
Grants-public safety	These represent the Police grants, ERLSP grant and Substance Abuse Prevention grant in the special revenue type funds.	137,583
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.	4,423,112
Total Restricted Net Position		<u>\$ 4,675,182</u>

Business Type Activities

Net restricted position for construction purposes - expendable		
Water and Wastewater	Restrictions on investments imposed by bond covenants	\$ 8,464,746
Electric	Restrictions on investments imposed by bond covenants	61,891,040
Total Restricted Net Position		<u>\$ 70,355,786</u>

8. 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, 2022, follows:

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	\$ 353,799	\$ 4,692	\$ 358,491
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	-	5,000
Subtotal Nonspendable:	<u>375,393</u>	<u>4,692</u>	<u>380,085</u>
Restricted for:			
Library Endowment Interest	2,604	-	2,604
Verizon cable franchise	64,814	-	64,814
Highway resurfacing	-	114,487	114,487
CDBG	-	1,141	1,141
ARPA Grant	-	4,165,545	4,165,545
Substance Abuse Prevention	-	56,779	56,779
Library Grants	-	188,274	188,274
Police Grants	-	76,846	76,846
Subtotal Restricted for:	<u>67,418</u>	<u>4,603,072</u>	<u>4,670,490</u>
Committed to:			
Contingency	737,380	-	737,380
Parkland	1,425,937	-	1,425,937
Subtotal Committed to:	<u>2,163,317</u>	<u>-</u>	<u>2,163,317</u>
Assigned to:			
Capital Projects	7,809,060	-	7,809,060
Subtotal Assigned to:	<u>7,809,060</u>	<u>-</u>	<u>7,809,060</u>
Unassigned	12,587,231	-	12,587,231
Total fund balances	<u><u>\$ 23,002,419</u></u>	<u><u>\$ 4,607,764</u></u>	<u><u>\$ 27,610,183</u></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.

9. 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, 2022, there were no material delinquent taxes.

10.INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022, 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	\$ 539,378
	Water Fund	46,868
	Wastewater Fund	52,600
	Electric Revenue Fund	104,775
		743,621
Water Fund	General Fund	24
	Wastewater Fund	114,033
		114,057
Wastewater Fund	General Fund	24
Total		\$ 857,702

B. Temporary Advances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 40,000

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>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Electric Revenue Fund</u>	
Non-Major Governmental Funds	\$ 5,745,150	\$ -	\$ -	\$ 5,745,150
Water Fund	500,000	-	-	500,000
Wastewater Fund	500,000	-	-	500,000
Electric Revenue Fund	11,000,000	-	-	11,000,000
General Fund	-	194,515	25,000	219,515
Total	\$ 17,745,150	\$ 194,515	\$ 25,000	\$ 17,964,665

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

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 \$83,347 in expenditures 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, 2023. 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 entered a management contract with North American Energy Services (NAES) to operate and maintain the Van Sant plant of the electric utility in August 2022. NAES has been under contract with the City as the operator of the generating assets since May 2006. Previous contracts included the operation and maintenance of two generating stations, McKee Run and Van Sant. In May 2021 McKee Run was retired after which a request for proposals was circulated for the Operation and Maintenance of the Van Sant Plant only through 2027. The City has incorporated the budgets and financial activity of the generating asset 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 the annual management fee and incentives totals \$145,561 per year 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. 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 ERMIC 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 ERMIC.

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A summary of the contracts outstanding as of June 30, 2022 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	\$10,231	(\$231)	No Collateral if exposure under specified threshold
Barclays Bank, PLC	A	\$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.	B+	No threshold	(\$9,084)	\$9,084	No Specified threshold
Citigroup Energy, Inc.	BBB+	\$7,000	\$7,000	\$0	\$10,000 guaranty from Citigroup Global Markets Holdings, threshold is \$7,000
Conectiv Energy Supply, Inc.	NR	No threshold	\$0	\$0	No Defined threshold
EDF Trading North America, LLC	BBB-	\$18,000	\$18,000	\$0	Threshold is \$18 million unless guarantor's credit rating falls below Baa3
Constellation Energy Services, Inc.	BBB	\$30,000	\$30,000	\$0	No collateral if exposure under specified threshold
Macquarie Energy, LLC	A	\$15,000	\$15,344	(\$344)	Up to \$15,000 is guaranteed by Macquarie Bank Limited
Morgan Stanley Capital Group Inc.	A-	\$15,000	\$10,619	\$4,381	Unlimited guaranty from Morgan Stanley, threshold set by table in contract
NextEra Energy Marketing, LLC.	BBB+	\$10,000	(\$10,450)	\$20,450	\$10,000 guaranty from NextEra Energy Capital Holdings, \$17,700 collateral held for exposures above threshold
NJR Energy Services Company		No threshold	\$0	\$0	No Specified threshold
PSEG Energy Resources & Trade, LLC	BBB	\$5,000	\$5,000	\$0	\$5,000 guaranty from PSEG Power LLC
Sequent Energy Management, L.P.	BBB	\$5,000	\$5,000	\$0	Unlimited guaranty from Williams Co., threshold is \$5,000

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, 2022, \$182,825 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, 2022.

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

	2022	2021
Claims payable, beginning of year	\$ 288,538	\$ 449,515
Claims incurred	274,337	96,278
Payment of claims	(380,050)	(257,255)
Claims payable, end of year	<u>\$ 182,825</u>	<u>\$ 288,538</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 8). 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, 2022:

Retirees and beneficiaries receiving benefits	316
Terminated plan members entitled to but not yet receiving the benefits	17
Active plan members	<u>330</u>
Total	<u>656</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 \$170.10 for 2022; for 2021, the standard premium was \$148.50. 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 \$170.10 for 2022; for 2021, the standard premium was \$148.50. Spouses are not eligible for the reimbursement. Eligible retirees are members who retired prior to September 30, 2006.

Employer Contributions:

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

General Government	\$ 2,779,092
Water and Wastewater Fund	319,967
Electric Revenue Fund	943,226
Total Contributions	<u>\$ 4,042,285</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, 2022, the City's average contribution rate was 19.9% of covered payroll of \$20,249,554.

The components of the Net OPEB liability of the City on June 30, 2022, 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, 2021	\$ 62,715,927	\$ 56,171,225	\$ 6,544,702
Changes for the year:			
Service cost	1,118,361	-	1,118,361
Interest	4,056,371	-	4,056,371
Differences between expected and actual exp	(2,762,174)	-	(2,762,174)
Changes in assumptions	(3,523,774)	-	(3,523,774)
Benefit payments	(2,902,867)	(2,902,867)	-
Employer contributions	-	4,042,285	(4,042,285)
Net investment loss	-	(8,960,325)	8,960,325
Trust administrative expenses	-	(7,500)	7,500
Balances as of June 30, 2022	<u>\$ 58,701,844</u>	<u>\$ 48,342,818</u>	<u>\$ 10,359,026</u>
Plan Fiduciary Net Position as % of total OPEB Liability	82.4%		

Rate of return. For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (16.04)%. 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, 2022, with liabilities as of July 1, 2021, based on an actuarial date of July 1, 2021, projected to the June 30, 2022, measurement date on a “no loss / no gain” basis, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Level Dollars
Amortization period	26 years
Asset valuation method	Fair Market Value
Actuarial assumptions:	
Investment rate of return	7.0%
Discount rate	7.0%
Inflation	2.5% per year included in payroll growth
Healthcare cost trend rates	
Pre-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Post-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Mortality	Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-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, 2022, 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%	2.66% - 3.47%
Fixed Income	22.00%	2.27% - 6.37%
Equity	64.00%	7.29% - 11.11%
Real Estate	5.00%	8.18%
Long-Term Expected Rate of Return		7.00%

*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 7.0%. 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, 2022, calculated using the discount rate of 7.00%, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate.

Other Post-Employment Benefits

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability	\$ 17,770,364	\$ 10,359,025	\$ 4,236,784

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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, 2022, 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	\$ 3,437,004	\$ 10,359,025	\$ 18,813,995

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

For the year ended June 30, 2022, the City recognized OPEB expense (credit) of (\$2,583,923) as calculated in the following table:

OPEB Expense

Service cost	\$ 1,118,361
Interest	4,056,371
OPEB plan administrative expenses	7,500
Projected earnings on OPEB plan investments	(3,687,338)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	(4,848,988)
Net difference between projected and actual earnings on plan investments	626,343
Changes of assumptions	143,828
Total OPEB Credit	<u>\$ (2,583,923)</u>

On June 30, 2022, 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	\$ -	\$ (8,365,585)
Changes in assumptions	1,924,366	(2,819,019)
Net difference between projected and actual earnings in OPEB plan investments	4,394,672	-
Total Deferred Outflows (Inflows) of Resources	<u>\$ 6,319,038</u>	<u>\$ (11,184,605)</u>

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

Fiscal Year Ending June 30:	
2023	\$ (2,776,360)
2024	(2,035,326)
2025	(1,326,223)
2026	1,272,343

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, 2022

	Other Post-Employment Benefit Trust Fund
Assets:	
Cash and cash equivalents	\$ 3,162,308
Investments at Fair Value - Mutual Funds	45,629,719
Total Assets	<u>48,792,027</u>
Liabilities:	
Accounts Payable	449,209
Total Liabilities	<u>449,209</u>
Net Position:	
Net Position Restricted for Retiree Health Benefits	<u><u>\$ 48,342,818</u></u>

The City of Dover, Delaware
Schedule of Changes in Other Post-Employment Benefits Trust Fund Net Position
June 30, 2022

	Other Post-Employment Benefit Trust Fund
Additions:	
Net Investment Income	\$ (8,960,325)
City's Contribution-Payroll Based	757,785
City's Contribution-Lump Sum	3,284,500
Total Additions	<u>(4,918,040)</u>
Deductions:	
Benefit Payments	2,902,867
General Administration	7,500
Total Deductions	<u>2,910,367</u>
Change in Net Position	
Net Position - Beginning	56,171,225
Net Position - Ending	<u>\$ 48,342,818</u>

16.DEFERRED COMPENSATION PLAN

The City has a self-directed 457 Deferred Compensation Plan for its employee benefit options. The plan was 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. In the Spring of 2022, ICMA changed its name to Mission Square. 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.

The City offers a 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 \$11,019,694 (market value) as of June 30, 2022, with 170 active employees contributing \$637,287. The Nationwide plan has assets of \$3,751,026 (market value) as of June 30, 2022, with 10 active employees contributing \$67,329. 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, 2022, 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 2022, the total wages were \$25.6 million. The number of employees eligible for pension benefits as of June 30, 2022, 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, 2022:

	2022			
	Police	General	DPERS	Total
Pension Net Position	\$ 14,803,746	\$ 48,076,817	N/A	\$ 62,880,563
Pension Liabilities	17,552,192	67,018,229	N/A	84,570,421
Net Pension (Liabilities)/Asset	(2,748,446)	(18,941,412)	\$ 11,224,983	(10,464,875)
Deferred Outflows of Resources	1,314,366	4,314,906	2,846,727	8,475,999
Deferred Inflows of Resources	-	-	(10,882,499)	(10,882,499)
Pension Expense	44,737	1,720,559	1,235,836	3,001,132

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, 2022, there were 219 full-time employees enrolled in the 401a plan. The City contributed a total of \$612,576 on wages of approximately \$9.5 million. Employees contributed \$446,278 to the 401a Money Purchase Plan. The market value of the 401a plan assets totaled \$10,268,361 as of June 30, 2022.

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 uniformed police officers. The State of Delaware County and Municipal Police Pension Plan, a multi-employer cost sharing defined benefit plan, covers all uniformed police officers hired on or after September 1, 1982. The City makes employer contributions to all three plans.

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

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

The City of Dover, Delaware
Combining Schedule of Pension Trust Fund Net Position
For the Year Ended June 30, 2022

	Police Pension	General Pension	Totals
Assets:			
Cash and cash equivalents	\$ 1,838,086	\$ 6,307,897	\$ 8,145,983
Investments at fair value - Mutual Funds	12,967,347	41,774,955	54,742,302
Total Assets	<u>14,805,433</u>	<u>48,082,852</u>	<u>62,888,285</u>
Liabilities:			
Accounts Payable	<u>1,687</u>	<u>6,035</u>	<u>7,722</u>
Net position held in trust for pension benefits	<u>\$ 14,803,746</u>	<u>\$ 48,076,817</u>	<u>\$ 62,880,563</u>

The City of Dover, Delaware
Combining Schedule of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2022

	Police Pension	General Pension	Totals
Additions			
Net investment income	\$ (2,441,617)	\$ (7,865,542)	\$ (10,307,159)
City's contribution - payroll based	-	3,248,190	3,248,190
City's contribution - lump sum	615,200	1,234,300	1,849,500
Employee contribution	-	171,257	171,257
State grants	668,521	-	668,521
Other	3,341	-	3,341
Total Additions to Net Position	<u>(1,154,555)</u>	<u>(3,211,795)</u>	<u>(4,366,350)</u>
Deductions			
Benefit payments	1,517,334	4,561,451	6,078,785
General administration	11,987	51,795	63,782
Total Deductions From Net Position	<u>1,529,321</u>	<u>4,613,246</u>	<u>6,142,567</u>
Change in net position	(2,683,876)	(7,825,041)	(10,508,917)
Net Position - Beginning	17,487,622	55,901,858	73,389,480
Net Position - Ending	<u>\$ 14,803,746</u>	<u>\$ 48,076,817</u>	<u>\$ 62,880,563</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, 2022, there are 43 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, 2022, the State contributed \$668,521.

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 3 years for the 2022 fiscal year and will decline by 1 each year until 1 year.

