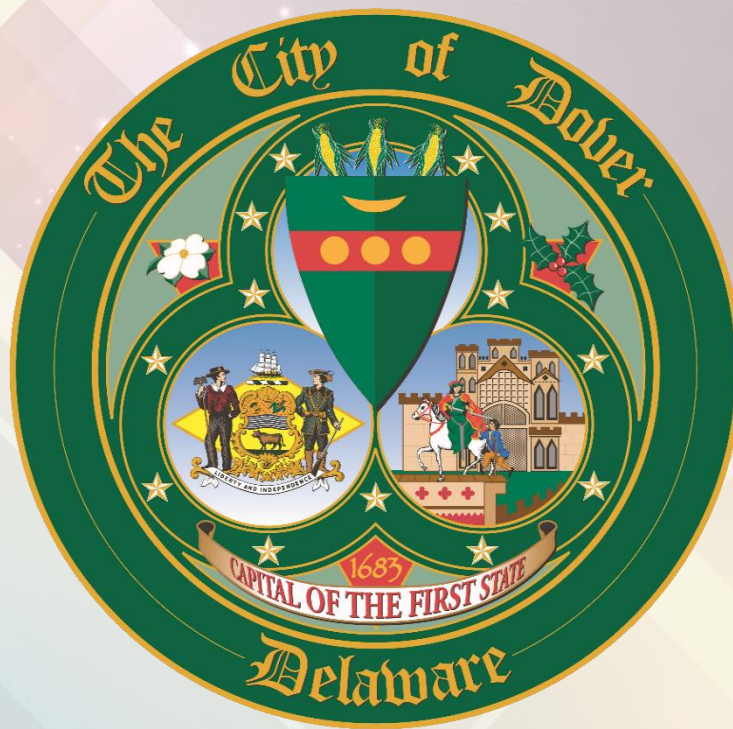


ANNUAL COMPREHENSIVE FINANCIAL REPORT

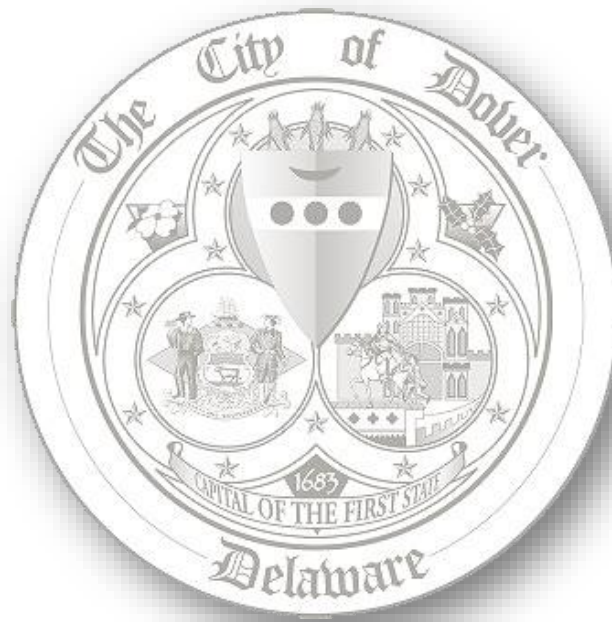


For the year ended June 30, 2023

CITY OF DOVER, DELAWARE

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the fiscal year ended June 30, 2023

Prepared by the City of Dover Finance Department

ACKNOWLEDGEMENTS

The City of Dover's Annual Comprehensive Financial Report
was prepared by the Finance Department

Lori Peddicord / Patricia Marney
Controller / Treasurer - Interim Controller / Treasurer

Melanie Patterson
Assistant Controller/Treasurer

Robin Dickerson
Financial Reporting & Accounting Manager

Sharon Daniel
Accountant I

Debbie O'Brien
Accountant II

Cindy Fletcher / Dionni Person
Payroll Specialist

Christopher McAleer
Accounts Payable Clerk

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

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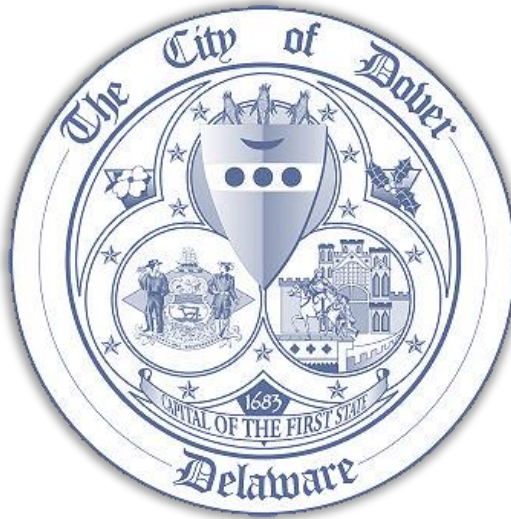
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INTRODUCTORY SECTION



LETTER OF TRANSMITTAL

MAYOR AND MEMBERS OF COUNCIL

LIST OF ELECTED OFFICIALS

LIST OF APPOINTED OFFICIALS

LIST OF COMMITTEES, COMMISSIONS AND BOARDS

ORGANIZATION CHART

VISION



Constitution Park
301 South State Street



January 30, 2025

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, 2023. 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, 2023. 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 23.98 square miles and serves a population of approximately 39,554. Dover's governing body is composed of a Mayor and nine Council Members, with one Council Member elected by Council to serve as Council President. Two members of City Council are elected from each of the four

districts; the ninth Council member of Council and the Mayor are elected at-large. The Council is responsible for all matters of policy and is the authority for levying taxes, securing revenues, authorizing expenditures of City funds and incurring City debts. The City of Dover operates under a Council – Manager form of government.

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

Within the City is a volunteer fire company that is autonomous. Under established criteria, the operations of the Robbins Hose Fire Company are not a part of this report. However, the City provides financing for dispatching, personnel costs, most of the building and equipment maintenance, supplies, and contractual services. The City also provides funding to Robbins Hose for payments on fire engine no. 5, fire engine Squad no. 1 and engine 1 (received in January, 2023). 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. 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. Revitalization of the historic Downtown commercial core continues somewhat slowly, but increasingly successful projects to include the older nearby residential neighborhoods is ongoing.

There were 2,292 building permits of all types issued in FY23, up 11.9% from the prior year. The City issued 3,529 business licenses, down 5.3% from the prior year, reflecting a post-pandemic economy and inflationary 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 FY23 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 41,207 by 2030, with a sustained growth rate of about 2.5% during each of the next ten-year periods. Statistically, Dover's population is younger than that of the County or the State, with a lower proportion of population of senior citizens as well. Working-age adults (25-64) 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

Continued interest in the build-out of residential subdivisions occurred in FY23 for the City, with over one hundred three (103) 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, 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. FY23 also saw continued activity with Fence, Shed, and Deck Permits as people made improvements at their residences. Site plan review for multi-family units including locations on McKee Road, Leipsic Road and Bay Road.

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 NeighborGood Partners 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 FY23, the City authorized \$26,952 in Permit Fee, Business License and Impact Fee Waivers for 12 properties for the purpose of new housing or business within the Downtown Development District. Addresses include: 23, 25, and 29 South Governors Avenue; 25, 28, 136, 215, 225A, and 225B, West Loockerman Street; 92 and 101 North West Street; and 53 South New Street.

Retail/Commercial Development

This sector continues to show significant growth with new and expanded locations along the major highway corridors and throughout the City. Renovations / tenet fit-outs were completed for numerous commercial projects including Veronica's Pizzeria in Capital Station, Sally Beauty in North Dover Shopping Center, Boot Barn in Dover Commons, Nutrition Shake Bar in Greentree Shopping Center, Brandywine Counseling & Community Services, and McDonald's on Forrest Avenue. A building permit was issued for the Rail Haus at 92 N West Street. In addition, a certificate of occupancy was issued for the Delaware Solid Waste Authority's new facility.

Health Care, Institutional and Other Sectors Development

Dover's economy continues to be well balanced across a range of sectors including education, government and health care. In education, the Delaware State University continued to perform renovations on several buildings across their campus. Construction also continued on the two middle schools for the Capital School District. For government, a building permit was issued to the City of Dover for the new Dover Park Community Center and Spray Pad. In addition, site plan finalization for the new Family Court facility occurred. In health care, Bayhealth completed interior renovations at their Blue Hen Corporate Center location and performed additional renovations at several locations across their campus. Renovations were also performed at the Eden Hill Medical Center.

Summary

FY23 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 facilities department invested \$0.9 million with HVAC improvements at City Hall, asbestos abatement of the old post office, along with various improvements at the warehouse. Total vehicle and equipment purchases for the General fund totaled approximately \$2.6 million. Stormwater replaced pipe in Williams Park totaling \$0.1 million. These and some other smaller parks and recreation, library, and IT projects totaling approximately \$0.1 million.

The electric utility fund had fixed asset additions totaling \$4.4 million in fiscal year 2023. The installation of transformer, and conductor projects in various locations around the City resulted in approximately \$0.5 million including the new Dover Middle School and Phase 2 of Eden Hill conductors, along with several additional smaller projects attributing to another \$0.2 million. Another phase of the LED Lighting conversion project was placed into service totaling \$0.2 million. Additionally, the City also had a generator and security installation completed at Weyandt Hall on Reed Street and a new access gate at the administration building totaling \$0.1 million. Total vehicle and other equipment purchases for the Electric fund totaled approximately \$0.5 million.

The water utility had \$3.3 million invested in capital improvement projects that are still in progress. Of that total, \$1.9 million was spent out of ARPA funds. The projects included were \$1.9 million in water quality improvement projects in the area of North State Street, \$0.5 million for the Aero Park water tower, and \$0.2 million for wellhead redevelopment improvements in an effort to maintain operations and/or increase or maintain the yield of each well. The City also had. The water quality improvement projects include either replacement and/or relining of existing unlined cast iron pipes. Additionally, there was \$0.3 million in equipment purchases.