Total contributions to the plan for the fiscal year ending June 30, 2022, were \$1.3 million, which is 115% 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, 2022, with liabilities projected to the June 30, 2022, measurement date. As of June 30, 2022, the plan was 84.34% funded. The total pension liability for benefits was \$17.6 million, and the fiduciary net position was \$14.8 million, which resulted in a net pension liability (NPL) of \$2.7 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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (15.21)%. 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	June 30, 2022
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	2.5%
Automatic Cost of living (retirees)	2.0%

Mortality Rates

Healthy

Participants:

PubS-2010 Public Safety Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021

Survivors:

Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021

Disabled

PubS-2010 Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021

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, 2022, 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	6.00%	0.15%
Fixed Income	34.00%	1.55%
Real Estate	9.00%	5.19%
Stocks	51.00%	6.04%
Long-Term Expected Rate of Return	100.00%	6.50%

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

Police Pension Fund
Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2021	\$ 18,137,819	\$ 17,487,622	\$ 650,197
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,129,645	-	1,129,645
Differences between expected and actual experience	(245,905)	-	(245,905)
Changes of assumptions	47,967	-	47,967
Benefit payments	(1,517,334)	(1,517,334)	-
Employer contributions	-	1,287,062	(1,287,062)
Net investment income	-	(2,441,617)	2,441,617
Administrative expenses	-	(11,987)	11,987
Balances as of June 30, 2022	<u>\$ 17,552,192</u>	<u>\$ 14,803,746</u>	<u>\$ 2,748,446</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	\$ 4,351,612	\$ 2,748,446	\$ 1,372,103

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

For the year ended June 30, 2022, the City recognized pension credit of (\$486,692) calculated in the following chart:

Police Pension Expense	
	<u>July 1, 2021 to June 30, 2022</u>
Interest on total pension liability	\$ 1,129,645
Projected earnings on pension plan investments	(1,128,822)
Administrative expenses	11,987
Current period recognition of deferred outflows/(inflows) of resources	
Changes of assumptions	47,967
Differences between projected and actual earnings on plan investments	229,865
of the total pension liability	<u>(245,905)</u>
Total Pension Cost	<u>\$ 44,737</u>

As of June 30, 2022, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	<u>Police Pension Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings	\$ 1,314,366

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

	<u>Police Pension Plan</u>
Fiscal Year Ending June 30:	
2023	\$ 241,024
2024	226,989
2025	132,266
2026	714,087

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, 2022, the General Employee Pension Plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	222
Active employees	
Fully Vested	70
Deferred vested	16

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, 2022, gross payroll earnings of \$6.0 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 June 30, 2022, with liabilities projected to the June 30, 2022 measurement date. As of June 30, 2022, the plan was 71.74% funded. The total pension liability for benefits was \$67.0 million, and the fiduciary net position was \$48.1 million, which resulted in a net pension liability (NPL) of \$18.9 million for the primary government. The covered payroll (annual payroll of active employees covered by the plan) was \$4.6 million and the ratio of the NPL to the covered payroll was 414.56%.

Rate of return. For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (15.35)%. 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	June 30, 2022
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	2.5%

Mortality Rates

Healthy

Participants:

PubG-2010 General Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021

Survivors:

Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021

Disabled

PubNS-2010 Non-Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2006 based on Society of Actuaries Scale MP-2021

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, 2022 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%	0.15%
Fixed Income	29.00%	1.53%
Stocks	56.00%	5.93%
Real Estate	9.00%	5.27%
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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Financial Section – Part C – Notes to the Basic Financial Statements

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, 2021	\$ 66,024,296	\$ 55,901,858	\$ 10,122,438
Changes for the year:			
Service cost	395,049	-	395,049
Interest on total pension liability	4,169,010	-	4,169,010
Differences between expected and actual experience	878,454	-	878,454
Effect of assumptions changes or inputs	112,871	-	112,871
Benefit payments	(4,561,451)	(4,561,451)	-
Employer contributions	-	4,482,490	(4,482,490)
Member contributions	-	171,257	(171,257)
Net investment income	-	(7,865,542)	7,865,542
Administrative expenses	-	(51,795)	51,795
Balances as of June 30, 2022	<u>\$ 67,018,229</u>	<u>\$ 48,076,817</u>	<u>\$ 18,941,412</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	\$ 26,720,356	\$ 18,941,412	\$ 12,446,409

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,720,559 as calculated in the following chart:

	July 1, 2021 to June 30, 2022
Service cost	\$ 395,049
Interest on total pension liability	4,169,010
Administrative expenses	51,795
Member contributions	(171,257)
Projected earnings on pension plan investments	(3,634,937)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	439,227
Differences between projected and actual earnings on plan investments	560,287
Changes of assumptions	(88,615)
Total Pension Expense	\$ 1,720,559

As of June 30, 2022, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	General Employee Pension Plan
Deferred Outflows of Resources	
Changes in assumptions	\$ 56,435
Differences between expected and actual experience	439,227
Net difference between projected and actual earnings	3,819,244
Total Deferred Outflows of Resources	\$ 4,314,906

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:	
2023	\$ 1,089,307
2024	593,917
2025	331,587
2026	2,300,095

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.

As of June 30, 2022, city membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	80
Active employees:	
Fully Vested 5 years	75
Non-Vested	34

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 75% 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 16.59%, 16.03%, and 16.84% of earnings for the Fiscal Year 2022, 2021 and 2020, respectively. The City's contributions to the plan for years ended June 30, 2022, 2021 and 2020 were \$1,375,074, \$1,328,868, and \$1,317,526 respectively, and were equal to the required contributions for each year. Total eligible full-time wages covered by the State plan were \$8.6 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 8.1574% for the current fiscal year, 8.5117% for the prior year and the change is a decrease of 0.3543%.

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

On June 30, 2022, the City reported a net pension asset of \$11,224,982 for its proportionate share of the collective net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the pension liability to June 30, 2021. The City's proportion of the net pension asset was based on the percentage of actual employer contributions.

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The City recognized pension expense of \$1,235,836 for the year ended June 30, 2022, associated with membership within the Delaware State Police Pension Plan. As of June 30, 2022, 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	\$ 1,062,109
Change in proportion	23,816
Changes of assumptions	385,726
City contributions subsequent to the measurement date	1,375,074
Total Deferred Outflows of Resources	<u>\$ 2,846,725</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ (437,324)
Changes in assumptions	(817,480)
Net difference between actual and expected earnings	(9,538,002)
Change in proportion	(89,693)
Total Deferred Inflows of Resources	<u>\$ (10,882,499)</u>

The City's contributions of \$1,375,074 are subsequent to the measurement date and therefore are reported as deferred outflows of resources and will be recognized as an increase of the net pension asset in the year ending June 30, 2023.

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:	
2023	\$ (2,450,779)
2024	(2,269,848)
2025	(2,402,895)
2026	(2,216,335)
2027	87,314
Thereafter	(158,306)

The proportionate share of the total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. 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%

(1) 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%	32.3%
International equity	5.7	18.1
Fixed income	2.0	20.6
Alternative investments	7.8	24.2
Cash and equivalents	-	4.8

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)

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability (asset)	\$ (5,182)	\$ (11,225)	\$ (16,156)

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

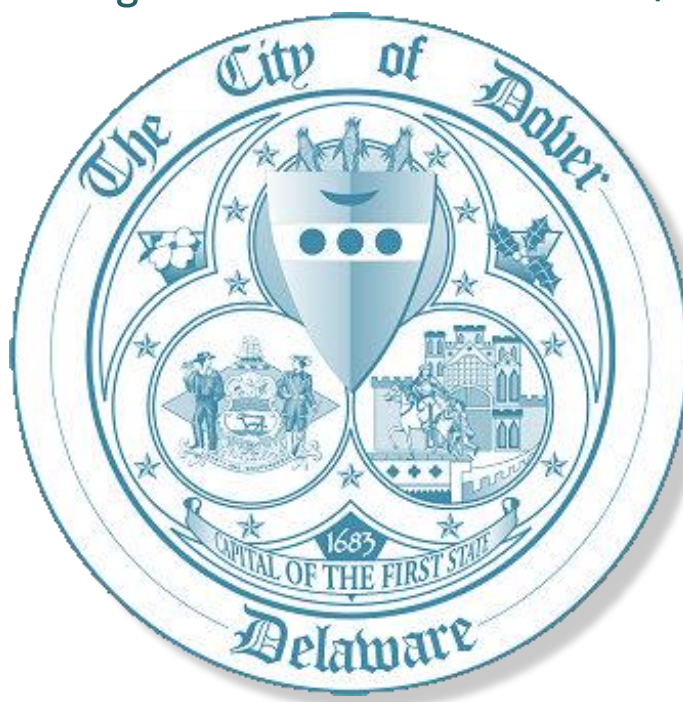
Parks & Recreation

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance	\$ 5,546,400	\$ 10,635,700	\$ 10,635,736	\$ 36
REVENUES:				
Fines & Police Revenue	630,300	511,600	508,082	(3,518)
Library Revenues	142,100	110,800	120,687	9,887
Kent County Book Reimbursement	250,000	250,000	139,901	(110,099)
Business Licenses	1,500,000	1,500,000	1,400,883	(99,117)
Permits and Other Fees	1,400,000	1,564,000	1,641,967	77,967
Miscellaneous Charges	10,000	236,100	230,013	(6,087)
Police Extra Duty Fees	370,000	370,000	412,026	42,026
Property Taxes	15,267,700	15,267,700	15,241,104	(26,596)
Recreation Revenue	110,000	100,000	128,605	28,605
Franchise Fees	600,000	600,000	605,325	5,325
Sanitation Fees	3,421,000	3,421,000	3,371,689	(49,311)
Rent Revenue - Garrison Farm	105,000	105,000	108,483	3,483
Court of Chancery Fees	1,400,000	2,000,000	2,095,840	95,840
Investment Income	90,000	90,000	94,580	4,580
Interfund Service Receipts	5,326,200	5,351,000	5,420,991	69,991
Grants:				-
Police Extra Duty	130,000	130,000	127,383	(2,617)
Police Grants Fund	308,900	308,900	312,500	3,600
Police Pension Grant	500,000	500,000	668,520	168,520
Green Energy Grant	98,500	98,500	98,500	-
Miscellaneous Federal Grant Revenue	520,000	15,600	15,600	-
Miscellaneous State Grant Revenue	-	92,000	23,421	(68,579)
Transfer from:				
Transfer Tax	1,400,000	2,800,000	3,902,170	1,102,170
Municipal Street Aid	750,000	792,000	792,349	349
Civil Traffic Penalties	400,000	250,000	198,594	(51,406)
Water Fund	500,000	500,000	500,000	-
Wastewater Fund	500,000	500,000	500,000	-
Electric Fund	11,000,000	11,000,000	11,000,000	-
ARPA Grant	-	-	31,411	31,411
Total Revenues	46,729,700	48,464,200	49,690,624	1,226,424
TOTAL BEGINNING BALANCE & REVENUES	\$ 52,276,100	\$ 59,099,900	\$ 60,326,360	\$ 1,226,460

(Continued)

2022 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	\$ 263,800	\$ 263,800	\$ 186,927	\$ 76,873
Fire	797,200	797,200	730,051	67,149
Library	1,859,900	1,859,900	1,723,517	136,383
Recreation	1,191,500	1,217,200	1,078,718	138,482
Life Safety	472,300	513,200	480,852	32,348
Code Enforcement	654,100	654,100	559,617	94,483
Planning	642,000	640,200	500,696	139,504
Inspections	651,200	665,600	654,049	11,551
Police	18,544,700	18,556,600	18,119,709	436,891
Police Extra Duty	500,000	541,400	551,556	(10,156)
Streets	636,000	703,600	607,880	95,720
Stormwater	774,100	711,200	577,807	133,393
Sanitation	2,564,800	2,564,800	2,399,756	165,044
Public Works - Engineering	181,100	184,400	166,209	18,191
Allocated Expenditures:				
City Clerk	535,800	535,800	462,097	73,703
Council	157,200	190,800	121,596	69,204
Grounds Maintenance	1,487,500	1,487,500	1,463,562	23,938
City Manager	920,100	954,700	994,906	(40,206)
Information Technology	738,500	738,500	669,659	68,841
Finance	932,100	1,069,500	928,002	141,498
Public Works-Administration	587,200	608,000	477,797	130,203
Facilities Management	837,000	852,800	847,418	5,382
Procurement and Inventory	738,600	725,600	699,110	26,490
Fleet Maintenance	906,500	926,500	924,192	2,308
Customer Services	1,048,300	1,071,600	1,071,873	(273)
Human Resources	600,200	612,000	542,311	69,689
Mayor	222,800	224,300	197,734	26,566
Insurance	1,050,000	905,000	893,606	11,394
Contribution to Downtown Dover Partnership	150,000	150,000	150,000	-
Subtotal	40,644,500	40,925,800	38,781,207	2,144,593
Appropriations:				
Bank & Credit Card Fees	30,000	30,000	26,356	3,644
Debt Service - Principal and Interest	632,000	632,000	632,137	(137)
Appropriation to the General Employee Pension Fund	-	1,234,300	1,234,300	-
Transfer to Capital Fund for Projects	3,025,900	2,129,100	2,129,100	-
Retirees Health Care	2,156,000	2,156,000	2,156,000	-
Appropriation to Police Pension Fund	435,100	615,200	615,200	-
Transfer to Cable Franchise Reserve	-	-	13,421	(13,421)
Transfer to Electric Fund (ERP)	-	25,000	25,000	-
Appropriation to Police Pension Fund - State Grant	500,000	500,000	668,520	(168,520)
Street Lights	800,000	800,000	826,038	(26,038)
Total Expenditures	48,223,500	49,047,400	47,107,279	1,940,121
Budget Balance	4,052,600	10,052,500	13,219,081	(3,166,581)
Total Budget Balance & Expenditures	\$ 52,276,100	\$ 59,099,900	\$ 60,326,360	\$ (1,226,460)

Budget Balance - Working Capital	\$ 13,219,081
Perspective and GAAP (Non-GAAP) Differences:	
Leases	27,250
Fair Value of Investment Adjustment	(190,969)
Deferred Revenues - Non-spendable	(114,332)
Inventory & Prepaids - Non-spendable	(353,799)
Unassigned Fund Balance	<u>\$ 12,587,231</u>

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	1,129	1,162	1,134	1,173	1,197	1,211	1,281	1,311	1,325
Effect of economic/demographic (gains) or losses	(246)	-	206	(157)	-	-	(836)	286	25
Effect of assumption changes or inputs	48	(134)	633	(88)	(44)	116	-	932	-
Benefit payments	(1,517)	(1,534)	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Net change in total pension liability	(586)	(506)	436	(590)	(388)	(201)	(1,083)	972	(198)
Total pension liability, beginning	18,138	18,644	18,208	18,798	19,186	19,387	20,471	19,499	19,697
Total pension liability, ending (a)	<u>\$ 17,552</u>	<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	\$ 1,287	\$ 988	\$ 1,033	\$ 1,097	\$ 1,295	\$ 1,118	\$ 1,093	\$ 1,386	\$ 1,229
Investment income net of investment expenses	(2,442)	3,816	439	820	908	1,433	279	283	1,583
Benefit payments	(1,517)	(1,534)	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Administrative expenses	(12)	(7)	(5)	(5)	(5)	(4)	(4)	(6)	(20)
Net change in plan fiduciary net position	(2,684)	3,263	(70)	394	657	1,019	(160)	106	1,244
Fiduciary net position, beginning	17,488	14,225	14,295	13,900	13,243	12,225	12,385	12,279	11,035
Fiduciary net position, ending (b)	<u>\$ 14,804</u>	<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>\$ 2,748</u>	<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	84.34%	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, fiscal year 2013 is 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
2022	\$ 1,115,164	\$ 1,287,062	\$ (171,898)	\$ -	N/A
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

**Police Pension Fund
Schedule of Investment Returns
Fiscal year 2017 through 2022 ⁽¹⁾**

Fiscal year ending June 30	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	(15.21%)	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.

The total pension liability was determined by an actuarial valuation as of June 30, 2022 with liabilities projected to the June 30, 2022 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	June 30, 2022
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	2.5%

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Automatic Cost of living (retirees)	2.0%
Mortality Rates	
Healthy	PubS-2010 Public Safety Mortality Table with fully generational improvements from 2010 based on assumptions from the Society of Actuaries MP-2021 Scale
Disabled	PubS-2010 Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on assumptions from the Society of Actuaries MP-2021 Scale

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 395	\$ 396	\$ 395	\$ 424	\$ 406	\$ 433	\$ 401	\$ 459	\$ 484
Interest on total pension liability	4,169	4,178	3,991	3,989	3,827	3,729	3,719	3,861	3,810
Differences between expected and actual experience	878	-	1,447	-	1,504	41	(267)	(422)	111
Effect of assumption changes or inputs	113	(290)	1,260	(279)	(99)	1,200	-	1,956	-
Benefit payments	(4,561)	(4,291)	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Net change in total pension liability	994	(7)	2,973	101	2,492	1,657	135	2,154	751
Total pension liability, beginning	66,024	66,031	63,058	62,957	60,465	58,808	58,673	56,519	55,768
Total pension liability, ending (a)	\$ 67,018	\$ 66,024	\$ 66,031	\$ 63,058	\$ 62,957	\$ 60,465	\$ 58,808	\$ 58,673	\$ 56,519
Fiduciary Net Position									
Employer contributions	\$ 4,482	\$ 2,428	\$ 2,606	\$ 2,704	\$ 4,777	\$ 2,877	\$ 3,090	\$ 3,420	\$ 3,473
Member contributions	171	173	183	190	195	202	202	209	212
Investment income net of investment expenses	(7,865)	12,706	1,550	2,765	2,757	4,351	850	955	4,153
Benefit payments	(4,561)	(4,292)	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Administrative expenses	(52)	(21)	(19)	(19)	(18)	(18)	(16)	(19)	(20)
Net change in plan fiduciary net position	(7,825)	10,994	200	1,607	3,735	3,666	408	865	4,164
Fiduciary net position, beginning	55,902	44,908	44,708	43,100	39,364	35,699	35,291	34,426	30,263
Fiduciary net position, ending (b)	\$ 48,077	\$ 55,902	\$ 44,908	\$ 44,708	\$ 43,100	\$ 39,365	\$ 35,699	\$ 35,291	\$ 34,427
Net pension liability, ending = (a) - (b)	\$ 18,941	\$ 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	71.74%	84.67%	68.01%	70.90%	68.46%	65.10%	60.70%	60.15%	60.91%
Covered payroll	\$ 4,569	\$ 5,067	\$ 5,219*	\$ 5,557	\$ 5,561	\$ 5,636	\$ 5,504	\$ 5,864	\$ 5,971
Net pension liability as a % of covered payroll	414.56%	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
2022	\$ 3,232,888	\$ 3,248,190	\$ (15,302)	\$ 4,569,076	71.09%
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%

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 2022 ⁽¹⁾**

Fiscal year ending June 30	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	(15.35%)	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.

The total pension liability was determined by an actuarial valuation as of June 30, 2022 with liabilities projected to the June 30, 2022 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	June 30, 2022
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%

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Includes inflation at	2.51%
Mortality Rates	
Healthy	<u>Participants:</u> PubG-2010 General Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021 <u>Survivors:</u> Pub-2010 Continuing Survivors Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021
Disabled	PubNS-2010 Non-Public Safety Disabled Retiree Mortality Table with fully generational improvements from 2010 based on Society of Actuaries Scale MP-2021

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

	2021	2020	2019	Measurement Date		2016	2015	2014
				2018	2017			
City's proportion of the net pension liability(asset)	8.1574%	8.5117%	8.3407%	8.4242%	8.6629%	9.0042%	9.6070%	9.6334%
City's proportionate share of the net pension liability(asset)	\$(11,224,983)	\$1,308,109	\$2,395,686	\$1,940,156	\$ 873,337	\$1,431,281	\$ (524,958)	\$(1,042,117)
City's covered payroll	\$ 7,910,676	\$7,760,905	\$7,372,815	\$6,843,159	\$6,996,159	\$7,117,770	\$ 7,060,453	\$ 6,582,053
City's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	(141.90%)	16.86%	32.49%	28.35%	12.48%	20.11%	(7.44%)	(15.83%)
Plan fiduciary net position as a percentage of the total pension liability	128.19%	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

	2022	2021	2020	2019	Fiscal Year Ending		2016	2015	2014
					2018	2017			
Contractually required contribution	\$1,375,074	\$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	(1,375,074)	(1,328,868)	(1,317,526)	(1,276,048)	(1,258,817)	(944,356)	(951,199)	(977,587)	(933,750)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$8,560,011	\$7,910,676	\$7,760,905	\$7,372,815	\$6,843,159	\$6,996,159	\$ 7,117,770	\$ 7,060,453	\$ 6,582,053
Contributions as a percentage of covered payroll	16.06%	16.80%	16.98%	17.31%	18.40%	13.50%	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.

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

	Fiscal Year Ending June 30					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 1,118	\$ 1,089	\$ 1,120	\$ 1,202	\$ 1,222	\$ 1,655
Interest	4,057	4,095	4,211	4,288	4,498	4,682
Net difference between expected and actual experience	(2,762)	(5,370)	(4,758)	(5,152)	(6,202)	(2,871)
Effect of assumption changes or inputs	(3,524)	2,448	483	1,311	-	(4,833)
Benefit payments	(2,903)	(2,867)	(2,755)	(2,748)	(2,704)	(2,663)
Net change in total OPEB liability	(4,014)	(605)	(1,699)	(1,099)	(3,186)	(4,030)
Total OPEB liability, beginning	62,716	63,321	65,020	66,119	69,305	73,335
Total OPEB liability, ending (a)	\$ 58,702	\$ 62,716	\$ 63,321	\$ 65,020	\$ 66,119	\$ 69,305
Fiduciary Net Position						
Employer contributions	\$ 4,042	\$ 3,504	\$ 4,326	\$ 5,448	\$ 5,722	\$ 4,603
Investment income net of investment expenses	(8,960)	12,864	1,871	2,184	2,295	3,074
Benefit payments	(2,903)	(2,867)	(2,755)	(2,748)	(2,704)	(2,663)
Administrative expenses	(7)	(3)	(9)	(3)	(8)	(3)
Net change in plan fiduciary net position	(7,828)	13,498	3,433	4,881	5,305	5,011
Fiduciary net position, beginning	56,171	42,673	39,240	34,359	29,054	24,043
Fiduciary net position, ending (b)	\$ 48,343	\$ 56,171	\$ 42,673	\$ 39,240	\$ 34,359	\$ 29,054
Net OPEB liability, ending = (a) - (b)	\$ 10,359	\$ 6,545	\$ 20,648	\$ 25,780	\$ 31,760	\$ 40,251
Fiduciary net position as a % of total OPEB liability	82.40%	89.60%	67.40%	60.40%	52.00%	41.90%
Covered payroll	\$ 20,250	\$ 19,756	\$ 20,262	\$ 19,578	\$ 19,101	\$ 17,657
Net OPEB liability as a % of covered payroll	51.20%	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.

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

	For the year ended June 30					
	2022	2021	2020	2019	2018	2017
Actuarially determined contribution (ADC)	\$ 1,712	\$ 2,780	\$ 3,190	\$ 4,044	\$ 4,560	\$ 4,644
Contributions in relation to the ADC	(4,042)	(3,504)	(4,326)	(5,447)	(5,722)	(4,603)
Contributions deficiency / (excess)	\$ (2,330)	\$ (724)	\$ (1,136)	\$ (1,403)	\$ (1,162)	\$ 41
Covered payroll	\$ 20,250	\$ 19,756	\$ 20,262	\$ 19,580	\$ 19,578	\$ 19,101
Contributions as a percentage of covered payroll	20.0%	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 2022 ⁽¹⁾

Fiscal year ending June 30	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	(16.04%)	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 July 1, 2021 with no adjustments, with liabilities projected to the June 30, 2022 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	26 years
Asset valuation method	Fair Market Value
Actuarial Assumptions:	
Investment rate of return	7.0%
Discount rate	7.0%
Inflation	2.5% per year included in payroll growth
Healthcare cost trend rates	
Pre-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Post-65 Medical / Rx	Initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%
Mortality	Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-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 \$1,226,460 with positive variances in library revenues, permits & other fees, police extra duty fees, recreation revenue, franchise fees, rent revenue – garrison farm, court of chancery fees, investment income, interfund service receipts, police grants fund, police pension grant, transfer tax, municipal street aid and ARPA grant funds. The sources of revenues with negative variances are fines and police revenue, Kent County book reimbursement, business licenses, miscellaneous charges, property taxes, sanitation fees, police extra duty fees, miscellaneous state grant revenue, and civil traffic penalties. Actual total expenditures were lower than budget by \$1,940,121 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 \$3,166,581 to the General Fund ending fund balance.

Budget Amendments

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

1. To re-appropriate budget balances for ongoing capital projects, 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 actual amounts.
2. To amend revenue and expense accounts based on actual experience during fiscal year 2022.

The differences for the year ended June 30, 2022 were as follows:

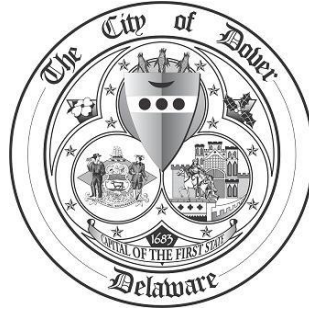
Total revenues- budgetary basis	\$ 49,690,624
Total expenditures- budgetary basis	47,107,279
Net decrease in fund balance- budgetary basis	<u>2,583,345</u>
Perspective differences	
Transfer to/from Reserves	(193,531)
Leases	27,250
General Fund Subfund Expense Activity for the Capital Project Fund	(2,497,205)
Intrafund Transfers to the General Fund- Capital Projects Fund	2,129,100
General Fund Subfund Revenue Activity for the Capital Project Fund	2,078,468
Fair Value of Investments	(446,407)
Deferred Revenue Adjustment	181,233
Net increase in fund balance - GAAP Basis	<u><u>\$ 3,862,253</u></u>

PART E



SUPPLEMENTARY INFORMATION

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FINANCIAL STATEMENTS

GENERAL FUND COMBINING SCHEDULES

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

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

The City of Dover, Delaware
Combining General Fund Balance Sheet
June 30, 2022

	General Fund	General Capital Projects Fund	Total General Funds
Assets:			
Cash and Cash Equivalents	\$ 8,478,565	\$ 5,964,760	\$ 14,443,325
Investments	4,917,086	3,427,761	8,344,847
Restricted Investments	19,198	-	19,198
Receivables, net			
Accounts	2,789,185	748	2,789,933
Taxes	54,765	-	54,765
Due from Other Funds	717,632	25,989	743,621
Temporary Advances	40,000	-	40,000
Prepaid Items	158,549	-	158,549
Inventory, at Cost	195,250	-	195,250
Total Assets	<u>\$ 17,370,230</u>	<u>\$ 9,419,258</u>	<u>\$ 26,789,488</u>
Liabilities:			
Accounts Payable	\$ 1,137,054	\$ 126,436	\$ 1,263,490
Unearned Revenue	34,673	57,825	92,498
Due to Other Funds	48	-	48
Other	69,694	-	69,694
Total Liabilities	<u>1,241,469</u>	<u>184,261</u>	<u>1,425,730</u>
Deferred Inflows of Resources:			
Unavailable revenue	209,083	-	209,083
Leases Revenue	2,152,256	-	2,152,256
Total Deferred Inflows of Resources	<u>2,361,339</u>	<u>-</u>	<u>2,361,339</u>
Fund Balances:			
Non-Spendable			
Inventory and Prepaids	353,799	-	353,799
Library Endowment	5,000	-	5,000
Patronage Stock	16,594	-	16,594
Restricted			
Library Endowment	2,604	-	2,604
Verizon Cable Franchise	64,814	-	64,814
Committed			
Contingency	737,380	-	737,380
Parkland Reserve	-	1,425,937	1,425,937
Assigned			
Capital Projects	-	7,809,060	7,809,060
Unassigned	12,587,231	-	12,587,231
Total Fund Balances	<u>13,767,422</u>	<u>9,234,997</u>	<u>23,002,419</u>
Total Liabilities and Fund Balances	<u>\$ 17,370,230</u>	<u>\$ 9,419,258</u>	<u>\$ 26,789,488</u>

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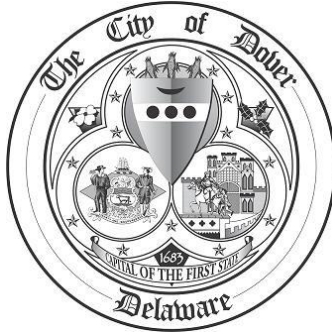
The City of Dover, Delaware
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances of the General Fund (Non-GAAP Basis)
For the Year Ended June 30, 2022