The wastewater utility had capital improvements additions totaling \$215,250. Approximately \$0.5 million of this total included rehabilitating sewer lines, and the remainder was spent on upgrades to the Puncheon Run pump station and the Cedar Chase feasibility study. The City also had smaller projects including a manhole replacement work on Stoney Drive and GIS network upgrade. In addition to capital improvements, there was \$86 thousand 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 2023, the second tranche of which totaled \$4.3 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.

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 34.2% exceeded the policy guidelines of a minimum of 8% and maximum of 12% of current year operating revenues as approved by the 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 2024 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, 2023, for the utilities are water at 25.8% of the actual water revenues and wastewater at 22.9% of the actual wastewater revenues. Both budget balances are outside of the guidelines and will be addressed in the fiscal year 2024 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 38.4%. 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.

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. We also express our appreciation to the many City employees for their assistance and cooperation during the year in preparation of this report. Our 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 work diligently on the needs and duties for their respective areas.

Respectfully submitted,



Patricia Marney
City of Dover
Finance Department

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MAYOR AND MEMBERS OF COUNCIL



**Julia M. Pillsbury,
1st District**



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



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



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



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



**Brian E. Lewis,
1st District**



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



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



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



**Robin R.
Christiansen, Mayor**

LIST OF ELECTED OFFICIALS

CITY OF DOVER, DELAWARE

List of Elected Officials

June 30, 2023

	<u>Length of Service</u>	<u>Term Expires</u>
<i>Mayor</i>		
Robin R. Christiansen	9 Years	May 2027
<i>City Council</i>		
<i>At-Large</i>		
Andre M. Boggerty	2 Years	May 2025
<i>First District</i>		
Julia M. Pillsbury	1 Year	May 2023
Gerald L. Rocha, Sr.	2 Years	May 2025
<i>Second District</i>		
* William F. Hare	12 Years	May 2025
Brian E. Lewis	2 Months	May 2027
<i>Third District</i>		
Tricia K. Arndt	2 Years	May 2027
Fred A. Neil	8 Years	May 2025
<i>Fourth District</i>		
David L. Anderson	12 Years	May 2025
Roy Sudler, Jr.	8 Years	May 2027

* 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, 2023

	Length of Time in Position	Length of Time with the City
City Clerk/Assistant Treasurer – Andria L. Bennett	1 Year	1 Year
City Manager – David S. Hugg, III	1 Year	5 Years
City Solicitor – Nicholas H. Rodriquez	55 Years	55 Years
Deputy City Solicitor – Gary E. Junge	3 Years	3 Years
Council President – William F. Hare	2 Months	12 Years
City Building Inspector – Mary Ellen Gray	1 Year	1 Year
City Planner – Mary Ellen Gray	1 Year	1 Year
Controller/Treasurer – Lori Peddicord	5 Years	8 Years
Fire Chief – David Carey	2 Years	3 Years
Fire Marshal – Jason A. Osika	7 Years	21 Years
Police Chief – Thomas Johnson	3 Years	3 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
E. Jane Warren
James N. Keller
Richard D. Senato

Board of Assessment Appeals

William Garfinkel, Accounting, Chair
Thomas Burns, Real Estate Brokerage of Sales
John G. Davis, Jr., Undesignated
Vacancy, Accounting
Douglas Doyle, Real Estate Brokerage of Sales
Vacancy, Property Appraisal/Assessments

Construction and Property Maintenance Code

Board of Appeals

Councilman David L. Anderson, Chair
Councilman Brian E. Lewis
Councilman Gerald L. Rocha, Sr.
Matthew D. Campana, Representative of
Homeowners Association
Charles Martin, Representative of Local Real Estate
Industry Association

Dover Fourth of July Celebration Committee

Mayor Robin R. Christiansen, Chair
Andrea Maucher, President/Vice Chair
Brett Scott, Vice-President
Lori Peddicord / P. Marney, Treasurer/Secretary
Justin Strickland
Carolyn D. Courtney
Vacancy *
vacancy *
Vacancy *

Dover Housing Authority

Todd M. Stonesifer
Robert F. Merritt
Audrey Daniels
Phillip McGinnis
Sandra Taylor

Rufus Mincey, Interim Executive
Director/Secretary

Dover Public Library Advisory Commission

Council Liaison Member Fred Neil
Zachery C. Carter
Jill B. Street
Jaclyn K. Hale
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
Councilwoman Tricia K. Arndt
Councilman Fred A. Neil

Economic Development Committee

Mayor Robin R. Christiansen, Chair
Councilman Andre M. Boggerty
Councilman David L. Anderson
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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Introductory Section

General Employee Pension Plan Board of Trustees

Councilman David L. Anderson
Councilwoman Julia M. Pillsbury
City Manager, David S. Hugg, III
Controller/Treasurer, Lori Peddicord / P.Marney
Robert Gedney
Timothy Welch
Christina Kober

Historic District Commission

Vacancy (Chair) Business Rep./Resident
Ann Baker Horsey (ViceChair)
Professional/Resident
Eric S. Czerwinski, Professional
Mary Terry Mason, Resident
Jonathan N. H. Street, Professional
Ellen H. Richardson

Human Relations Commission

At-Large: Donyale M. Hall
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 Page
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
Councilwoman Julia M. Pillsbury
City Manager, David S. Hugg, III
Controller/Treasurer, Lori Peddicord / P.Marney
Human Resources Director, H. Naomi Poole

Parks, Recreation and Community Enhancement

Councilwoman Tricia K. Arndt, Chair
Michael Tholstrup

Michael W. Lewis

Planning Commission

At-Large: Dr. Bobby Jones
First District:
First District: Kathleen Welsh
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
Councilwoman Julia M. Pillsbury
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
Dana Shelton
Peter Brown
Albert W. Holmes, Jr. (At-Large Alternate)

Safety Advisory and Transportation Committee

Councilman Brian E. Lewis, Chair
Chanda P. Jackson - Short
Vonderlear E. Smack

Silver Lake Commission

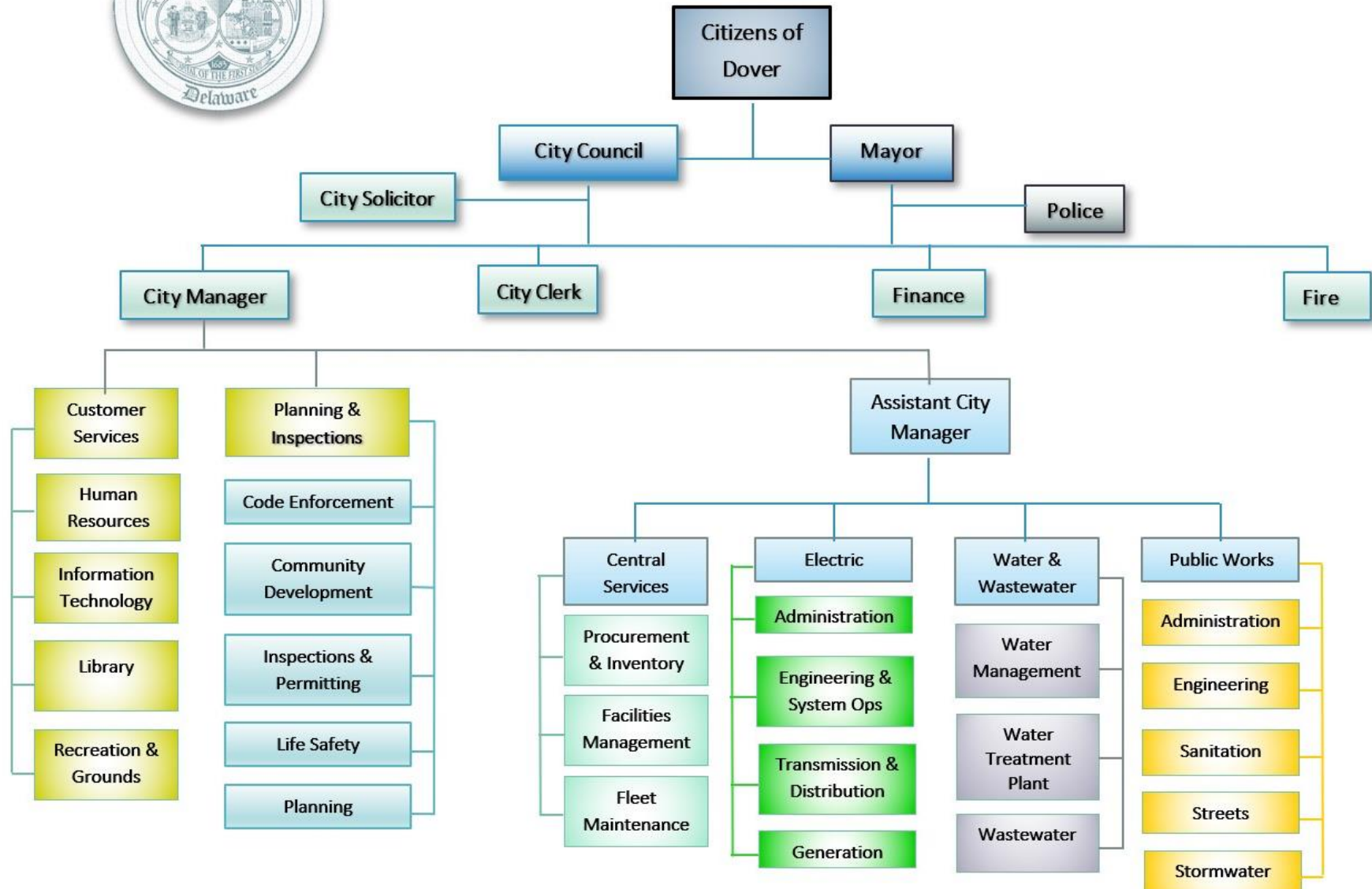
Marie E. Kozel, Chair
Kathleen Marie Doyle
John C. DeMarie
Welton N. Satchell
Michael W. Lewis
Joan M. Winters