	General Fund	General Capital Projects Fund	Total General Funds
Revenues			
Fines	\$ 508,082	\$ -	\$ 508,082
Library Revenue- General	120,687	-	120,687
Library Revenue County Reimbursement	139,901	-	139,901
Licenses and Permits	3,042,850	-	3,042,850
Sanitation Fees	3,371,689	-	3,371,689
Miscellaneous Services	1,484,452	458,702	1,943,154
Property Taxes	15,241,104	-	15,241,104
Grants Received	1,245,924	1,259,728	2,505,652
Court of Chancery Fees	2,095,840	-	2,095,840
Investment Income	68,224	8,181	76,405
Total Revenues	27,318,753	1,726,611	29,045,364
Expenditures			
Current:			
General Government	3,031,267	-	3,031,267
Library Services	1,723,517	-	1,723,517
Public Safety and Law Enforcement	21,070,834	362,327	21,433,161
Public Works	3,391,584	808,091	4,199,675
Recreational Services	1,078,718	78,723	1,157,441
Streets and Sanitation Services	3,007,636	755,051	3,762,687
Engineering services	166,209	25,149	191,358
Financial Administration	2,659,164	76,152	2,735,316
Garage and Stores	1,633,672	296,512	1,930,184
Insurance	893,606	-	893,606
Retiree Health Care	2,156,000	-	2,156,000
Employee Pension	1,234,300	-	1,234,300
Community and Economic Development	150,000	-	150,000
Street Lights	826,038	-	826,038
Debt Service:			
Principal Retirement	487,315	-	487,315
Interest and Fiscal Charges	144,822	-	144,822
Total Expenditures	43,654,682	2,402,005	46,056,687
Excess (deficiency) of Revenues over Expenditures	(16,335,929)	(675,394)	(17,011,323)
Other Financing Sources and Uses			
Reserve Transfers	-	256,657	256,657
Interfund Transfers	18,919,274	2,129,100	21,048,374
Total Other Financing Sources and Uses	18,919,274	2,385,757	21,305,031
Net Change in Fund Balances	2,583,345	1,710,363	4,293,708
Fund Balances at Beginning of Year	10,635,736	3,846,204	14,481,940
Fund Balances at End of Year	13,219,081	5,556,567	18,775,648
Perspective and GAAP (Non-GAAP) Differences:			
Fair Value of Investment Adjustment	(190,969)	(133,056)	(324,025)
Deferred Revenues - Non-spendable	(114,332)	-	(114,332)
Inventory & Prepaids - Non-spendable	(353,799)	-	(353,799)
Capital Asset - Assigned	-	(5,423,511)	(5,423,511)
Unassigned Fund Balance	\$ 12,559,981	\$ -	\$ 12,559,981

2022 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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Beginning Balance - Working Capital	\$ 3,331,500	\$ 4,832,300	\$ 3,846,204	\$ (986,096)
Revenues:				
State Grant - Other	1,333,000	1,088,800	1,259,728	170,928
Police Grants	23,800	23,800	-	(23,800)
Miscellaneous Receipts	-	274,900	111,141	(163,759)
Transfer from General Fund for Projects	3,025,900	2,129,100	2,129,100	-
Transfer from Parkland Reserve	490,000	-	1,150	1,150
Transfer from Capital Asset Reserve	140,000	-	-	-
Transfer from Lodging Tax	-	275,000	355,742	80,742
Transfer from Other Reserves	-	-	350,707	350,707
Total Revenues	5,012,700	3,791,600	4,207,568	415,968
Total Beginning Balance & Revenues	\$ 8,344,200	\$ 8,623,900	\$ 8,053,772	\$ (570,128)
Expenditures:				
Fire	\$ 250,300	\$ 169,800	\$ 161,018	\$ 8,782
Library	25,000	25,000	-	25,000
Recreation	756,000	142,100	78,723	63,377
Code Enforcement	50,300	-	-	-
Planning	-	500	458	42
Inspections	25,100	47,700	22,578	25,122
Police	526,000	672,500	178,273	494,227
Streets	506,000	3,096,000	755,051	2,340,949
Sanitation	166,200	660,000	-	660,000
Grounds	125,000	125,400	56,086	69,314
Stormwater	2,546,200	1,892,000	666,805	1,225,195
Information Technology	36,600	84,100	76,152	7,948
Facilities Management	-	852,000	85,200	766,800
Engineering	-	25,300	25,149	151
Purchasing	-	296,600	296,512	88
Subtotal	5,012,700	8,089,000	2,402,005	5,686,995
Transfers and Miscellaneous Expenses:				
Transfer to Capital Asset Reserve	-	71,000	70,914	86
Transfer to Parkland Reserve	-	-	2,500	(2,500)
Transfer to Other Reserve	-	-	21,786	(21,786)
Total Expenditures	5,012,700	8,160,000	2,497,205	5,662,795
Budget Balance - Working Capital	3,331,500	463,900	5,556,567	(5,092,667)
Budget Balance & Expenditures	\$ 8,344,200	\$ 8,623,900	\$ 8,053,772	\$ 570,128
Budget Balance - Working Capital			\$ 5,556,567	
Perspective and GAAP (Non-GAAP) Differences:				
Fair value of investment adjustment			(133,056)	
Assigned to Capital assets			2,385,549	
Committed to Parks & Recreation improvements			1,425,937	
Total Fund Balances			\$ 9,234,997	



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

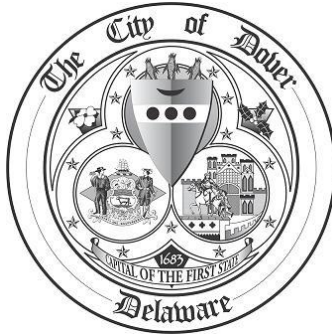
The City of Dover Public Library receives various grants from the State of Delaware, Kent County, Miscellaneous entities, and the Federal Government. Activities associated with these grants are recorded in this fund.

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)

ARPA FUNDING GRANT

The American Rescue Plan Act provided relief funds to the City of Dover due to the loss of public sector revenue due to the coronavirus pandemic.

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.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	POLICE FEDERAL GRANTS	POLICE STATE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG HOUSING GRANTS	ARPA FUNDING GRANT	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	LODGING TAX	REALTY TRANSFER TAX	TOTALS
ASSETS:												
Cash	\$ 34,598	\$ 501,837	\$ 213,162	\$ -	\$ 21,707	\$ 4,178,611	\$ 114,487	\$ 68,761	\$ 163	\$ 25,798	\$ 33,449	\$ 5,192,573
Receivables	268,732	-	-	-	2,299	-	-	-	-	191	1,583	272,805
Prepaid items	3,958	-	734	-	-	-	-	-	-	-	-	4,692
Due from other governments	-	-	-	-	24,736	-	-	-	26,162	-	-	50,898
TOTAL ASSETS	\$ 307,288	\$ 501,837	\$ 213,896	\$ -	\$ 48,742	\$ 4,178,611	\$ 114,487	\$ 68,761	\$ 26,325	\$ 25,989	\$ 35,032	\$ 5,520,968
LIABILITIES AND FUND BALANCE:												
Liabilities:												
Vouchers Payable	\$ 12,000	\$ 19,667	\$ 24,888	\$ -	\$ 7,036	\$ 13,066	\$ -	\$ 11,982	\$ -	\$ -	\$ -	\$ 88,639
Unearned Revenue	55,572	189,615	-	-	-	-	-	-	-	-	-	245,187
Due to other funds-charges	226,479	224,988	-	-	565	-	-	-	26,325	25,989	35,032	539,378
Due to other funds-temporary advances	-	-	-	-	40,000	-	-	-	-	-	-	40,000
Total Liabilities	294,051	434,270	24,888	-	47,601	13,066	-	11,982	26,325	25,989	35,032	913,204
Fund Balances:												
Nonspendable	3,958	-	734	-	-	-	-	-	-	-	-	4,692
Restricted	9,279	67,567	188,274	-	1,141	4,165,545	114,487	56,779	-	-	-	4,603,072
Total Fund Balances	13,237	67,567	189,008	-	1,141	4,165,545	114,487	56,779	-	-	-	4,607,764
TOTAL LIABILITIES AND FUND BALANCES	\$ 307,288	\$ 501,837	\$ 213,896	\$ -	\$ 48,742	\$ 4,178,611	\$ 114,487	\$ 68,761	\$ 26,325	\$ 25,989	\$ 35,032	\$ 5,520,968

2022 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, 2022

	POLICE FEDERAL GRANTS	POLICE STATE GRANTS	LIBRARY GRANTS	MUNICIPAL STREET AID	CDBG HOUSING GRANTS	ARPA FUNDING GRANT	STATE D.O.T. GRANTS	SUBSTANCE ABUSE PREV. GRANT	ERLSP	LODGING TAX	REALTY TRANSFER TAX	TOTALS
REVENUES:												
Grants received	\$ 484,309	\$ 224,282	\$ 383,389	\$ 791,633	\$ 340,502	\$ 4,309,629	\$ 520,975	\$ 40,000	\$ -	\$ -	\$ -	\$ 7,094,719
Recreation revenue	-	-	-	-	-	-	-	25,593	-	-	-	25,593
Police fines	-	-	-	-	-	-	-	-	198,594	-	-	198,594
Taxes	-	-	-	-	-	-	-	-	-	355,742	3,901,105	4,256,847
Investment income (loss)	483	-	-	716	-	7,602	652	-	-	-	1,065	10,518
TOTAL REVENUES	484,792	224,282	383,389	792,349	340,502	4,317,231	521,627	65,593	198,594	355,742	3,902,170	11,586,271
EXPENDITURES:												
Public Safety and Law Enforcement	104,590	162,472	-	-	-	95,275	-	-	-	-	-	362,337
Library Services	-	-	269,890	-	-	-	-	-	-	-	-	269,890
Community and Economic Development	-	-	-	-	340,502	-	-	117,104	-	-	-	457,606
Public Works	-	-	-	-	-	-	520,975	-	-	-	-	520,975
TOTAL EXPENDITURES	104,590	162,472	269,890	-	340,502	95,275	520,975	117,104	-	-	-	1,610,808
Excess (deficiency) of revenues over (under) expenditures	380,202	61,810	113,499	792,349	-	4,221,956	652	(51,511)	198,594	355,742	3,902,170	9,975,463
OTHER FINANCING SOURCES (USES):												
Operating transfers-in	194,515	-	-	-	-	-	-	-	-	-	-	194,515
Transfers-out	(572,589)	(61,810)	-	(792,349)	-	(56,411)	-	-	(198,594)	(355,742)	(3,902,170)	(5,939,665)
Net Change in fund balances	2,128	-	113,499	-	-	4,165,545	652	(51,511)	-	-	-	4,230,313
FUND BALANCE												
AT BEGINNING OF YEAR	11,109	67,567	75,509	-	1,141	-	113,835	108,290	-	-	-	377,451
FUND BALANCE												
AT BEGINNING OF YEAR - Restated	11,109	67,567	75,509	-	1,141	-	113,835	108,290	-	-	-	377,451
FUND BALANCE												
AT END OF YEAR	\$ 13,237	\$ 67,567	\$ 189,008	\$ -	\$ 1,141	\$ 4,165,545	\$ 114,487	\$ 56,779	\$ -	\$ -	\$ -	\$ 4,607,764

**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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ 15,137	\$ 15,137
Interest earned	-	-	483	483
Grants received	830,000	830,000	485,955	(344,045)
TOTAL REVENUES & BEGINNING BALANCE	830,000	830,000	501,575	(328,425)
EXPENDITURES:				
Program expenses/supplies	404,000	389,000	85,501	(303,499)
Training/Conference/Food/Travel	10,000	25,000	19,089	(5,911)
Audit Fees	1,000	1,000	-	(1,000)
TOTAL EXPENDITURES	415,000	415,000	104,590	(310,410)
Other financing sources and uses:				
Operating transfers - in	-	-	194,515	194,515
Operating transfers - out	(415,000)	(415,000)	(572,589)	(157,589)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ 18,911	\$ 18,911
Fund Balance - Working Capital			\$ 18,911	
GAAP Differences				
Deferred Revenue - non-spendable			(5,674)	
Total Fund Balance			<u>\$ 13,237</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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ 67,567	\$ 67,567
Grants received	330,000	405,000	224,282	(180,718)
TOTAL REVENUES & BEGINNING BALANCE	330,000	405,000	291,849	(113,151)
EXPENDITURES:				
Program expenses/supplies	265,000	265,000	155,530	(109,470)
Training/Conference/Food/Travel	15,000	90,000	6,942	(83,058)
TOTAL EXPENDITURES	280,000	355,000	162,472	(192,528)
Other financing uses:				
Operating transfers - out	50,000	50,000	61,810	11,810
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ 67,567	\$ 67,567

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ 75,510	\$ 75,509	\$ (1)
Grants received: State	275,000	339,852	336,852	(3,000)
Grants received: Other	-	43,309	44,507	1,198
Grants received: Federal	2,700	2,700	2,030	(670)
TOTAL REVENUES & BEGINNING BALANCE	277,700	461,371	458,898	(2,473)
EXPENDITURES:				
Program expenditures/supplies (Fed Grant)	2,700	45,675	25,720	(19,955)
Program expenditures/supplies (Other Grant)	-	3,334	1,532	(1,802)
Program expenditures/supplies (State Grant)	28,200	55,311	34,160	(21,151)
Office Supplies	23,100	30,000	12,245	(17,755)
Printing/duplicating	15,000	10,000	1,094	(8,906)
Postage	100	100	68	(32)
Books	125,000	162,855	98,424	(64,431)
Furniture/Fixtures	5,000	33,289	12,697	(20,592)
Audio visual supplies	67,700	93,320	72,315	(21,005)
Training/conference/food/travel	3,000	5,000	2,788	(2,212)
Office equipment repairs	1,900	3,355	838	(2,517)
Office equipment lease	2,500	6,000	4,383	(1,617)
Computer software	3,000	6,000	3,606	(2,394)
Computer hardware	500	5,000	20	(4,980)
TOTAL EXPENDITURES	277,700	459,239	269,890	(189,349)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ 2,132	\$ 189,008	\$ 186,876

**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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 100	\$ 100	\$ -	\$ (100)
State Grant - Operations	750,000	792,000	791,633	(367)
Interest Earned	-	-	716	716
TOTAL REVENUES & BEGINNING BALANCE	750,100	792,100	792,349	249
Other financing uses:				
Operating transfers-out	(750,000)	(792,000)	(792,349)	(349)
BALANCE CARRIED TO NEXT YEAR	\$ 100	\$ 100	\$ -	\$ (100)

**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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance CDBG	\$ 2,500	\$ 2,013	\$ 1,141	\$ (872)
Federal grant received	332,443	1,021,589	340,502	(681,087)
TOTAL REVENUES & BEGINNING BALANCE	334,943	1,023,602	341,643	(681,959)
EXPENDITURES:				
Closing Cost/Down Payment Program	100,000	211,347	146,711	64,636
Dover Interfaith Ministry	61,016	66,690	28,000	38,690
MHDC Emergency Home Repair	40,000	72,911	56,014	16,897
Milford Housing H/O Rehab	25,827	90,568	30,328	60,240
Central DE Housing Collaboration	20,600	20,600	22,253	(1,653)
Cares Act COVID19	-	470,082	12,600	457,482
NCALL Research Demo	30,000	30,000	-	30,000
Administrative Expense	55,000	59,391	44,596	14,795
TOTAL EXPENDITURES	332,443	1,021,589	340,502	681,087
CDBG BALANCE CARRIED TO NEXT YEAR	\$ 2,500	\$ 2,013	\$ 1,141	\$ 872

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CITY OF DOVER, DELAWARE
ARPA FUNDING GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Grants received: Federal	4,309,600	4,309,600	4,309,629	29
Grants received: Federal	-	-	7,602	7,602
TOTAL REVENUES & BEGINNING BALANCE	4,309,600	4,309,600	4,317,231	7,631
EXPENDITURES:				
Program Expense and Supplies	-	-	14,000	14,000
Program Expense Housing	-	-	81,275	81,275
Transfer to General Fund	2,500,000	2,500,000	56,411	(2,443,589)
TOTAL EXPENDITURES	2,500,000	2,500,000	151,686	2,348,314
BALANCE CARRIED TO NEXT YEAR	\$ 1,809,600	\$ 1,809,600	\$ 4,165,545	\$ 2,355,945

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 312,400	\$ 312,400	\$ 113,835	\$ (198,565)
Grants received: State	483,400	634,300	520,975	(113,325)
Interest earned	-	-	652	652
TOTAL REVENUES & BEGINNING BALANCE	795,800	946,700	635,462	(311,238)
EXPENDITURES:				
Program expenditures grant related	596,500	747,400	520,975	(226,425)
TOTAL EXPENDITURES	596,500	747,400	520,975	226,425
BALANCE CARRIED TO NEXT YEAR	\$ 199,300	\$ 199,300	\$ 114,487	\$ (84,813)

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 83,700	\$ 108,300	\$ 108,290	\$ (10)
Grants revenue	28,000	40,000	40,000	-
Recreation revenue	33,000	33,000	25,593	(7,407)
TOTAL REVENUES & BEGINNING BALANCE	144,700	181,300	173,883	(7,417)
EXPENDITURES:				
Temporary help/benefits	68,500	68,500	79,157	10,657
Program expenditures/supplies	35,000	35,000	37,947	2,947
TOTAL EXPENDITURES	103,500	103,500	117,104	13,604
BALANCE CARRIED TO NEXT YEAR	\$ 41,200	\$ 77,800	\$ 56,779	\$ (21,021)

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, 2022

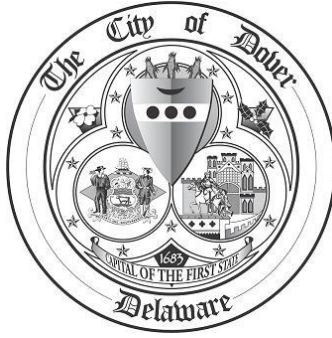
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 100	\$ 100	\$ -	\$ (100)
Grants received: State	400,000	250,000	198,594	(51,406)
TOTAL REVENUES & BEGINNING BALANCE	400,100	250,100	198,594	(51,506)
EXPENDITURES:				
Transfer to General Fund	400,000	250,000	198,594	(51,406)
TOTAL EXPENDITURES	400,000	250,000	198,594	51,406
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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Lodging Tax Revenue	110,000	300,000	355,742	55,742
TOTAL REVENUES & BEGINNING BALANCE	110,000	300,000	355,742	55,742
EXPENDITURES:				
Transfer to General Fund	110,000	300,000	355,742	55,742
TOTAL EXPENDITURES	110,000	300,000	355,742	55,742
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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Realty Transfer Taxes	1,400,000	2,800,000	3,901,105	1,101,105
Interest earned	-	-	1,065	1,065
TOTAL REVENUES & BEGINNING BALANCE	1,400,000	2,800,000	3,902,170	1,102,170
EXPENDITURES:				
Transfer to General Fund	1,400,000	2,800,000	3,902,170	1,102,170
TOTAL EXPENDITURES	1,400,000	2,800,000	3,902,170	(1,102,170)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ -	\$ -



FINANCIAL SCHEDULES PROPRIETARY FUND TYPES ENTERPRISE FUNDS

The following schedules pertaining to the 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.

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.

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.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	\$ 10,913,400	\$ 23,127,100	\$ 23,127,120	\$ 20
Distribution of Earnings - PCA Credit	(5,196,000)	(5,196,000)	(5,060,675)	135,325
	<u>5,717,400</u>	<u>17,931,100</u>	<u>18,066,445</u>	<u>135,345</u>
REVENUES:				
Direct base sales	81,960,900	78,921,000	77,465,421	(1,455,579)
Rental income	110,000	65,000	160,678	95,678
Miscellaneous services	538,000	690,700	447,997	(242,703)
Utility tax	1,271,500	1,182,500	1,151,067	(31,433)
Green Energy	127,000	127,000	132,007	5,007
Interest earned - operating	175,000	100,000	144,013	44,013
Transfer from Rate Stabilization	2,800,000	2,800,000	2,800,000	-
Transfer from Other Funds (ERP)	75,000	75,000	75,000	-
Total Revenues	<u>87,057,400</u>	<u>83,961,200</u>	<u>82,376,183</u>	<u>(1,585,017)</u>
TOTAL BEGINNING BALANCE & REVENUES	\$ 92,774,800	\$ 101,892,300	\$ 100,442,628	\$ (1,449,672)
EXPENSES:				
Power Supply & Generation				
Hedged Energy	\$ 19,773,200	\$ 19,773,200	\$ 18,850,887	\$ 922,313
Power Supply Management	634,800	634,800	634,800	-
Capacity Charges	13,322,900	13,322,900	12,832,991	489,909
Dover Sun Park Energy	3,237,300	3,237,300	2,939,801	297,499
Solar Renewal Energy Credits	409,600	409,600	369,021	40,579
Renewable Energy Credits	1,300,000	1,500,000	1,440,000	60,000
RGGI	33,700	33,700	-	33,700
PJM Charges - Energy	5,508,400	6,008,400	6,829,498	(821,098)
PJM Charges - Transmission & Fees	6,772,100	7,572,100	9,050,478	(1,478,378)
Total Power Supply	<u>50,992,000</u>	<u>52,492,000</u>	<u>52,947,476</u>	<u>(455,476)</u>
Plant Operations	2,219,500	2,219,500	2,508,740	(289,240)
Generation Fuels	300,200	300,200	256,489	43,711
Capacity Credits	(5,411,200)	(5,411,200)	(4,932,263)	(478,937)
PJM Spot Market Energy	(366,200)	(366,200)	(404,321)	38,121
PJM Credits	(87,000)	(130,500)	(520,621)	390,121
Total Generation	<u>(3,344,700)</u>	<u>(3,388,200)</u>	<u>(3,091,976)</u>	<u>(296,224)</u>
Utility Tax	1,271,500	1,182,500	1,151,067	31,433
Administration	910,100	916,100	816,356	99,744
Transmission/Distribution	4,127,400	4,114,600	3,936,912	177,688
Electrical Engineering	1,419,600	1,375,400	1,290,351	85,049
Systems Operations	942,200	942,200	760,925	181,275
Meter Reading	389,400	389,400	360,103	29,297
Contractual Services - Power Supply	60,000	60,000	21,866	38,134
Legal Expenses	50,000	50,000	31,115	18,885
Bond Issue Costs	40,000	-	-	-
Provision for Uncollectible	300,000	300,000	300,000	-
Retirees Health Care	843,500	843,500	843,500	-
Green Energy Grants	127,000	127,000	98,500	28,500
Bank & CC Fees	500,000	500,000	507,102	(7,102)
Interest on Deposits	21,000	21,000	20,813	187
Interfund Service Fees	3,628,500	3,647,400	3,766,783	(119,383)
Other Appropriations:				
Electric Capital Project Fund	3,711,100	2,359,000	2,359,000	-
General Fund	11,000,000	11,000,000	11,000,000	-
Debt Service	1,800,000	1,800,000	1,399,443	400,557
Rate Stabilization Fund	2,000,000	-	-	-
Transfer to Other Reserve	-	-	33,507	(33,507)
TOTAL EXPENSES	80,788,600	78,731,900	78,552,843	179,057
Budget Balance - Working Capital	11,986,200	23,160,400	21,889,785	1,270,615
TOTAL BUDGET BALANCE & EXPENSES	\$ 92,774,800	\$ 101,892,300	\$ 100,442,628	\$ 1,449,672

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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**CITY OF DOVER, DELAWARE
ELECTRIC IMPROVEMENT AND EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	\$ 22,581,700	\$ 24,647,300	\$ 24,647,349	\$ 49
TOTAL BEGINNING BALANCES	22,581,700	24,647,300	24,647,349	49
REVENUES:				
Transfer from Electric Operating Fund	3,711,100	2,359,000	2,359,000	-
Transfer from Depreciation Reserve	9,000,000	9,000,000	1,000,096	(7,999,904)
Transfer from Future Capacity Reserve	-	2,000,000	-	(2,000,000)
Federal Appropriation	-	5,000,000	-	(5,000,000)
General Service Billing	400,000	650,000	1,084,477	434,477
Miscellaneous Receipts	-	-	51,736	51,736
Interest Earnings	185,500	85,500	116,797	31,297
Bond Issue Proceeds	8,575,200	-	-	-
Total Revenues	21,871,800	19,094,500	4,612,106	(14,482,394)
TOTAL BEGINNING BALANCES & REVENUES	\$ 44,453,500	\$ 43,741,800	\$ 29,259,455	\$ (14,482,345)
EXPENSES:				
Electric Administration	\$ 1,843,200	\$ 910,900	\$ 578,364	\$ 332,536
Electric Generation	9,070,000	10,198,800	1,389,302	8,809,498
Transmission and Distribution	1,320,800	1,872,900	1,144,669	728,231
Electrical Engineering	8,952,300	9,930,000	1,609,552	8,320,448
ERP System	500,000	1,556,700	98,162	1,458,538
Total Expenses	21,686,300	24,469,300	4,820,049	19,649,251
Budget Balance - Improvement & Extension Fund	22,767,200	19,272,500	24,439,406	(5,166,906)
Total Budget Balances - Working Capital	22,767,200	19,272,500	24,439,406	(5,166,906)
TOTAL BUDGET BALANCES & EXPENSES	\$ 44,453,500	\$ 43,741,800	\$ 29,259,455	\$ 14,482,345

2022 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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Water	\$ 642,000	\$ 1,522,800	\$ 1,522,881	\$ 81
TOTAL BEGINNING BALANCES	642,000	1,522,800	1,522,881	81
REVENUES:				
Water Services	6,353,800	6,100,000	6,144,754	44,754
Miscellaneous service fees	104,600	30,000	105,605	75,605
Water tank space leasing	436,700	408,600	502,821	94,221
Interest - Water	34,000	8,900	16,244	7,344
Water Impact Fees	420,000	160,000	176,669	16,669
Total Revenues	7,349,100	6,707,500	6,946,093	238,593
TOTAL BEGINNING BALANCES & REVENUES	\$ 7,991,100	\$ 8,230,300	\$ 8,468,974	\$ 238,674
EXPENSES:				
Engineering & Inspection	\$ 294,400	\$ 306,300	\$ 296,565	\$ 9,735
Water Department	676,300	676,300	675,921	379
Water Treatment Plant	2,370,600	2,293,700	2,127,539	166,161
Interfund Service Fees	964,700	967,600	946,980	20,620
Retirees Health Care	192,000	192,000	192,000	-
Debt Service - Water	762,800	762,800	775,704	(12,904)
Bank & Credit Card Fees	27,000	27,000	22,589	4,411
Transfer To:				
Water Improvement and Extension	1,148,600	861,400	861,400	-
General Fund from Water	500,000	500,000	500,000	-
Electric Improvement and Extension	25,000	25,000	25,000	-
Total Expenses	6,961,400	6,612,100	6,423,698	188,402
Budget Balance - Water	1,029,700	1,618,200	2,045,276	(427,076)
Total Budget Balances - Working Capital	1,029,700	1,618,200	2,045,276	(427,076)
TOTAL BUDGET BALANCES & EXPENSES	\$ 7,991,100	\$ 8,230,300	\$ 8,468,974	\$ (238,674)

2022 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, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Water	\$ 4,896,200	\$ 4,763,800	\$ 4,763,795	\$ (5)
TOTAL BEGINNING BALANCES	4,896,200	4,763,800	4,763,795	(5)
REVENUES:				
State Loan Fund - Water	-	370,000	370,000	-
Interest earnings	50,000	50,000	63,398	13,398
Income from sale of assets	-	-	23,360	23,360
Transfer from Operating Fund - Water	1,148,600	861,400	861,400	-
Transfer from Water Impact Fee Reserve	707,700	707,700	47,815	(659,885)
Total Revenues	1,906,300	1,989,100	1,365,973	(623,127)
TOTAL BEGINNING BALANCES & REVENUES	\$ 6,802,500	\$ 6,752,900	\$ 6,129,768	\$ (623,132)
EXPENSES:				
Water	\$ 1,729,000	\$ 1,933,100	\$ 1,787,771	\$ 145,329
Water Engineering and Inspection	-	200	114	86
Water Treatment Plant	177,300	179,200	27,596	151,604
Total Expenses	1,906,300	2,112,500	1,815,481	297,019
Budget Balance - Water	4,896,200	4,640,400	4,314,287	326,113
Total Budget Balances - Working Capital	4,896,200	4,640,400	4,314,287	326,113
TOTAL BUDGET BALANCES & EXPENSES	\$ 6,802,500	\$ 6,752,900	\$ 6,129,768	\$ 623,132