Utility Committee

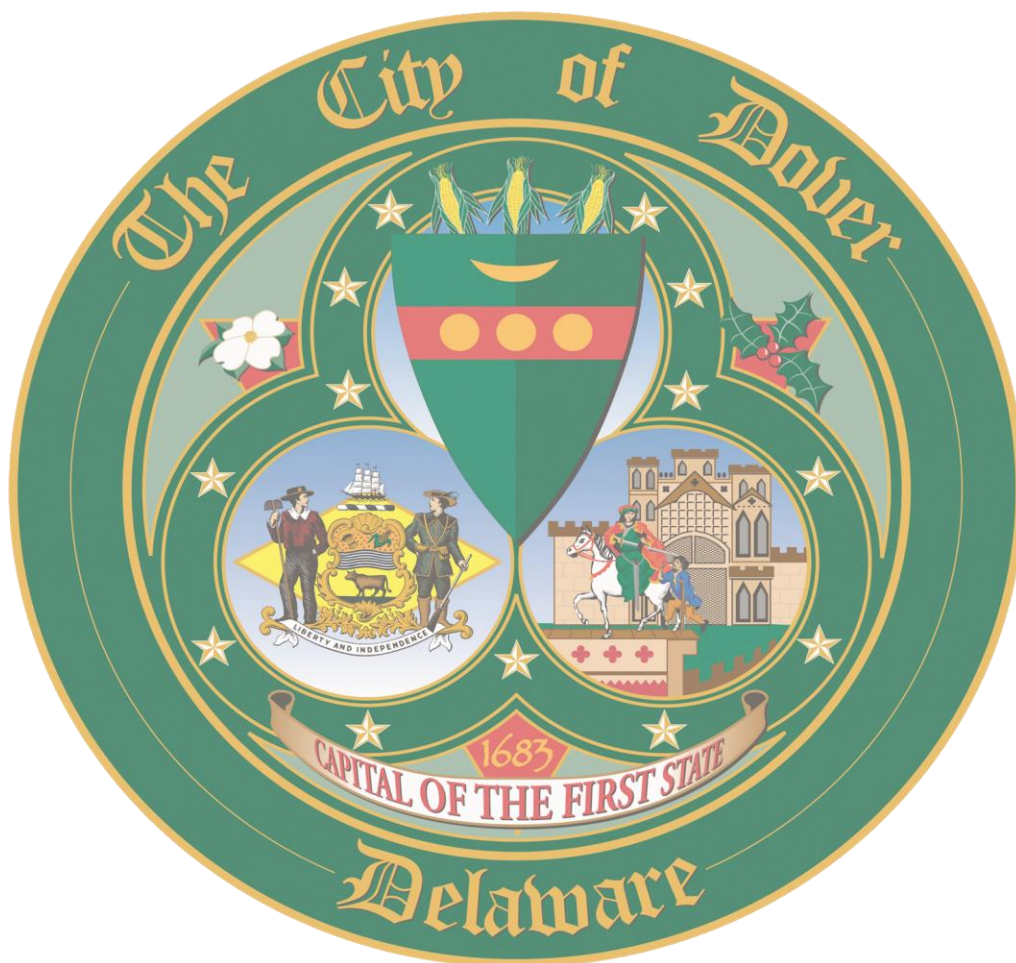
Councilman Gerald L. Rocha, Sr. Chair
Michael J. Pugh
Dr. Esosa M. Iriowen



FY2023 ORGANIZATION CHART



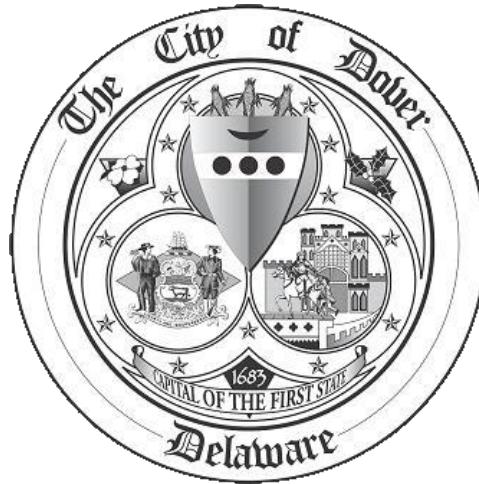
VISION



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.

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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, 2023, 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, 2023, 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 as listed in the accompanying table of contents, 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
January 29, 2025

SB + Company, LLC

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, 2023

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, 2023. 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 \$286.0 million (net position). Included in this amount is a positive \$51.2 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 \$11.0 million and the business-type activities; Water, Wastewater and Electric funds, reported a positive \$40.2 million unrestricted net position. The difference between the unrestricted amounts and the total net position is \$234.8 million, of which \$71.3 million is restricted primarily for debt service purposes, and \$157.3 million is net investment in capital assets. Total assets increased for the governmental activities by \$2.8 million and the business-type activities total assets increased in the amount of \$9.2 million. Deferred Outflows for both the governmental activities and business-type activities increased by \$3.2 million and \$0.5 million respectively. Deferred Inflows decreased for the governmental activities by \$11.0 million, and business-type activities decreased by \$1.8 million. Liabilities increased for the governmental activities by \$10.3 million, and for the business-type activities, the liabilities decreased by \$0.4 million.

- For governmental activities, the City reported: a increase of \$1.0 million invested in capital assets, an increase in restricted net assets of \$1.6 million, and an increase of \$4.1 million in unrestricted net position. As a result of its operations, the City recognized a positive change in net position of governmental activities of \$6.7 million. The current year’s change in net position is \$11.9 million less than the previous years’ change in net position and is primarily due to increases in program expenditures of \$12.6 million, the expenses increased across all functions of government especially for Public Safety and Public Works function.
- For business-type activities, the City reported: an increase of \$1.8 million invested in capital assets, an increase in restricted net position of \$0.8 million and an increase of \$9.1 million in unrestricted net position. As a result of its operations, the City recognized a positive change in net position of business-type activities of \$11.7 million, which is an increase from last years’ negative change of \$2.1 million driven primarily by increases of total revenues of \$6.4 million which includes a net increase of \$0.3 million for water, wastewater, and electric charges for services. Other contributing factors were a significant gain on investments totaling \$6.1 million. Total expenses decreased in the amount of \$5.6 million substantially driven by a decrease in electric expenses of \$4.7 million, as well as an increase in indirect expense allocations of \$0.7 million rounding out the increase in net position of \$12.0 million, which is \$14.1 million more 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 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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part B – Management’s Discussion and Analysis

Continued

	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
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. An example of fiduciary funds is the city’s general pension plan.

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, 2022 and 2023 are presented below (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Assets						
Non-Capital Assets	\$ 35.5	\$ 37.8	\$ 137.0	\$ 146.5	\$ 172.5	\$ 184.3
Capital Assets	58.3	58.8	129.9	129.6	188.2	188.4
Total Assets	93.8	96.6	266.9	276.1	360.7	372.7
Deferred Outflow of Resources	11.6	14.8	3.2	3.7	14.8	18.5
Liabilities						
Current Liabilities	3.8	4.7	10.8	11.5	14.6	16.2
Non-Current Liabilities	16.2	25.6	49.0	47.9	65.2	73.5
Total Liabilities	20.0	30.3	59.8	59.4	79.8	89.7
Deferred Inflow of Resources	21.7	10.7	6.4	4.6	28.1	15.3
Net Position						
Net investment in Capital						
Assets	52.2	53.2	102.3	104.1	154.5	157.3
Restricted	4.7	6.3	70.4	71.2	75.1	77.5
Unrestricted	6.8	10.9	31.2	40.3	38.0	51.2
Total Net Position	\$ 63.7	\$ 70.4	\$ 203.9	\$ 215.6	\$ 267.6	\$ 286.0

2023 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, 2022 and 2023 are presented as follows (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues:						
Program Revenues						
Charges for Services	\$ 11.3	\$ 13.7	\$ -	\$ -	\$ 11.3	\$ 13.7
Water/Wastewater Charges for Services	-	-	16.9	19.6	16.9	19.6
Electric Charges for Services	-	-	80.8	78.4	80.8	78.4
Operating Grants and Contributions	8.3	8.8	-	-	8.3	8.8
Capital Grants and Contributions	0.6	0.3	-	-	0.6	0.3
General Revenues						
Property Taxes	15.4	16.1	-	-	15.4	16.1
Transfer Taxes	4.3	2.8	-	-	4.3	4.2
Gain (Loss) on sale of capital assets	-	0.6	-	-	-	0.6
Earnings on Investments-Other	(0.4)	-	(3.5)	2.6	(3.9)	2.6
Total Revenues	39.5	42.3	94.2	100.6	133.7	142.9
Expenses						
General Government	5.3	5.4	-	-	5.3	5.4
Public Safety	15.4	26.2	-	-	15.4	26.2
Public Works	8.7	9.3	-	-	8.7	9.3
Library and Recreation	3.3	4.2	-	-	3.3	4.2
Community and Economic Development	0.6	0.7	-	-	0.6	0.7
Central Services	1.5	1.8	-	-	1.5	1.8
Financial Administration	3.3	3.9	-	-	3.3	3.9
Interest Charges	0.2	0.1	-	-	0.2	0.1
Plus (less) Indirect Expense Allocation	(5.4)	(6.1)	5.4	6.1	-	-
Water/Wastewater	-	-	11.0	9.4	11.0	9.4
Electric	-	-	67.9	63.2	67.9	63.2
Total Expenses	32.9	45.5	84.3	78.7	117.2	124.2
Change in Net Position before Transfers	6.6	(3.2)	9.9	21.9	16.5	18.7
Transfers	12.0	9.9	(12.0)	(9.9)	-	-
Change in Net Position	18.6	6.7	(2.1)	12.0	16.5	18.7
Net Position, beginning of year	45.1	63.7	206.0	203.6	251.1	267.3
Net Position, End of Year	\$ 63.7	\$ 70.4	\$ 203.9	\$ 215.6	\$ 267.6	\$ 286.0