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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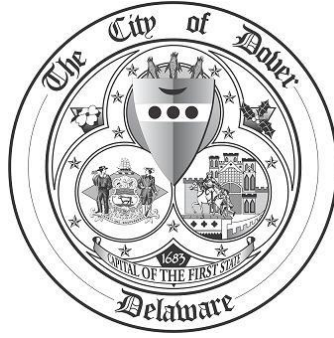
**CITY OF DOVER, DELAWARE
WASTEWATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Wastewater	\$ 1,672,200	\$ 1,169,400	\$ 1,169,441	41
TOTAL BEGINNING BALANCES	1,672,200	1,169,400	1,169,441	41
REVENUES:				
Wastewater Services	4,709,500	4,153,500	4,349,181	195,681
Wastewater Treatment Services	3,275,100	2,873,000	3,022,590	149,590
Groundwater inflow adjustment	2,023,100	2,023,100	2,013,793	(9,307)
Miscellaneous service fees	200	200	17,683	17,483
State Grant - Wastewater	62,700	50,000	-	(50,000)
Interest - Wastewater	20,000	20,000	11,211	(8,789)
Wastewater Impact Fees	380,000	162,700	176,978	14,278
Total Revenues	10,470,600	9,282,500	9,591,436	308,936
TOTAL BEGINNING BALANCES & REVENUES	\$ 12,142,800	\$ 10,451,900	\$ 10,760,877	\$ 308,977
EXPENSES:				
Engineering & Inspection	\$ 393,700	\$ 393,700	\$ 301,738	\$ 91,962
Wastewater Department	1,112,500	1,023,500	973,360	50,140
Debt Service - Wastewater	659,900	659,900	620,366	39,534
Retirees Health Care	93,000	93,000	93,000	-
Kent County Treatment Charge	4,302,900	4,302,900	3,852,858	450,042
Interfund Service Fees	733,000	738,600	707,230	31,370
Bank & Credit Card Fees	12,000	12,000	7,658	4,342
Transfer To:				
General Fund from Wastewater	500,000	500,000	500,000	-
Wastewater Improvement and Extension	799,200	799,200	799,200	-
Electric Improvement and Extension	25,000	25,000	25,000	-
Wastewater Impact Fee reserves	-	-	21,757	(21,757)
Total Expenses	8,631,200	8,547,800	7,902,167	645,633
Budget Balance - Wastewater	3,511,600	1,904,100	2,858,710	(954,610)
Total Budget Balances - Working Capital	3,511,600	1,904,100	2,858,710	(954,610)
TOTAL BUDGET BALANCES & EXPENSES	\$ 12,142,800	\$ 10,451,900	\$ 10,760,877	\$ (308,977)

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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**CITY OF DOVER, DELAWARE
WASTEWATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Wastewater	\$ 892,700	\$ 1,200,800	\$ 1,200,837	37
TOTAL BEGINNING BALANCES	892,700	1,200,800	1,200,837	37
REVENUES:				
State Loan Fund - Wastewater	-	248,500	248,450	(50)
Transfer from Operating Fund - Wastewater	799,200	799,200	799,200	-
Transfer from Wastewater Impact Fee Reserve	22,000	44,100	44,100	-
Interest earnings	10,000	10,000	27,861	17,861
Total Revenues	831,200	1,101,800	1,119,611	17,811
TOTAL BEGINNING BALANCES & REVENUES	\$ 1,723,900	\$ 2,302,600	\$ 2,320,448	\$ 17,848
EXPENSES:				
Wastewater Engineering	\$ -	\$ 200	\$ 114	\$ 86
Wastewater	831,200	1,513,800	1,197,912	315,888
Total Expenses	831,200	1,514,000	1,198,026	315,974
Budget Balance - Wastewater	892,700	788,600	1,122,422	(333,822)
Total Budget Balances - Working Capital	892,700	788,600	1,122,422	(333,822)
TOTAL BUDGET BALANCES & EXPENSES	\$ 1,723,900	\$ 2,302,600	\$ 2,320,448	\$ (17,848)



FINANCIAL SCHEDULES PROPRIETARY FUND TYPES INTERNAL SERVICE FUNDS

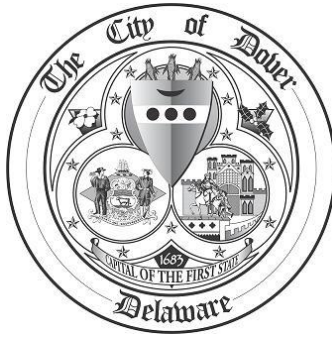
WORKERS' COMPENSATION INSURANCE FUND

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

Budgetary schedule is included for public review of budgetary compliance.

**CITY OF DOVER, DELAWARE
WORKERS' COMPENSATION
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OPERATING REVENUES:				
Beginning Balance	\$ 1,803,600	\$ 1,803,600	\$ 3,030,388	\$ 1,226,788
Interest Earned	28,500	28,500	(54,750)	(83,250)
City Contribution	993,500	788,700	979,823	191,123
TOTAL REVENUES	\$ 2,825,600	\$ 2,620,800	\$ 3,955,461	\$ 1,334,661
OPERATING EXPENSES:				
Program Expenses	\$ 480,000	\$ 285,000	\$ 155,014	\$ 129,986
Contractual Services	25,000	15,000	9,197	5,803
Insurance	145,000	173,700	166,952	6,748
State of Delaware - Self-Insurance Tax	39,000	39,000	26,888	12,112
TOTAL EXPENSES	\$ 689,000	\$ 512,700	\$ 358,051	\$ 154,649
BUDGET BALANCE - CARRY FORWARD	\$ 2,136,600	\$ 2,108,100	\$ 3,597,410	\$ (1,489,310)



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	\$ 1,838,086	\$ 6,307,897	\$ 3,162,308	\$ 11,308,291
Investments at Fair Value - Mutual Funds	12,967,347	41,774,955	45,629,719	100,372,021
Total Assets	<u>\$ 14,805,433</u>	<u>\$ 48,082,852</u>	<u>\$ 48,792,027</u>	<u>\$ 111,680,312</u>
Liabilities				
Vouchers Payable & Deposit Payable	1,687	6,035	449,209	456,931
Total Liabilities	<u>1,687</u>	<u>6,035</u>	<u>449,209</u>	<u>456,931</u>
Net Position				
Net Position Restricted for Pensions	14,803,746	48,076,817		62,880,563
Net Position Restricted for Health Benefits			48,342,818	48,342,818
Total Net Position	<u>\$ 14,803,746</u>	<u>\$ 48,076,817</u>	<u>\$ 48,342,818</u>	<u>\$ 111,223,381</u>

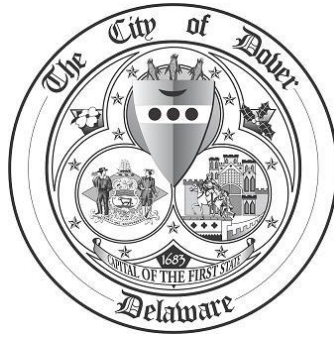
The notes to financial statements are an integral part of this statement.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Police Pension Trust	Employees' Pension Trust	OPEB Trust Fund	Pension and Other Postemployment Benefit Trust Funds
Additions:				
Net Investment Income	\$ (2,441,617)	\$ (7,865,542)	\$ (8,960,325)	\$ (19,267,484)
City's Contribution-Payroll Based	-	3,248,190	757,785	4,005,975
City's Contribution-Lump Sum	615,200	1,234,300	3,284,500	5,134,000
Employee Contribution	-	171,257	-	171,257
State Grants	668,521	-	-	668,521
Other	3,341	-	-	3,341
Total Additions	<u>(1,154,555)</u>	<u>(3,211,795)</u>	<u>(4,918,040)</u>	<u>(9,284,390)</u>
Deductions:				
Benefit Payments	1,517,334	4,561,451	2,902,867	8,981,652
General Administration	11,987	51,795	7,500	71,282
Total Deductions	<u>1,529,321</u>	<u>4,613,246</u>	<u>2,910,367</u>	<u>9,052,934</u>
Change in Net Position	(2,683,876)	(7,825,041)	(7,828,407)	(18,337,324)
Net Position - Beginning	<u>17,487,622</u>	<u>55,901,858</u>	<u>56,171,225</u>	<u>129,560,705</u>
Net Position - Ending	<u>\$ 14,803,746</u>	<u>\$ 48,076,817</u>	<u>\$ 48,342,818</u>	<u>\$ 111,223,381</u>

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



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.

DOVER STRONG

The Dover Strong Fund was formed to widen eligibility for charitable contributions and grants to benefit the City of Dover and its parks, grounds, beautification efforts, education, the arts, and community development.

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

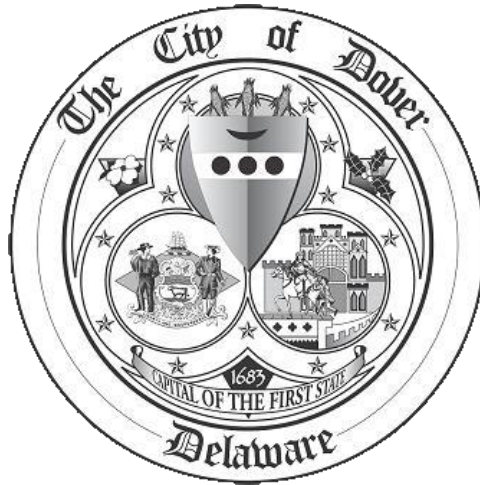
City of Dover, Delaware
Combining Statement of Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>4th of July Celebration</u>	<u>Dover Day's Celebration</u>	<u>Dover Strong</u>	<u>Total Custodial Funds</u>
Assets				
Cash and Cash Equivalents	\$ 3,574	\$ 15,859	\$ 9,825	\$ 29,258
Prepaid Expenses	25,000	-	-	25,000
Total Assets	<u>28,574</u>	<u>15,859</u>	<u>9,825</u>	<u>54,258</u>
Net Position				
Net Position Restricted for Other Organizations	28,574	15,859	9,825	54,258
Total Net Position	<u>\$ 28,574</u>	<u>\$ 15,859</u>	<u>\$ 9,825</u>	<u>\$ 54,258</u>

City of Dover, Delaware
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	<u>4th of July Celebration</u>	<u>Dover Day's Celebration</u>	<u>Dover Strong</u>	<u>Total Custodial Funds</u>
Additions:				
Gifts/Donations	\$ 22,390	\$ 14,250	\$ 7,500	\$ 44,140
General Fund Contributions	-	-	6,000	6,000
Interest Income	23	-	-	23
Total Additions	<u>22,413</u>	<u>14,250</u>	<u>13,500</u>	<u>50,163</u>
Deductions:				
Supplies/Materials	209	4,038	1,175	5,422
Bank Fees	199	-	-	199
Contractual Services	19,020	19,450	-	38,470
Transfer to Governmental Capital Project Fund	-	-	2,500	2,500
Total Deductions	<u>19,428</u>	<u>23,488</u>	<u>3,675</u>	<u>46,591</u>
Change in Net Position	2,985	(9,238)	9,825	3,572
Net Position - Beginning	25,589	25,097	-	50,686
Net Position - Ending	<u>\$ 28,574</u>	<u>\$ 15,859</u>	<u>\$ 9,825</u>	<u>\$ 54,258</u>

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 annual comprehensive financial reports for the relevant year.

2022 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net investment in capital assets	\$ 52,211,316	\$ 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
Restricted	4,675,182	431,347	346,826	342,285	961,101	306,474	932,728	556,553	612,054	721,682
Unrestricted	6,821,368	(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)
Total governmental activities net position	63,707,866	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
Business-type activities										
Net investment in capital assets	102,312,686	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
Restricted	70,355,786	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
Unrestricted	31,213,588	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
Total business-type activities net position	203,882,060	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
Primary government										
Net investment in capital assets	154,524,002	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
Restricted	75,030,968	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
Unrestricted	38,034,956	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
Total primary government net position	\$ 267,589,926	\$ 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

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.

2022 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 3,957,743	\$ 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
Public safety	15,419,359	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
Public works	8,110,459	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
Library and recreation	3,313,073	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
Community and economic development	607,606	1,023,086	531,306	461,983	513,857	449,356	551,879	444,474	676,554	939,966
Central services	457,123	641,781	626,259	521,020	589,846	473,498	483,426	443,072	512,586	454,816
Financial administration	817,314	911,780	886,495	894,670	964,051	746,714	1,249,012	1,247,976	1,368,048	1,122,830
Other post-employment benefits	-	-	-	-	-	-	-	-	3,348,267	5,119,778
Interest on long-term debt	185,468	180,781	132,711	178,514	129,723	118,275	118,565	174,912	122,812	114,785
Total governmental activities expenses	32,868,145	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
Business-type activities										
Water	5,269,522	4,354,130	4,872,473	12,604,448	11,728,740	11,416,394	11,925,299	11,322,958	11,397,992	10,905,358
Wastewater	7,398,502	8,183,518	7,326,224							
Electric	71,680,359	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
Total business-type activities	84,348,383	75,646,966	71,380,342	81,064,029	84,282,059	74,409,244	72,979,450	78,885,035	85,879,040	85,500,943
Total primary government expenses	117,216,528	107,693,025	105,618,394	113,409,291	118,206,540	104,410,784	109,515,740	112,834,294	121,953,899	121,129,158
Program Revenues										
Governmental activities:										
Charges for services:										
General government	3,087,530	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
Public safety	4,232,464	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
Public works	3,575,614	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
Library and recreation	414,787	146,402	457,674	612,737	640,061	602,873	667,996	696,179	699,622	656,001
Operating grants and contributions	8,337,088	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
Capital grants and contributions	619,475	191,367	571,817	372,136	344,561	360,538	675,784	166,379	1,226,559	2,107,444
Total governmental activities program revenues	20,266,958	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
(Continued)										

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

(Table 2 Continued - Changes in Net Position)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Program Revenues										
Business-type activities:										
Charges for services:										
Water *	7,086,239	6,693,676	6,152,724	16,017,306	16,319,193	16,054,096	14,976,213	14,875,806	13,268,213	13,387,706
Wastewater *	9,783,269	9,507,205	8,754,314							
Electric	80,782,417	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
Capital contributions	-	-	1,409,145	-	-	1,201,963	44,955	1,516,932	401,947	-
Total business-type activities program revenues	97,651,925	96,021,697	91,651,665	99,726,721	100,202,950	100,911,929	95,717,078	96,195,412	93,159,352	104,073,399
Total primary government program revenues	117,918,883	109,368,380	105,556,562	113,252,379	114,915,931	113,949,619	109,604,875	108,610,231	106,654,533	119,080,701
Net (expense)/revenue:										
Governmental activities	(12,601,187)	(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)
Business-type activities	13,303,542	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
Total primary government net revenue (expense)	702,355	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)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	15,370,628	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
Transfer taxes	4,256,847	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
Investment earnings	(351,255)	15,803	551,771	809,345	100,903	132,228	263,667	92,479	142,390	36,793
Transfers	11,975,000	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
Total governmental activities	31,251,220	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
Business-type activities:										
Investment earnings	(3,430,291)	399,058	4,179,682	3,752,939	208,800	379,160	1,058,028	544,624	832,919	112,402
Loss on Sale of Assets	-	(480,219)	-	-	-	-	-	-	-	-
Transfers	(11,975,000)	(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)
Prior Period Adj. Net Pension Liability								-	-	-
Total business-type activities	(15,405,291)	(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)
Total primary government	15,845,929	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
Change in Net Position										
Government activities	18,650,033	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
Business-type activities	(2,101,749)	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
Total primary government	\$ 16,548,284	\$ 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

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.