GOVERNMENTAL ACTIVITIES

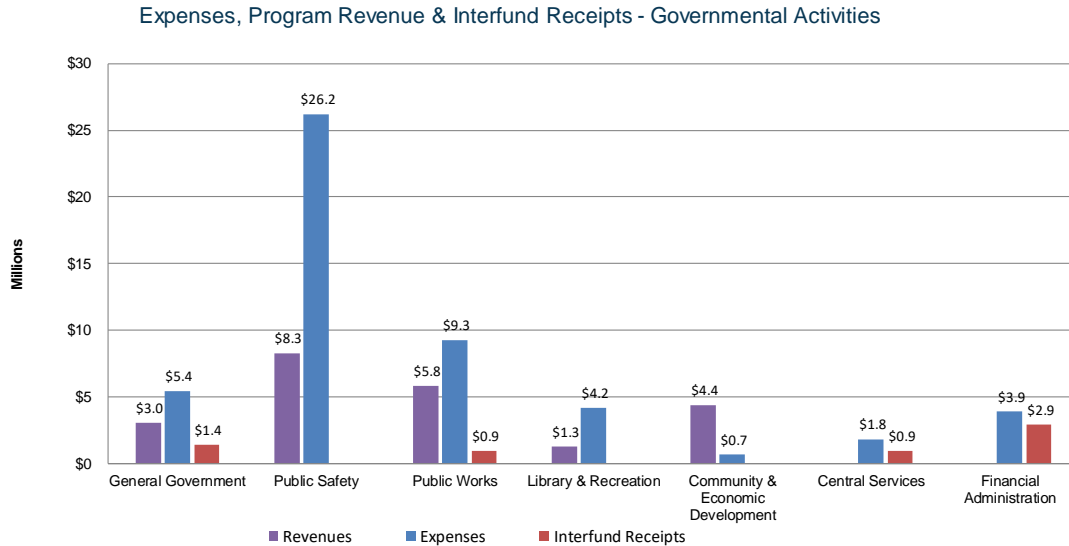
The preceding table shows changes in net position for the year ended June 30, 2023, compared to the year ended June 30, 2022. Governmental net position increased by \$6.7 million; this is a decrease of \$11.9 million from the prior years’ positive change in net position of \$18.6 million.

Total revenues of \$42.3 million were more than the prior year by \$2.8 million. The increase in revenues is primarily due to increases in: charges for services, operating grants and contributions, as well as property tax receipts, which exceeded the FY22 revenues by \$0.7 million. The increases were partially offset by decreases in transfer taxes and investment earnings reducing the revenues by \$1.9 million.

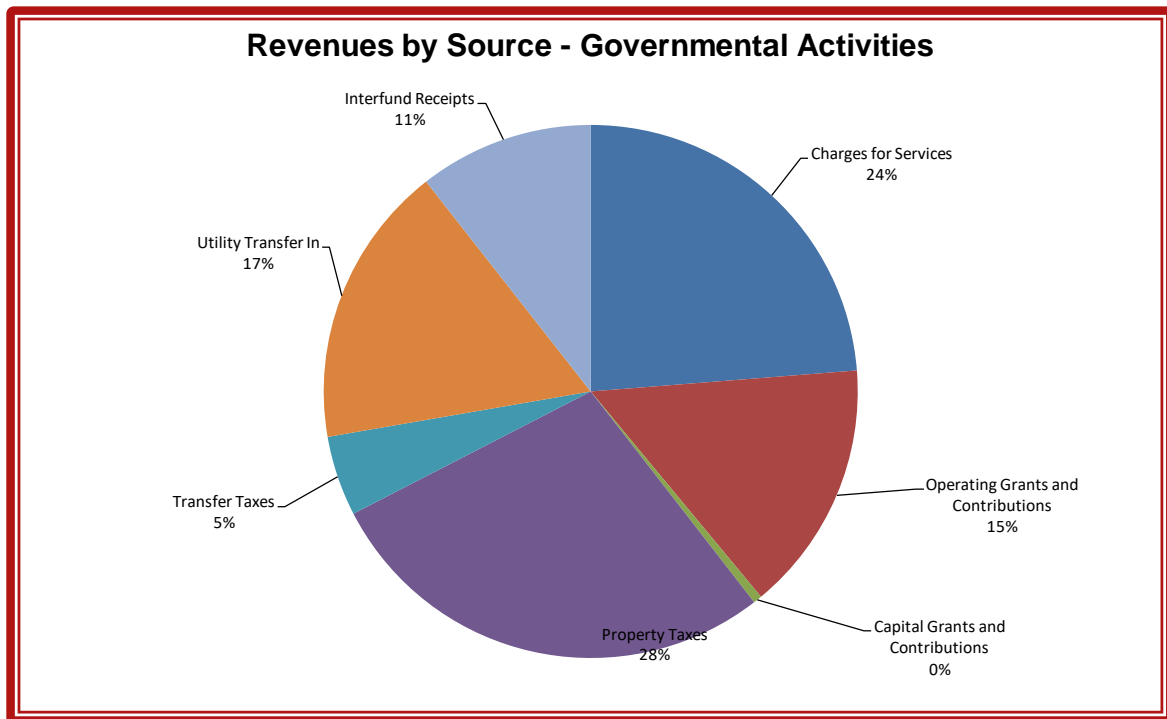
Total expenses of \$45.5 million reflects an increase from the prior year by \$12.6 million across all but

two functions of government –Indirect Expense Allocation and Interest Charges – which decreased its FY23 spending by about \$0.8 million. The increase in expenditures is driven by increases in expenditures for general governmental, public safety and law enforcement, library and recreation, public works 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 an increase in net position of \$12.0 million, which was \$14.1 million more than the previous year’s negative change in net position of \$2.1 million. The increase was primarily due to the combination of \$6.4 million in total revenue increases, as well as expense decreases totaling \$5.6 million. Transfers included \$2.1 million transferred out of the water & wastewater funds and \$8.0 million out of the electric fund to the general fund. The indirect expense allocation increased by \$0.7 million.

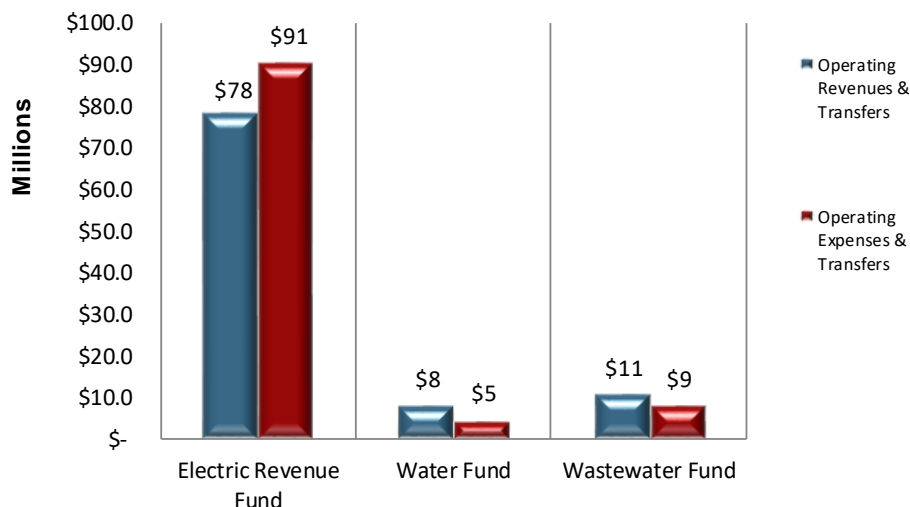
The water utility fund realized a positive change in net position of approximately \$4.1 million; an increase of \$1.1 million from the prior year. Operating revenues increased by \$1.2 million primarily due to an increase in water fees revenue of \$0.5 million, and an increase in grants of \$0.6 million, offset by decreases in rent revenue and miscellaneous income. There was a system-wide increase in consumption for water which in turn resulted in higher billable usage of approximately 95 million total gallons. Consumption increases were primarily driven by new customer usage as there were 105 new connections this year. The billing rates in the water division were changed slightly; an increase in the water charge of \$0.16 per 1,000 gallons was implemented for in-city customers and \$0.24 per 1,000 gallons for outside-city customers based on tier 1 of the approved FY2023 rates tariff. Operating expenses in the water fund decreased by \$1.4 million, which was driven mostly by a \$1.9 million decrease in water division expenses offset by General Administration increase of \$0.3 million. Finally, other contributors to the increase in net position was the increase of nonoperating expenses of \$0.3 million driven mostly by a large increase in interest earned. It’s worth noting that the city changed its water billing structure to a tiered use structure in July 2020 as approved by the city council.

The wastewater utility fund realized a positive change in net position of approximately \$2.7 million; an increase of \$1.2 million from the prior year. Operating revenues increased by just under \$1.5 million primarily due to an increase in: wastewater fees of \$0.2 million, and ground water 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 26 million total gallons. Consumption increases were primarily driven by new customer usage as there were 77 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 \$0.27 per 1,000 gallons for outside-city customers based on tier I of the approved FY2023 rates tariff. Operating expenses in the wastewater fund increased from the prior year by \$0.2 million. The driving factor to the increase in operating expense was a \$0.1 million increase in wastewater expense and general administration by \$.1 million. Finally, other contributors to the change in net position was the increase of transfers out of the fund by \$0.5 million due to the increase in maintenance costs of the ERP system.

The electric utility fund realized a positive change in net position of \$4.8 million; a increase of \$9.5 million from the prior year. Operating revenues decreased by \$2.4 million attributed to decreases 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. Less kwh was purchased for residential customers which decreased the revenue by \$1.2 million as well as a decrease in primary customers by \$.5 million. Operating expenses in the Electric Fund increased by about \$16.7 million. A significant \$12.1 million increase in power supply and generation costs, coupled with increases in the following divisions: \$1.4 million in transmission and distribution, \$0.7 million in engineering, and small increases in Utility tax and System Operations. There were also increases of \$1.2 million in General Administration. A continued increase in maintenance costs for the ERP system of \$0.1 million is also noted. Finally, nonoperating expenses were \$25.9 million higher than the prior year primarily due to increased distribution costs to customers of \$21.5 million. A reduction in fair value of investments of \$3.6 million and a decrease in transfers out to the General Fund of \$3.0 million further reduced the decrease in Operating income of \$4.4 million which shows a positive change in net position of \$4.8 million. This is \$9.6 million more than the prior year’s negative change of \$4.8 million. Additionally, a PCA debit was implemented by council in July 2022 through March 2023 to offset increases in costs by \$16.5 million. This aided the city in remaining in compliance with bond covenants as indicated on table 15 of the statistical section. Electric rates remain stable at levels set in July 2020.

Operating Revenues, Expenses and Transfers - Business-Type Activities



Financial Analysis of the City’s Funds

GOVERNMENTAL FUNDS

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

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

The combined fund balance of the City’s governmental funds as of June 30, 2023, was slightly over \$28.5 million. This represented an increase of \$0.9 million during the year. Approximately 37.4% of the combined fund balances, \$10.7 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, 2023, was \$22.3 million. Revenue increased by \$3.2 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 FY22 revenues by \$0.3 million. The general fund revenue increases were partially offset by \$0.4 million of increases in Investment income.

Total General Fund expenditures of \$45.9 million reflect an increase from the prior year of \$4.0 million, which was primarily driven by increases in expense of: \$2.0 million in public safety and law enforcement, \$1.3 million in public works, \$0.4 in recreation services, \$0.2 million in retiree health care, \$0.1 million in financial administration and less significant increases in engineering, and insurance totaling less than \$0.1 million collectively. The expense increases were offset 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, 2023, the water fund has a net position of \$39.8 million, of which \$7.8 million is unrestricted. The fund’s net position increased \$4.1 million as explained on page 37. As of June 30, 2023, the wastewater fund had a net position of \$38.1 million, of which \$6.6 million is unrestricted. The wastewater fund’s net position increased \$2.7 million during the year as explained on page 38. As of June 30, 2023, the electric revenue fund has a net position of \$137.7 million, of which \$25.8 million is unrestricted. This fund experienced a increase in net position of \$4.8 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:

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.

To amend revenue and expense accounts based on actual experience during fiscal year 2023.

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 \$0.5 million. The divisional expenditure increases were to Recreation, Life Safety, Police, City Manager, Fleet Maintenance, Finance, Public Works – Administration, Facilities Management, and Customer Services, collectively \$0.6 million with minor increases in Inspections, Police, Public Works – Engineering, Human Resources and Mayor. The operating divisions with a budgeted decrease were Stormwater and minor decreases in Planning and Council. Additionally, there were decreases in non-divisional budgeted expenditures; Appropriation to Police Pension fund. The non-divisional budgeted expenditures that increased are as follows: appropriations to the Police Pension Funds.

Actual revenues and other financing sources received were slightly above the final budgeted amounts in the General Fund by more than \$1.3 million. The budgeted revenues that were revised to reflect an aggregate increase of \$2.3 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, , and civil traffic penalties which aggregate to \$0.3 million. The net increase budgeted in revenues was \$2.3 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the current fiscal year, the City’s governmental and proprietary funds had invested \$58.8 million and \$129.6 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 increase of \$0.5 million for governmental activities and a net decrease of \$0.3 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. For the Governmental Activities, the increase in assets reported was in vehicles and equipment \$1.4 million offset by a decrease in General Infrastructure of \$2.5 million. The value of construction projects that remained open as of June 30, 2023, increased by \$1.2 million. The Business-Type Activities decreased by \$0.3 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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part B – Management’s Discussion and Analysis

The following schedule is presented in millions of dollars:

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Depreciable Assets, Net						
Buildings	\$ 21.5	\$ 21.9	\$ -	\$ -	\$ 21.5	\$ 21.9
Equipment & Vehicles	4.1	5.5	7.5	7.5	11.6	13.0
General Infrastructure	27.4	24.9	-	-	27.4	24.9
Utility, Plant, Buildings, and Infrastructure	-	-	117.0	111.6	117.0	111.6
Other	0.1	0.1	0.9	0.8	1.0	0.9
Non-depreciable Assets						
Land	4.6	4.6	1.6	1.6	6.2	6.2
Construction in Progress	0.6	1.8	2.9	8.1	3.5	9.9
	<u>\$ 58.3</u>	<u>\$ 58.8</u>	<u>\$ 129.9</u>	<u>\$ 129.6</u>	<u>\$ 188.2</u>	<u>\$ 188.4</u>

The chart below shows that the City’s Total Net OPEB Liability increased by \$0.2 million, with the majority attributable to the Business-Type Activities of \$0.4 million offset by a decrease in the Governmental Activities by \$0.2 million. The City’s Total Net Pension Liability increase of \$10.2 million was attributed to the Governmental Activities increase by \$9.8 million and the Business-Type Activities increased by \$.4 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, 2022, and 2023 are presented below (in millions of dollars):

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Non-current liabilities						
Liability for Compensated Absences	\$ 2.6	\$ 2.9	\$ 0.7	\$ 1.0	\$ 3.3	\$ 3.9
Leases	-	0.1	-	-	-	0.1
Bonds (Net of Discount)	6.1	5.6	26.7	24.7	32.8	30.3
Bond Premium	-	-	0.9	0.8	0.9	0.8
Net OPEB Liability	9.1	8.9	1.3	1.7	10.4	10.6
Net Pension Liability	0.3	10.1	10.2	10.6	10.5	20.7
Asset Retirement Obligation	-	-	11.6	11.6	11.6	11.6
	<u>\$ 18.1</u>	<u>\$ 27.6</u>	<u>\$ 51.4</u>	<u>\$ 50.4</u>	<u>\$ 69.5</u>	<u>\$ 78.0</u>

Additional detailed data for all debt of the City is presented in the Notes to the Basic Financial Statements in Note 7.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City developed the fiscal year 2024 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 2023 were incorporated into the fiscal year 2024 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. 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.
- 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. As an example a new supervisor for Stormwater Coordination, Fire Department Administrator, and ME03’s for Public Works were added.
- 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 The City of Dover Finance Department at (302) 736-7018 (TTY/TDD Operator 1-800-855-1155).

PART C



BASIC FINANCIAL STATEMENTS

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2023 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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 16,150,728	\$ 26,520,821	\$ 42,671,549
Investments	9,965,059	36,775,232	46,740,291
Receivables, Net	3,391,631	7,529,493	10,921,124
Internal Balances	(1,723,736)	1,723,736	-
Due from Other Governments	137,303	-	137,303
Inventory	173,947	3,924,929	4,098,876
Prepaid Items	875,183	480,883	1,356,066
Restricted Cash and Cash Equivalents	6,926,320	16,235,088	23,161,408
Restricted Investments	19,322	54,998,535	55,017,857
Capital Assets, Not Being Depreciated	6,394,478	7,865,856	14,260,334
Capital Assets, Net of Depreciation	52,401,929	119,856,213	172,258,142
Total Assets	94,712,164	275,910,786	370,622,950
Deferred Outflows of Resources:			
Pension related Deferred Outflows	8,444,969	2,475,324	10,920,293
OPEB related Deferred Outflows	6,327,325	1,237,413	7,564,738
Total Deferred Outflows of Resources	14,772,294	3,712,737	18,485,031
Liabilities:			
Accounts Payable and Accrued Liabilities	2,369,358	4,810,487	7,179,845
Unearned Revenue	1,647,928	1,133,323	2,781,251
Customer Deposits	-	2,704,330	2,704,330
Other	70,225	321,188	391,413
Liabilities Due within One Year	2,002,489	2,603,750	4,606,239
Non-Current Liabilities			
Due in more than One Year	6,567,440	23,940,561	30,508,002
Due in more than One Year - OPEB	8,937,593	1,747,892	10,685,485
Due in more than One Year - Pension	10,099,896	10,576,726	20,676,622
Due in more than One Year - ARO	-	11,618,846	11,618,846
Total Liabilities	31,694,930	59,457,103	91,152,033
Deferred Inflows of Resources:			
Pension related Deferred Inflows	2,355,301	2	2,355,303
OPEB related Deferred Inflows	6,284,467	1,229,032	7,513,499
Lease related Deferred Inflows	2,038,940	3,354,066	5,393,006
Total Deferred Inflows of Resources	10,678,708	4,583,100	15,261,808
Net Position:			
Net Investment in Capital Assets	53,181,986	102,200,187	155,382,173
Restricted for:			
Capital Projects	70,115	71,233,623	71,303,738
Public Safety Grants	231,957	-	231,957
Verizon Grant	73,979	-	73,979
Library Grant	168,968	-	168,968
Community Development Grants	1,142	-	1,142
ARPA Grant	2,417,074	-	2,417,074
Unrestricted	10,965,599	42,149,510	53,115,109
Total Net Position	\$ 67,110,820	\$ 215,583,320	\$ 282,694,139