* In FY20, management began reporting the Water and Wastewater funds separately.

2022 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund										
Non-spendable	\$ 375,393	\$ 117,139	\$ 212,467	\$ 234,974	\$ 259,258	\$ 187,294	\$ 195,134	\$ 202,620	\$ 207,884	\$ 227,457
Restricted	67,418	53,896	38,989	27,070	10,572	7,979	173,769	127,706	129,476	131,237
Committed	2,163,317	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
Assigned	7,809,060	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
Unassigned	12,587,231	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
Total general fund	23,002,419	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
All other governmental funds										
Special revenue funds										
Non-spendable	4,692	-	-	-	9,990	3,993	350	181	2,447	-
Restricted	4,603,072	377,451	307,837	315,215	950,529	298,495	758,959	428,847	482,578	590,445
Assigned	-	-	-	-	-	-	-	-	-	123,349
Total all other governmental funds	4,607,764	377,451	307,837	315,215	960,519	302,488	759,309	429,028	485,025	713,794
Total fund balances	\$27,610,183	\$19,517,617	\$13,911,518	\$13,064,101	\$12,929,409	\$10,424,068	\$ 9,918,533	\$ 9,631,497	\$ 8,144,195	\$ 8,920,113

2022 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Fines	\$ 706,674	\$ 709,808	\$ 901,197	\$ 1,020,920	\$ 1,121,135	\$ 1,142,722	\$ 1,128,211	\$ 1,161,876	\$ 1,011,156	\$ 912,004
Library revenue	260,589	78,996	329,501	410,154	392,108	380,561	419,677	480,823	498,553	471,065
Licenses and permits	3,100,889	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
Sanitation fees and rebates	3,371,689	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
Recreation	25,593	20,915	43,203	61,147	87,125	53,301	65,145	66,038	49,144	40,446
Miscellaneous services	1,882,688	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
Taxes	19,545,617	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
Grants	8,956,563	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
Court of chancery fees	2,095,840	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
Investment income	(296,506)	7,794	475,051	730,797	93,751	123,234	234,885	77,769	122,490	45,198
Total revenues	39,649,636	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
Expenditures										
General government	1,749,343	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
Library services	1,993,407	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
Public safety	23,105,606	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
Public works	4,090,308	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
Recreational services	1,157,441	1,126,313	1,754,771	1,087,393	821,613	733,961	783,976	865,938	683,363	651,341
Streets and sanitation services	3,762,686	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
Engineering services	191,358	204,843	209,197	266,332	263,930	219,198	166,579	26,996	-	-
Financial administration	783,575	791,540	815,956	754,400	762,860	764,622	919,086	979,112	1,002,539	909,877
Garage and stores	853,904	771,974	742,353	492,111	499,289	501,559	465,843	419,597	415,593	431,542
Insurance	388,361	343,044	376,584	276,689	302,258	295,923	280,901	278,682	272,895	241,395
Retiree health care lump sum	2,156,000	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
Employee pension unfunded liability	1,234,300	-	-	-	619,000	-	594,300	543,000	121,000	1,693,500
Street lights	826,038	815,961	807,794	805,185	803,924	811,992	804,246	775,197	774,533	878,760
Community and economic development	607,606	1,023,086	531,306	461,983	513,857	449,356	551,879	444,474	676,554	939,966

(Continued)

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenditures										
Debt service										
Principal	\$ 487,315	\$ 335,760	\$ 328,716	\$ 322,745	\$ 332,355	\$ 573,497	\$ 553,824	\$ 848,069	\$ 429,239	\$ 296,003
Interest	144,822	156,154	135,352	34,773	128,455	118,771	118,565	114,243	122,812	73,071
Other charges (issuance of debt)	-	-	-	-	-	-	-	60,668	-	1,029
Total expenditures	43,532,070	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
Excess of revenues over(under) expenditures	(3,882,434)	(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)
Other financing sources (uses)										
Bond proceeds	-	1,563,000	-	5,700,000	-	-	-	4,135,000	-	2,648,500
Transfers in	17,939,665	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
Transfers out	(5,964,665)	(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)
Payments to refunded bond escrow agent	-	-	-	(5,700,000)	-	-	-	-	-	-
Total other financing sources (uses)	11,975,000	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
Net change in fund balances	<u>\$ 8,092,566</u>	<u>\$ 5,606,099</u>	<u>\$ 995,995</u>	<u>\$ 134,692</u>	<u>\$ 2,505,341</u>	<u>\$ 505,535</u>	<u>\$ 287,036</u>	<u>\$ 1,487,302</u>	<u>\$ (775,918)</u>	<u>\$ 3,467,330</u>
Debt service as a percentage of noncapital expenditures	1.57%	1.30%	1.34%	0.99%	0.94%	1.30%	2.14%	2.06%	2.76%	1.81%
Capital outlay included in total expenditures (1)	\$ 3,324,372	\$ 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

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
2022	\$ 15,288,770	\$ 4,256,847	\$ 19,545,617
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

NOTES

1. Property Tax rate of \$.4150 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.

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
2022	\$ 4,968,509,765	\$ 1,383,980,400	\$ 3,584,529,365	\$ 4,968,509,765	72.14%	0.4150
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

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.
5. In 2022, the City property tax rate was increased from \$0.4050 to \$0.4150 per \$100. The revised rate represents a \$0.01 increase.

Table 7

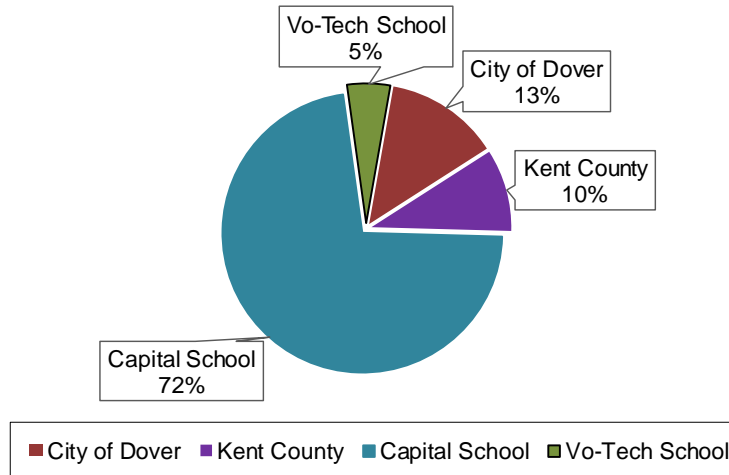
City of Dover, Delaware
Property Tax Rates - All Direct and Overlapping
Governments with the Capital School District
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

NOTES	
1.	Section 48 of the City of Dover charter provides that the amount of money to be raised through property taxes shall not exceed 2% of the total taxable assessment.
2.	Kent County Property tax rates reflect the 1987 reappraisal of properties in Kent County.
3.	In 2015, the City property values were reassessed, effective for tax year 2016. Tax rate increased to \$.4050.
4.	In 2020, the City Tax rate increased to \$.4400.
5.	In 2021, the City Tax rate decreased to \$.4050.
6.	In 2022, the City Tax rate increased to \$.4150

Fiscal Year	Direct	Overlapping			Total Direct & Overlapping
	City of Dover	Kent County	Capital School District	Vo-Tech School District	
2022	0.4150	0.3000	2.2841	0.1571	3.1562
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

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

Property Tax Rates - FY 2022
All Direct & Overlapping Governments



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Table 8

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

TAX PAYERS	2022 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	2013 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

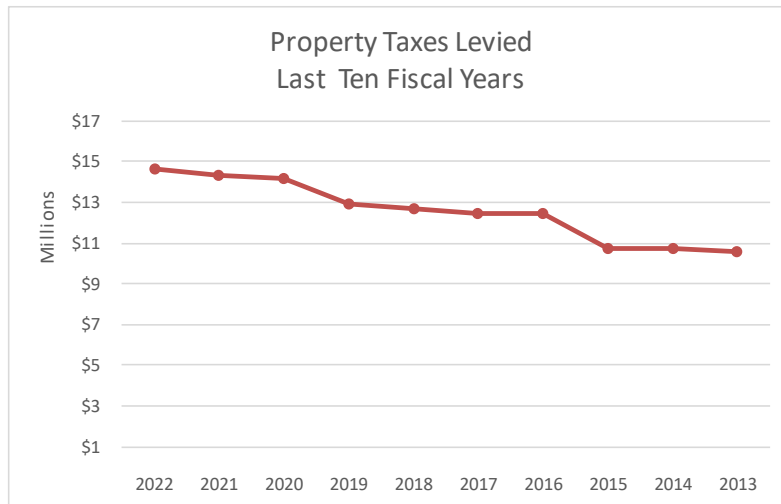
*In 2012, Dover Downs race track and hotel properties were reported as one entity, in 2021 they are reported separately.

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
2022	\$ 14,646,665	\$ 14,655,663	100.1%	\$ -	\$ 14,655,663	100.1%
2021	14,286,063	14,248,670	99.7%	48,162	14,296,832	100.1%
2020	14,136,787	13,799,173	97.6%	26,836	13,826,009	97.8%
2019	12,887,417	12,870,997	99.9%	18,713	12,887,417	100.0%
2018	12,669,581	12,628,024	99.7%	39,607	12,666,665	100.0%
2017	12,478,630	12,401,338	99.4%	78,577	12,478,630	100.0%
2016	12,437,857	12,204,948	98.1%	232,909	12,437,857	100.0%
2015	10,737,703	10,612,272	98.8%	125,431	10,737,703	100.0%
2014	10,696,886	10,493,954	98.1%	202,932	10,696,886	100.0%
2013	10,594,623	10,398,888	98.2%	195,735	10,594,623	100.0%

Source: City of Dover Assessor & Customer Service Reports.



NOTES

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

Table 10

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

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				
2022	\$ 6,111,209	\$ 7,197,300	\$ 5,998,554	\$ 14,352,305	\$ 33,659,368	3.2%	852	39,491
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

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.

Fiscal Year 2022 Electric Revenue Bonds includes a premium of \$907,305.

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
2022	39,491	\$3,584,529,365	\$6,111,209	\$6,111,209	0.17%	154.75
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

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
2022	\$ 487,315	\$ 144,822	\$ 632,137	\$ 49,604,484	1.27%
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%

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, 2022**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Dover	Amount Applicable to City of Dover
City of Dover	\$ 6,111,209	100%	\$ 6,111,209
Kent County ⁽¹⁾	51,833,763	0%	N/A
Capital School District ⁽²⁾	73,610,524	0%	N/A
TOTAL	<u>\$ 131,555,496</u>		<u>\$ 6,111,209</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 \$51,833,763 as of June 30, 2022. Although Kent County's bonds are general obligation bonds, \$48,929,411 is payable from the Kent County Sewer Fund(s) or other committed sources.
2. Capital School District: As of June 30, 2022, the net outstanding debt was \$73,610,524. Percentage and amount is not applicable to the City of Dover.

2022 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										
	2022	2021	2020	2019	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 179,226	\$ 179,004	\$ 163,700	\$ 162,904	\$ 160,737	\$ 157,816	\$ 155,396	\$ 158,485	\$ 157,995	\$ 159,075	\$ 158,465
Net (Taxable) Assessed Value on Books	3,584,529	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
Total net debt applicable to limit	6,111	6,599	5,371	5,700	5,877	6,209	6,783	7,337	4,050	4,479	1,550
Legal Debt Margin	\$ 173,115	\$ 172,406	\$ 158,328	\$ 157,204	\$ 154,860	\$ 148,613	\$ 151,149	\$ 153,945	\$ 154,596	\$ 156,915	\$ 155,012
Total Net Debt applicable to limit as a percentage of debt limit	3.41%	3.69%	3.28%	3.50%	3.59%	4.36%	4.63%	2.56%	2.82%	0.98%	1.16%

Legal Debt Margin Calculation for the current fiscal year

Net (Taxable) Assessed Value on Books	<u>\$ 3,584,529</u>
Debt Limit - 5 Percent of Total Assessed Value	\$ 179,226
DEBT (For which the City's full faith and credit has been pledged)	
Gross Bonded Debt	<u>6,111</u>
LEGAL DEBT MARGIN	<u>\$ 173,115</u>

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

2022 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
2022	\$ 81,068,373	\$ 61,999,191	\$ 19,069,182	\$ 820,000	\$ 532,950	\$ 1,352,950	14.09
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

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 border="0" style="width: 100%;"> <tr> <td colspan="2">Gross Revenue:</td> </tr> <tr> <td style="width: 60%;">Operating Revenues</td> <td style="text-align: right;">\$ 80,782,417</td> </tr> <tr> <td>Interest Earned-Operating Funds</td> <td style="text-align: right;">285,956</td> </tr> <tr> <td>Total Gross Revenue</td> <td style="text-align: right;">\$ 81,068,373</td> </tr> </table> <p>3. Direct operating expenses do not include depreciation expense.</p> | Gross Revenue: | | Operating Revenues | \$ 80,782,417 | Interest Earned-Operating Funds | 285,956 | Total Gross Revenue | \$ 81,068,373 | <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 payable by \$2,190,000.</p> |
| Gross Revenue: | | | | | | | | | |
| Operating Revenues | \$ 80,782,417 | | | | | | | | |
| Interest Earned-Operating Funds | 285,956 | | | | | | | | |
| Total Gross Revenue | \$ 81,068,373 | | | | | | | | |

Table 16

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

Fiscal Year	Gross Revenue		Direct Operating Expenses		Net Revenue Available For Debt Service	Maximum Requirements	
						Maximum Debt Service Requirement	Actual Coverage
2022	\$	7,401,649	\$	3,723,004	\$	3,678,645	\$ 777,563 4.73
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

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
2022	\$	9,619,297	\$	5,716,000	\$	3,903,297	\$ 661,936 5.90
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

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 \$881,356, resulting in an increase in debt service.
7. In Fiscal year 2022, the Puncheon Run pump station grit removal system was replaced. This capital project was financed by a state revolving fund loan issued in 2020 in the amount of \$732,200, resulting in an increase in debt service.