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

2023 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, 2023

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities								
General Government	\$ 5,421,309	\$ (1,373,571)	\$ 3,032,285	\$ 12,295	\$ -	\$ (1,003,158)	\$ -	\$ (1,003,158)
Public Safety	25,846,544	-	5,040,699	1,861,028	-	(18,944,817)	-	(18,944,817)
Public Works	9,270,979	(924,491)	4,837,779	806,665	165,442	(2,536,603)	-	(2,536,603)
Library and Recreation	4,190,920	-	781,916	375,984	98,500	(2,934,520)	-	(2,934,520)
Community and Economic Development	685,258	-	-	3,985,170	-	3,299,912	-	3,299,912
Central Services	1,819,983	(940,725)	-	-	-	(879,258)	-	(879,258)
Financial Administration	3,892,244	(2,884,689)	-	-	-	(1,007,555)	-	(1,007,555)
Interest Charges	135,450	-	-	-	-	(135,450)	-	(135,450)
Total Governmental Activities	51,262,687	(6,123,476)	13,692,679	7,041,142	263,942	(24,141,448)	-	(24,141,448)
Business Type Activities								
Water	4,608,357	1,106,569	8,479,187	-	-	-	2,764,261	2,764,261
Wastewater	6,760,655	839,485	11,077,784	-	-	-	3,477,644	-
Electric	63,397,794	4,177,422	78,414,197	-	-	-	10,838,981	10,838,981
Total Business Type Activities	74,766,806	6,123,476	97,971,168	-	-	-	-	-
Total Primary Government	\$ 126,029,493	\$ -	\$ 111,663,847	\$ 7,041,142	\$ 263,942	(24,141,448)	17,080,886	(7,060,562)
General Revenues								
Taxes								
Property Taxes						16,087,623	-	16,087,623
Transfer Taxes						2,795,475	-	2,795,475
Gain on Investments						614,026	2,666,725	3,280,751
Total General Revenues						19,497,123	2,666,725	22,163,848
Transfers						8,047,278	(8,047,278)	0
Total General Revenues and Transfers						27,544,401	(5,380,553)	22,163,848
Changes in Net Position						3,402,953	11,700,333	15,103,285
Net Position Beginning						63,707,866	203,882,060	267,589,926
Net Position Ending						\$ 67,110,819	\$ 215,582,393	\$ 282,693,211

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

2023 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, 2023

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 13,013,196	\$ -	\$ 13,013,196
Restricted Cash and Cash Equivalents	-	6,926,320	6,926,320
Investments	8,438,232	-	8,438,232
Restricted Investments	19,322	-	19,322
Receivables, Net			
Accounts	2,899,627	450,077	3,349,704
Taxes	36,928	-	36,928
Due from Other Funds	550,333	-	550,333
Temporary Advances	107,800	-	107,800
Due from Other Governments	-	137,303	137,303
Prepaid Items	855,088	5,481	860,569
Inventory	173,947	-	173,947
Total Assets	<u>\$ 26,094,472</u>	<u>\$ 7,519,181</u>	<u>\$ 33,613,653</u>
Liabilities:			
Accounts Payable	\$ 1,430,658	\$ 751,323	\$ 2,181,981
Unearned Revenue	148,200	1,499,728	1,647,928
Due to Other Funds	265	346,080	346,345
Temporary Advances	-	2,035,522	2,035,522
Other	70,225	-	70,225
Total Liabilities	<u>1,649,349</u>	<u>4,632,653</u>	<u>6,282,002</u>
Deferred Inflows of Resources:			
Unavailable Revenue	76,446	-	76,446
Leases Revenue	2,038,940	-	2,038,940
Total Deferred Inflows of Resources	<u>2,115,386</u>	<u>-</u>	<u>2,115,386</u>
Fund Balances:			
Non-Spendable	1,050,629	5,481	1,056,110
Restricted	76,707	2,881,046	2,957,753
Committed	2,198,569	-	2,198,569
Assigned	8,316,979	-	8,316,979
Unassigned	10,686,853	-	10,686,853
Total Fund Balances	<u>22,329,737</u>	<u>2,886,527</u>	<u>25,216,264</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 26,094,472</u>	<u>\$ 7,519,181</u>	<u>\$ 33,613,653</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, 2023

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

Total fund balances for governmental funds (Page 49)	\$ 25,216,264
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	58,796,407
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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	76,446
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The Net Pension Liability & OPEB Liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	\$	8,444,969	
Deferred Inflows - Pension		(2,355,301)	
Deferred Outflows - OPEB		6,327,325	
Deferred Inflows - OPEB		(6,284,467)	6,132,526

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.	4,481,982
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Accrual basis of bond interest paid	14,614
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the statement of net position.

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

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

Current-			
General Obligation Bonds		(506,218)	
Compensated Absences		(1,492,424)	
		(1,998,642)	
Long-Term-			
General Obligation Bonds		(5,108,203)	
Compensated Absences		(1,453,214)	
Leases		(9,870)	
Net Pension Liability		(10,099,896)	
Net OPEB Liability		(8,937,593)	
		(25,608,776)	(27,607,418)

Total net position of governmental activities (Page 47)	\$ 67,110,821
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City of Dover, Delaware
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues			
Fines	\$ 651,468	\$ 54,507	\$ 705,975
Library Revenue - General	147,504	-	147,504
Library Revenue County Reimbursement	431,806	-	431,806
Licenses and Permits	3,906,092	-	3,906,092
Sanitation Fees and Rebates	3,652,779	-	3,652,779
Recreation	-	54,430	54,430
Miscellaneous Services	2,618,168	-	2,618,168
Property Taxes	16,105,462	-	16,105,462
Transfer Taxes	-	2,795,475	2,795,475
Grants	1,154,737	6,150,347	7,305,084
Court of Chancery Fees	2,219,660	-	2,219,660
Investment Income	370,436	173,711	544,147
Total Revenues	<u>31,258,110</u>	<u>9,228,470</u>	<u>40,486,580</u>
Expenditures			
Current:			
General Government	1,705,827		1,705,827
Library Services	1,951,602	374,756	2,326,358
Public Safety and Law Enforcement	24,725,239	3,845,502	28,570,741
Public Works	4,838,229	216,724	5,054,953
Recreational Services	1,593,656	-	1,593,656
Streets and Sanitation Services	3,714,386	-	3,714,386
Engineering Services	231,173	-	231,173
Financial Administration	956,125	-	956,125
Garage and Stores	895,309	-	895,309
Insurance	403,680	-	403,680
Retiree Health Care	2,328,500	-	2,328,500
Employee Pension Appropriation	1,000,000	-	1,000,000
Community and Economic Development	150,000	535,258	685,258
Street Lights	832,139	-	832,139
Debt Service:			
Principal Retirement	496,788	-	496,788
Interest and Fiscal Charges	132,653	-	132,653
Total Expenditures	<u>45,955,305</u>	<u>4,972,240</u>	<u>50,927,545</u>
Excess (deficiency) of Revenues over Expenditures	<u>(14,697,194)</u>	<u>4,256,230</u>	<u>(10,440,964)</u>
Other Financing Sources (Uses)			
Transfers In	14,049,745	401,858	14,451,603
Transfers Out	(25,000)	(6,379,325)	(6,404,325)
Total other Financing Sources (Uses)	<u>14,024,745</u>	<u>(5,977,467)</u>	<u>8,047,278</u>
Net Change in Fund Balances	<u>(672,450)</u>	<u>(1,721,237)</u>	<u>(2,393,687)</u>
Fund Balances at Beginning of Year	23,002,187	4,607,764	27,609,951
Fund Balances at End of Year	<u>\$ 22,329,737</u>	<u>\$ 2,886,527</u>	<u>\$ 25,216,264</u>

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

City of Dover, Delaware
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

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)	\$ (2,393,687)
-----------------------------------------------------------------	----------------

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	\$ 5,037,510	
Loss on assets disposed of during the year	(94,044)	
Current year depreciation	(4,469,584)	
Leases	772	474,654

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.	496,788
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

Revenues that are not available to pay for current period expenditures are not reported as revenues in the funds.	(131,891)
-------------------------------------------------------------------------------------------------------------------	-----------

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:	(9,831,807)
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Changes in Deferred Inflows and Deferred Outflows related to pension entries reported in the Statement of Activities.	10,448,460
-----------------------------------------------------------------------------------------------------------------------	------------

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.	3,648,222
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

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	\$ (317,305)	
Bond interest accrual	85	
Increase in Net OPEB Liability	136,941	(180,279)

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.	872,493
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Change in net position of governmental activities (Page 48)	\$ 3,402,954
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The notes to financial statements are an integral part of this statement.

2023 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
June 30, 2023

	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	\$ 3,607,114	\$ 5,177,321	\$ 17,736,386	\$ 26,520,821	\$ 3,137,532
Investments	5,485,869	2,729,388	28,559,975	36,775,232	1,526,827
Receivables, Net	3,571,147	466,436	3,491,910	7,529,493	5,000
Due from Other Funds	1,926,795	42,036	-	1,968,831	-
Inventory	81,377	-	3,843,552	3,924,929	-
Prepaid Items	560	350	479,973	480,883	-
Total Current Assets	14,672,862	8,415,531	54,111,796	77,200,189	4,669,359
Non-Current Assets:					
Restricted Assets					
Cash	769,963	321,405	15,143,720	16,235,088	-
Investments	2,021,063	5,640,258	47,337,214	54,998,535	-
Capital Assets, Not Being Depreciated	1,363,070	68,982	6,433,804	7,865,856	-
Capital Assets, Net of Depreciation	32,492,828	30,937,256	56,426,129	119,856,213	-
Land	130,438	32,802	1,458,066	1,621,306	-
Total Non-Current Assets	36,646,924	36,967,901	125,340,867	198,955,692	-
Total Assets	51,319,786	45,383,432	179,452,663	276,155,881	4,669,359
Deferred Outflows of Resources:					
Pension Related Deferred Outflows	795,471	249,299	1,430,554	2,475,324	-
OPEB Related Deferred Outflows	4,366	14,969	1,218,078	1,237,413	-
	799,837	264,268	2,648,632	3,712,737	-
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Expenses	145,473	584,419	4,080,595	4,810,487	187,377
Due to Other Funds - Charges	-	-	245,095	245,095	-
Unearned Revenue	-	-	1,133,323	1,133,323	-
Accrued Interest Payable	50,362	25,976	244,850	321,188	-
Customer Deposits	-	-	2,704,330	2,704,330	-
Revenue Bonds Payable	606,908	534,456	992,482	2,133,846	-
Liability for Compensated Absences	105,263	36,084	328,557	469,904	-
Total Current Liabilities	908,006	1,180,935	9,729,232	11,818,173	187,377
Non-Current Liabilities:					
Net OPEB Liability	6,166	21,145	1,720,581	1,747,892	-
Net Pension Liability	2,419,352	1,386,899	6,770,475	10,576,726	-
Asset Retirement Obligation	-	-	11,618,846	11,618,846	-
Revenue Bonds Payable	6,001,083	4,958,682	12,412,341	23,372,106	-
Liability for Compensated Absences	231,940	28,382	308,133	568,456	-
Total Non-Current Liabilities	8,658,541	6,395,108	32,830,376	47,884,025	-
Total Liabilities	9,566,547	7,576,043	42,559,608	59,702,198	187,377
Deferred Inflows of Resources:					
Pension Related Deferred Inflows	1	-	1	2	-
OPEB Related Deferred Inflows	4,338	14,868	1,209,826	1,229,032	-
Lease Related Deferred Inflows	2,747,118	-	606,948	3,354,066	-
Total Deferred Inflows of Resources	2,751,457	14,868	1,816,775	4,583,100	-
Net Position					
Net Investment in Capital Assets	27,247,907	25,497,170	49,455,110	102,200,187	-
Restricted for Capital Construction	2,791,026	5,961,663	62,480,934	71,233,623	-
Unrestricted	9,762,686	6,597,956	25,788,868	42,149,510	4,481,982
Total Net Position	\$ 39,801,619	\$ 38,056,789	\$ 137,724,912	\$ 215,583,320	\$ 4,481,982

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

2023 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, 2023

	Business-type Activities			Governmental Activities	
	Water Fund	Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues					
Charges for Services	\$ 6,711,369	\$ 9,755,425	\$ 76,917,251	\$ 93,384,045	\$ -
Miscellaneous Services/Income	1,756,592	1,353,050	1,496,946	4,606,588	1,143,020
Total Operating Revenues	8,467,961	11,108,475	78,414,197	97,990,633	1,143,020
Operating Expenses					
Water	622,653	-	-	622,653	-
Wastewater	-	1,004,559	-	1,004,559	-
Water Treatment Plant	1,890,981	-	-	1,890,981	-
Water/Wastewater Engineering	193,770	233,762	-	427,532	-
Kent County Wastewater Treatment	-	3,759,929	-	3,759,929	-
General Administrative	1,254,228	842,781	6,324,371	8,421,380	133,026
Power Supply	-	-	62,436,996	62,436,996	-
Transmission/Distribution	-	-	4,345,684	4,345,684	-
Engineering	-	-	1,740,886	1,740,886	-
Metering	-	-	436,312	436,312	-
Systems Operations	-	-	779,414	779,414	-
Utility Tax	-	-	1,516,661	1,516,661	-
Depreciation	1,368,534	1,548,429	4,059,579	6,976,542	-
Contractual Services	-	-	-	-	29,167
Taxes	-	-	-	-	22,523
Retirees Health Care	207,400	100,500	911,000	1,218,900	-
Self Insurance-Workers' Compensation	-	-	-	-	174,267
Total Operating Expenses	5,537,566	7,489,960	82,550,903	95,578,429	358,983
Operating Income/Loss	2,930,395	3,618,515	(4,136,706)	2,412,204	784,037
Non-Operating Revenues (Expenses)					
Interest Earned:					
Operating Funds	437,037	214,048	1,407,428	2,058,513	-
Reserve Funds	51,172	103,858	952,133	1,107,163	88,454
Net Decrease in Fair Value of Investments	(21,231)	(48,012)	(429,709)	(498,952)	2
Interest and Fiscal Charges	(177,360)	(110,180)	(408,721)	(696,261)	-
Collection (Distribution)	-	-	16,465,539	16,465,539	-
Gain (Loss) on Sale of Assets	12,153	(30,691)	(1,081,131)	(1,099,669)	-
Total Non-Operating Revenue (expenses)	301,771	129,023	16,905,539	17,336,333	88,456
Income before Contributions and Transfers	3,232,166	3,747,538	12,768,833	19,748,537	872,493
Transfers In	1,927,722	-	75,000	2,002,722	-
Transfers Out	(1,025,000)	(1,025,000)	(8,000,000)	(10,050,000)	-
Total transfers	902,722	(1,025,000)	(7,925,000)	(8,047,278)	-
Change in Net Position	4,134,888	2,722,538	4,843,833.35	11,701,259	872,493
Total Net Position--Beginning	35,666,731	35,334,251	132,881,078	203,882,060	3,609,489
Total Net Position--Ending	\$ 39,801,619	\$ 38,056,789	\$ 137,724,912	\$ 215,583,320	\$ 4,481,982

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

2023 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, 2023

	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	\$ 6,512,571	\$ 11,189,774	\$ 80,163,141	\$ 97,865,486	\$ -
Payments to Suppliers (including Purchased Power)	(1,542,940)	(5,033,740)	(67,332,909)	(73,909,589)	(223,950)
Payments to Employees	(1,594,440)	(1,055,641)	(5,747,174)	(8,397,255)	-
Payments of Personnel Related Costs	(1,211,149)	(549,703)	(2,842,414)	(4,603,266)	1,143,021
Internal Activity-Payments from (to) Other Funds	(309,008)	(166,171)	(601,789)	(1,076,968)	-
Other Receipts (Payments) including Claims Paid	(228,676)	(22,432)	(2,116,361)	(2,367,469)	(133,487)
Net Cash Provided by (used for) Operating Activities	1,626,358	4,362,086	1,522,495	7,510,939	785,584
Cash Flows from Noncapital Financing Activities					
Transfers Out	(1,025,000)	(1,025,000)	(8,000,000)	(10,050,000)	-
Transfers In	1,927,722	-	75,000	2,002,722	-
Distribution to Customers - PCA Credit	-	-	16,465,539	16,465,539	-
Net Cash Used for Noncapital Financing Activities	902,722	(1,025,000)	8,540,539	8,418,261	-
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(1,381,761)	(213,702)	(4,391,519)	(5,986,982)	-
Principal Paid on Revenue Bond Maturities	(589,306)	(505,416)	(865,000)	(1,959,722)	-
Interest Paid on Capital Debt	(177,360)	(110,180)	(408,721)	(696,261)	-
Net Cash Used for Capital and Related Financing Activities	(2,148,427)	(829,298)	(5,665,240)	(8,642,965)	-
Cash Flows from Investing Activities					
Interest on Investments	437,037	214,048	1,407,428	2,058,513	-
Redemption of Investment Securities	828,993	356,809	-	1,185,802	71,438
Purchase of Investment Securities	(531,755)	(309,842)	(1,270,429)	(2,112,026)	-
Interest on Restricted Cash	51,172	103,858	952,133	1,107,163	-
Net Cash Provided by (used for) Investing Activities	785,447	364,873	1,089,132	2,239,452	71,438
Net Increase/Decrease in Cash and Cash Equivalents	1,166,100	2,872,661	5,486,926	9,525,687	857,022
Cash and cash equivalents July 1 (incl. \$336,971 for Water Fund, \$136,927 for Wastewater Fund and \$15,078,230 for Electric fund reported in restricted accounts)	3,210,977	2,626,064	27,393,181	33,230,222	2,280,510
Cash and cash equivalents June 30 (incl. \$769,963 for Water Fund, \$321,405 for Wastewater Fund and \$15,143,720 for Electric fund reported in restricted accounts)	<u>\$ 4,377,077</u>	<u>\$ 5,498,725</u>	<u>\$ 32,880,107</u>	<u>\$ 42,755,909</u>	<u>\$ 3,137,532</u>

(Continued)

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part C – Basic Financial Statements

(Continued)

	Business-type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Electric Revenue Fund	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Operating Income	\$ 2,931,322	\$ 3,618,515	\$ (4,136,706)	\$ 2,413,131	\$ 784,037
Adjustments to Reconcile Operating Income to Net Cash provided by (Used for) Operating Activities:					
Depreciation Expense	1,368,533	1,548,429	4,059,579	6,976,541	-
Effect of Changes in Operating Assets and Liabilities:					
Receivables	198,551	81,409	1,100,094	1,380,054	-
Due from other funds	(1,767,112)	(110)	-	(1,767,222)	-
Inventory	(46,459)	638	(657,357)	(703,178)	-
Prepaid items	(560)	(350)	42,037	41,127	-
Deferred outflow of resources Pension	(155,214)	(52,804)	(315,014)	(523,032)	-
Deferred outflow of resources OPEB	326,776	175,439	(453,700)	48,515	-
Accounts payable and accrued expenses	(95,375)	(401,594)	212,882	(284,087)	1,547
Unearned revenue	-	-	676,461	676,461	-
Due to other funds	(46,868)	(208,535)	140,320	(115,083)	-
Customer Deposits	-	-	87,621	87,621	-
Liability for Compensated Absences	126,691	(38,660)	168,702	256,733	-
Asset Retirement Obligation	-	-	-	(387,756)	-
Net OPEB Liability	(255,917)	(139,773)	859,092	463,402	-
Net pension liability	128,940	38,196	212,804	379,940	-
Deferred inflow of resources Leases	(387,756)	-	(115,232)	(502,988)	-
Deferred inflow of resources Pension	1	-	1	2	-
Deferred inflow of resources OPEB	(699,195)	(258,714)	(359,089)	(1,316,998)	-
Net Cash Provided by Operating Activities	<u>\$ 1,626,358</u>	<u>\$ 4,362,086</u>	<u>\$ 1,522,495</u>	<u>\$ 7,510,939</u>	<u>\$ 785,584</u>
Non-Cash Investing, Capital and Financing Activities:					
Change in Fair Value of Investments	\$ (21,231)	\$ (48,012)	\$ (429,709)	\$ (498,952)	\$ (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, 2023