Table 18

**City of Dover, Delaware
Top 10 Water and Wastewater Utility Customers
Fiscal Year Ended June 30, 2022**

Customer	Water Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Garrison Energy Center	265,289	15.76%	\$ 1,060,373	17.26%
Procter and Gamble	57,350	3.41%	227,816	3.71%
Delaware State University	45,211	2.69%	178,338	2.90%
Dover Downs Inc	37,858	2.25%	149,848	2.44%
Tidewater Utilities	31,190	1.85%	118,768	1.93%
Kraft Foods Global	24,475	1.45%	96,316	1.57%
Bayhealth Medical Center	23,612	1.40%	98,147	1.60%
Kent General Hospital	23,124	1.37%	96,110	1.56%
Dover Housing Authority	22,553	1.34%	85,730	1.40%
Sovereign Property Management	19,432	1.15%	65,262	1.06%
Totals for Top 10 Customers	550,094	32.67%	2,176,706	35.42%
All Other	1,133,686	67.33%	3,968,048	64.58%
Total for System	1,683,780	100.00%	\$ 6,144,754	100.00%

Customer	Wastewater Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Procter and Gamble	42,796	3.31%	\$ 313,982	3.35%
Dover Downs	37,858	2.93%	277,619	2.96%
Delaware State University	33,833	2.62%	249,241	2.66%
Bayhealth Medical Center	23,612	1.83%	181,514	1.93%
Kent General Hospital	23,124	1.79%	179,568	1.91%
Dover Housing Authority	22,516	1.74%	170,269	1.81%
Kraft Foods Global	21,361	1.65%	189,284	2.02%
Sovereign Property Management	19,432	1.50%	144,357	1.54%
Garrison Energy Center	19,252	1.49%	141,237	1.50%
Dover East Estates	10,950	0.85%	80,324	0.86%
Totals for Top 10 Customers	254,734	19.71%	1,927,393	20.54%
All Other	1,037,891	80.29%	7,458,171	79.46%
Total for System	1,292,625	100.00%	\$ 9,385,564	100.00%

NOTES:

1. Both the Water and Wastewater revenue billed amounts for each top customer, do not include the monthly flat rate of \$5.00.
2. 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, 2022**

Customer	Kwh	% of Total Kwh	Revenue Billed	% of Total Revenue
Dover Air Force Base	60,907,642	8.4%	\$ 3,672,952	4.7%
Edgewell Personal Care Products	41,004,487	5.6%	2,591,639	3.3%
Delaware State University	31,318,671	4.3%	1,982,071	2.5%
Bay Health/Kent General	28,719,315	3.9%	1,834,680	2.3%
Kraft	27,583,975	3.8%	1,652,280	2.1%
Dover Downs	21,077,420	2.9%	1,332,222	1.7%
State of Delaware	13,922,295	1.9%	871,702	1.1%
Procter & Gamble	14,445,971	2.0%	867,345	1.1%
Capital School District	8,924,563	1.2%	564,633	0.7%
Eden Hill Medical Center	4,501,200	0.6%	284,476	0.4%
Totals for Top 10 Customers	252,405,539	34.7%	15,654,000	19.9%
All Other	474,819,429	65.3%	62,962,488	80.1%
Total for System	727,224,968	100.0%	\$ 78,616,488	100.0%

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

Table 20

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

Year	Population		Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2022	39,491	\$	1,043,312,729	\$ 26,419	33.8	6,384	4.5%
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%

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: Delaware Department of Labor

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Table 21

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

Industry Description	2021 4th Quarter			2012 4th Quarter		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Government	19,161	1	27.9%	18,944	1	30.4%
Health care & social assistance	9,851	2	14.4%	8,763	3	14.1%
Retail trade	9,560	3	13.9%	9,474	2	15.2%
Accommodation & food services	5,954	4	8.7%	5,063	4	8.1%
Manufacturing	5,105	5	7.4%	3,331	5	5.3%
Admin and waste services	3,614	6	5.3%	2,107	8	3.4%
Transportation & warehousing	2,841	7	4.1%	2,136	7	3.4%
Construction	2,822	8	4.1%	2,105	9	3.4%
Professional & technical services	2,174	9	3.2%	1,602	10	2.6%
Finance & insurance	1,210	10	1.8%	-	-	-
Arts, entertainment, & recreation	-	-	-	2,667	6	4.3%
	62,292		90.8%	56,192		90.2%
Total - All Industries	68,620			62,268		

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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Table 22

**City of Dover, Delaware
Full-time Equivalent City Government Employees by Fund/Department - Budgeted
Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Assessor	2.0	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	6.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0
Customer Services	14.0	16.0	16.0	16.0	16.0	13.0	14.0	14.0	15.0	14.0
Facilities Management	6.0	4.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0	9.0
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	5.0	6.0	8.0	6.0
Fleet Maintenance	5.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	5.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Library	15.0	14.0	14.0	13.0	13.0	13.0	13.0	14.0	13.0	13.0
Mayor	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	9.0	6.0	9.0	9.0	5.0	5.0	5.0	5.0	5.0	5.0
Police Civilian	34.0	35.0	34.0	33.0	33.0	33.0	33.0	31.0	31.0	29.0
Police Law Enforcement	106.0	101.0	101.0	101.0	101.0	101.0	101.0	93.0	93.0	93.0
Procurement & Inventory	5.0	5.0	4.0	5.0	3.0	3.0	3.0	3.0	4.0	4.0
Public Works, Administration	5.0	5.0	7.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0
Planning, Inspections	6.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Planning, Life Safety	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Economic Development	-	-	-	-	-	-	3.0	3.0	3.0	3.0
Public Works, Engineering	2.0	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	6.0	5.0	4.5	4.5
Planning, Code Enforcement	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Community Development	-	-	-	-	-	-	-	-	0.5	0.5
Public Works, Grounds Maintenance	14.0	17.0	14.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Public Works, Sanitation	11.0	11.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0
Public Works, Streets	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0
Public Works, Stormwater	7.0	7.0	7.0	-	-	-	-	-	-	-
General Fund Total	298.0	293.0	294.0	281.0	275.0	271.0	277.0	269.0	270.0	269.0
Public Utilities, Electric Administration	3.0	3.0	2.0	3.0	5.0	5.0	4.0	3.0	3.0	3.0
Public Utilities, Electric Engineering	13.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Public Utilities, Electric System OPS	4.0	7.0	7.0	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	4.0	3.0	3.0	3.0
Public Utilities, Electric Transmission & Distribution	24.0	23.0	23.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Electric Fund Total	48.0	47.0	46.0	46.0	48.0	48.0	47.0	45.0	45.0	45.0
Public Utilities, Construction	-	-	-	-	-	-	-	3.0	3.0	5.0
Public Utilities, Wastewater Engineering	2.5	2.5	2.0	2.0	-	-	-	-	-	-
Public Utilities, Wastewater Management	11.0	11.0	11.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0
Public Utilities, Water Engineering	2.5	2.5	3.0	3.0	5.0	5.0	5.0	5.0	5.0	6.0
Public Utilities, Water Management	6.0	6.0	6.0	7.0	6.0	6.0	6.0	4.0	4.0	5.0
Public Utilities, Water Treatment Plant	14.0	14.0	14.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0
Water/Wastewater Fund Total	36.0	36.0	36.0	35.0	35.0	35.0	35.0	34.0	34.0	36.0
Total Full-Time Equivalents	382.0	376.0	376.0	362.0	358.0	354.0	359.0	348.0	349.0	350.0

Source: City of Dover Budget

2022 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, 2022	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
Land area - Acres	15,305.76	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
Land area - Square Miles	23.91	23.87	23.87	23.74	23.74	23.74	23.74	23.30	23.29	23.29
Total Miles of Street	174.85	172.35	172.35	170.52	170.33	169.08	168.01	167.78	164.49	164.08
City Maintained Miles of Streets	115.50	113.00	113.00	111.17	110.98	109.73	108.66	108.43	105.14	104.73
State Maintained Miles of Streets	59.35	59.35	59.35	59.35	59.35	59.35	59.35	59.35	53.35	59.35
Dover Population - U. S. Census data	39,403	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047
Dover Population - City Count	39,491	38,412	38,349	37,790	38,422	37,686	37,941	37,560	37,540	36,492
Registered Voters	31,064	26,827	25,535	25,131	24,513	23,942	24,170	22,837	22,779	21,998
Electric Utility:										
Generating Units	1	1	2	2	2	2	4	4	4	4
Co-Generating Unit	0	0	0	0	0	0	0	1	1	1
Total Units	1	1	2	2	2	2	4	5	5	5
Generating Capacity	42 mw	43 mw	147 mw	147 mw	147 mw	147 mw	175 mw	175 mw	175 mw	175 mw
Co-Generating Capacity	0 mw	0 mw	0 mw	0 mw	0 mw	0 mw	0 mw	175 mw	175 mw	175 mw
Area of Service	74.86 sq. mi.	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.
Substations	15	15	15	15	15	15	15	15	15	15
High Peak Load	164.9 mw	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
Customers:										
Residential	21,109	21,161	20,972	20,899	20,545	20,155	20,065	20,143	19,900	19,990
Commercial	3,441	3,411	3,319	3,541	3,577	3,424	3,310	3,343	3,412	3,412
Primary	35	36	36	36	36	37	37	36	37	37
69 KV Industrial	5	5	5	5	5	5	5	4	5	4
Total Customers Sales \$	\$76,230,732	\$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
Total Customers Sales kWh	727,224,968	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
PowerSupply										
\$ (Including Plant Operations)	\$49,877,366	\$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
kWh	759,203,000	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
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)	213	204	80	125	125	125	125	125	160	100
Equipment	14	15	16	14	14	10	10	16	15	15
Parks and Recreation:										
Major Parks	4	3	3	3	3	3	3	3	3	3
Small Parks	24	25	25	25	25	25	24	24	24	24
Police Department:										
Station	1	1	1	1	1	1	1	1	1	1
Uniformed Personnel	104	103	94	97	98	99	100	89	94	93
Automobiles	79	77	77	77	81	80	80	76	77	75
Motorcycles	7	7	7	7	7	7	7	7	7	7

(Continued)

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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Table 23 (Continued)

	June 30, 2022	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
Police Department (continued):										
Bicycles	8	8	8	8	8	7	7	12	12	12
Specialty Vehicles	7	7	7	7	7	7	7	7	7	7
Trailers	4	4	4	5	4	3	2	2	2	2
Golf Carts	6	6	6	6	6	6	6	5	0	0
Rental Vehicles	5	5	5	0	0	0	0	0	0	0
Public Library:										
Books	91,796	91,756	93,009	108,763	113,253	103,187	106,493	106,125	100,262	97,801
Audiovisual Materials (VCRs, DVDs, CDs, Cassettes, Recorded Books)	23,973	25,824	29,699	23,626	24,021	26,158	22,345	22,366	21,008	16,929
Computer Usage	4,182	2,611	38,003	49,591	0	0	0	0	0	0
Wireless Usage	12,355	3,014	13,785	19,355	0	0	0	0	0	0
Members	24,851	26,222	30,253	31,997	32,256	40,412	41,221	41,348	37,531	34,308
Magazine Subscriptions	109	126	129	138	140	147	161	174	191	187
Newspaper Subscriptions	9	11	11	11	11	11	12	10	10	11
Circulation of Materials	218,675	114,335	256,783	376,380	364,849	377,314	412,969	449,746	463,113	444,333
Electronic Downloads (E-Books)	43,013	43,414	41,892	38,467	32,856	28,397	30,811	24,801	17,219	11,770
Water Utility:										
Supply - Wells	21	21	21	21	21	21	21	22	22	22
Storage Tanks	7	7	7	7	7	7	7	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	5,250,000	3,750,000	3,750,000	3,750,000
Water Mains (miles)	233.00	229.79	229.79	228.85	226.41	225.15	225.15	224.50	223.15	222.30
Average Day (Gallons Pumped)	4,819,375	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
Peak Day (Gallons)	6,745,000	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
Total Water Production (Gallons Pumped)	1,903,264,000	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
Total Water Consumption (Gallons Billable)	1,683,780,000	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
Average Day (Gallons Billable)	4,613,096	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
Number of Metered Customers	13,106	12,991	12,952	12,904	12,729	12,556	12,376	12,365	12,341	12,373
Number of New Connections	115	39	48	175	173	180	11	24	0	0
Wastewater Utility:										
Pumping Stations	45	44	44	44	44	42	45	41	40	40
Sanitary Sewer Mains (Miles)	196.08	196.08	196.08	195.31	192.41	191.00	191.00	191.00	187.59	186.87
Average Day (Gallons Pumped)	4,596,240	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
Wastewater Discharge (Gallons Pumped)	1,677,627,700	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
Wastewater Discharge (Gallons Billable)	1,292,625,000	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
Average Day (Gallons Billable)	3,541,438	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
Number of New Connections	53	48	38	185	169	179	0	22	0	5
Water Treatment Plant:										
Capacity	3.0 MGD	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
Sales to Customers:										
Water Fees	\$6,144,754	\$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
Wastewater Fees	\$4,349,181	\$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
Wastewater Treatment Fees	\$3,022,590	\$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
Inflow & Infiltration Surcharge	\$2,013,793	\$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

Sources: Various City departments

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Table 24

City of Dover, Delaware

Summary of Insurance

As of June 30, 2022

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<u>Property</u>		
Blanket Building & Contents (Special Form, RC, Agreed Amount)	\$167,727,930	\$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	

2022 Annual Comprehensive Financial Report for the City of Dover, Delaware
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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	\$69,800
Contractors Equipment	\$23,456
Basic Deductible	\$1,000
Flood Deductible	\$25,000
Earthquake Deductible	\$25,000
Windstorm Deductible	\$10,000

2022 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

2022 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>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)	

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	\$1,000,000
Employers Liability (Midwest Employers)	\$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>	
Pollution Liability for Insured Site	\$5,000,000
Pollution Liability for Off-Site Activities	\$5,000,000
Aggregate Policy Limit	\$10,000,000
Supplemental Claim Expense	\$250,000
Deductible	\$100,000

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TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Claims Made Retroactive Date: None Includes: 2 underground storage tanks-710 Williams St., Dover, DE 1 AST – 880 Buttner Place, Dover, DE	
Excess Worker's Compensation Coverage:	
Employers Liability Limit:	\$1,000,000
Specific Limit:	Statutory
Aggregate Excess Limit:	\$3,000,000
\$750,000 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
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
Bond- Public Officials Bond - Traci McDowell – City Clerk/Assistant Treasurer	
Limit:	\$100,000
Bond- Public Officials Bond – Lori Peddicord – Controller	
Limit:	\$100,000
Bond- Public Officials Bond – Janella Tauchus – Asst. Controller/Asst. Treasurer	
Limit:	\$100,000

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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
Off Premises Power (PD & EE)	\$1,000,000
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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