	Pension and Other Post-Employment Benefit Trust Funds	Custodial Funds
	<hr/>	<hr/>
Assets		
Cash and Cash Equivalents	\$ 13,339,548	\$ 71,754
Investments at Fair Value - Mutual Funds	109,016,746	-
Prepaid Expenses	-	25,000
Total Assets	<hr/> 122,356,294 <hr/>	<hr/> 96,754 <hr/>
Liabilities		
Vouchers Payable & Deposit Payable	469,224	-
Total Liabilities	<hr/> 469,224 <hr/>	<hr/> - <hr/>
Net Position		
Net Position Restricted for Pensions	68,009,925	-
Net Position Restricted for Health Benefits	53,877,145	-
Net Position Restricted for Other Organizations	-	96,754
Total Net Position	<hr/> \$ 121,887,070 <hr/>	<hr/> \$ 96,754 <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, 2023

	Pension and Other Postemployment Benefit Trust Funds	Custodial Funds
Additions:		
Net Investment Income	\$ 9,626,790	\$ -
City's Contribution-Payroll Based	4,584,176	-
City's Contribution-Lump Sum	4,547,400	-
Employee Contribution	209,416	-
Gifts/Donations	-	120,475
State Grants	765,608	-
Other	5,217	177
Total Additions	<u>19,738,607</u>	<u>120,652</u>
Deductions:		
Bank Fees	-	413
Benefit Payments	9,052,557	-
Contractual Services	-	74,940
General Administration	22,361	2,803
Transfer to Governmental Capital Project Fund	-	-
Total Deductions	<u>9,074,918</u>	<u>78,156</u>
Change in Net Position	10,663,689	42,496
Net Position - Beginning	<u>111,223,381</u>	<u>54,258</u>
Net Position - Ending	<u><u>\$ 121,887,070</u></u>	<u><u>\$ 96,754</u></u>

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

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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 the fiscal year ended June 30, 2023.

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. 94 entitled Public-Private Partnerships and Availability Payment Arrangements and Statement No. 96 entitled Subscription-Based Information Technology Arrangements. The adoption of these GASB statements did not have a material effect on the statements.

As of June 30, 2023, GASB issued three new statements which will be effective in upcoming fiscal years: Statement No. 100 entitled Accounting Changes and Error Corrections, Statement No. 101 entitled Compensated Absences, and Statement No. 102 entitled Certain Risk Disclosures. 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 21.8%, 25.84%, 22.90% and 26.0% 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. Fire Department is over by \$18,057, due to overtime.
2. Inspections is over by \$12,530 for Contractual Services.
3. Police Extra-Duty is over budget by \$216,098.
4. Public Works – Engineering is over by \$24,072.
5. Transfer to Cable Franchise Reserve of \$9,164 was not budgeted.
6. Appropriation to Police Pension Fund - State Grant is over budget by \$145,607 due to the receipt of State of Delaware funds exceeding the budgeted amount and then passed through to the Police Pension Fund as an expenditure.
7. Appropriation to cover Street Light expense was low by \$22,139.

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	\$626,740
Water Fund	28,143
Wastewater Fund	26,040
Electric Revenue Fund	1,601,824

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, 2023, total \$78,270,395 including cash and cash equivalents of \$23,115,782 and \$55,154,613 in investments. Of this amount, \$6,900,016 is attributed to governmental activities and \$71,046,787 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 16 and 18, 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 the 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 9.

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 number 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, 2023, the carrying amount of unrestricted cash and cash equivalents totaled \$42,671,549, and the bank cash balance totaled \$42,612,059. The carrying amount of restricted cash

totaled \$23,161,408 and the bank cash balances on restricted accounts totaled \$20,731,054 and \$3,523,375 of the bank balance exposed to custodial credit risk because it was uninsured and uncollateralized. Fiduciary funds cash and cash equivalents carrying value of \$13,339,548 included \$13,411,302 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, 2023, 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's wide investments are held in several different investment capacities from mutual funds and certificate of deposit with a significant investment in debt securities.

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

The city recorded the following investments as of June 30, 2023:

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

Investment Type	Weighted Average Maturity (Years)	June 30, 2023	Fair Value Measurements Using:	
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Government-Wide:				
Investments by fair value level				
Debt securities:				
U.S. Government Treasuries	2.10	\$ 26,529,382	\$ -	\$ 26,529,382
Federal Agency Bond / Note	1.90	20,344,347	591,902	19,752,445
Municipal Obligations	1.35	5,377,774	-	5,377,774
Domestic Fixed Income	2.60	31,072,080	-	31,072,080
International Fixed Income	1.29	11,507,304	-	11,507,304
Federal Agency mortgage backed security*	11.07	1,803,547	573,893	1,229,654
Total Investments by fair value level	2.25	\$ 96,634,434	\$ 1,165,795	\$ 95,468,639
Other Investments, at amortized cost:				
Money Market Mutual Funds & Equity Stock		7,919,790		
Certificates of Deposit		977,300		
Total other investments		8,897,090		
Total Government-Wide Investments		105,531,524		
Less: Cash and Cash Equivalents				
Money Market Funds & Certificates of Deposit		(3,773,376)		
Total Investments per statement of net position		\$ 101,758,148		

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 2.47 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, 2023, 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, 2023, 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:

2023 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	25.14%
U.S. Government Agency Bonds/Notes	N/A	N/A	20.99%
Certificates of Deposit and Time Deposits	Short-Term A-1 Long-Term AA	Short-Term A-1 to A-1+ N/A	0.93% 0.00%
Corporate Debt	Issued by a US Corporation		
Commercial Paper	A-1	N/A	0.00%
Corporate Notes/Bonds	A	BBB+ to AAA	29.44%
International Fixed Income	A	AAA	10.90%
Repurchase Agreements	ST A-1; LT AA	N/A	0.00%
Registered Investment Companies (Money Market Funds)	AAAm	AAAm	7.50%
Municipal Obligations	A	A to AAA	5.10%

Concentration of credit risk: As of June 30, 2023, United States Treasury Notes represented 27.10% of the portfolio, Federal Home Loan National Mortgage Association represented 11.97% of the portfolio and Federal National Mortgage Association represented 7.28% of the portfolio. No other issuer exceeded 5% of the portfolio.

2. 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, 2023.

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Investment Type	June 30, 2023			
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	\$ 7,961,479	\$ 809,930	\$ 1,540,189	\$ 10,311,598
Fixed Income:				
Short-term bond funds	2,296,028	790,214	3,029,366	6,115,608
Intermediate-term bond funds	1,829,322	655,819	2,292,177	4,777,318
Long-term bond funds	2,337,875	670,492	2,056,314	5,064,681
Inflation-protected bond funds	2,747,432	919,298	2,013,982	5,680,712
High yield bond funds	2,347,179	807,832	2,580,553	5,735,564
Nontraditional bond funds	1,869,942	536,304	2,313,066	4,719,312
Total Fixed Income	13,427,778	4,379,959	14,285,458	32,093,195
Equities:				
Large-cap value funds	3,377,986	968,725	3,779,306	8,126,017
Large-cap growth funds	4,654,032	1,038,167	6,254,626	11,946,825
Mid-cap value funds	1,966,676	493,489	4,867,347	7,327,512
Mid-cap blend funds	1,986,731	498,520	-	2,485,251
Small-cap value funds	3,456,945	706,927	2,245,646	6,409,518
Small-cap growth	-	-	2,120,007	2,120,007
International growth funds	3,765,112	944,773	4,657,954	9,367,839
World stock funds	3,420,585	980,996	4,836,573	9,238,154
Infrastructure funds	2,247,403	773,410	-	3,020,813
Diversified emerging market funds	4,715,269	1,487,552	5,704,044	11,906,865
Real estate funds	1,918,192	412,534	2,644,024	4,974,750
Total Equities	31,508,931	8,305,093	37,109,527	76,923,551
Total investments measured at the NAV	\$ 44,936,709	\$ 12,685,052	\$ 51,394,985	\$ 109,016,746

The City recorded the following OPEB and Pension investments as of June 30, 2023:

Investment Type	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)
Other Postemployment Benefits (OPEB) & Pension Funds		
Investments by fair value level		
Mutual Funds	\$ 109,016,746	\$ 109,016,746

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, 2023, the Pension and OPEB plans had \$32,093,195 in fixed income investments. The weighted average maturity for all its fixed income funds was 6.55 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, 2023, 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, 2023.

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, 2023, the Pension and OPEB Plans had no investments that were denominated in foreign currency.

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4. CAPITAL ASSETS

A summary of the capital asset activity for the year ended June 30, 2023, 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	605,810	2,045,161	876,849	-	1,774,122
Total capital assets, not being depreciated	5,226,166	2,045,161	876,849	-	6,394,478
Capital assets, being depreciated:					
Buildings	29,576,906	1,086,972	-	-	30,663,878
Furniture and fixtures	759,375	12,179	-	-	771,554
Equipment ¹	8,847,183	1,489,313	1,112,549	3,400	9,227,347
Vehicles	6,685,832	1,097,242	541,198	-	7,241,876
Lights	655,646	-	-	-	655,646
Improvements other than buildings	63,856,203	183,492	-	-	64,039,695
Total capital assets, being depreciated	110,381,145	3,869,198	1,653,747	3,400	112,599,996
Less accumulated depreciation for:					
Buildings	(8,077,518)	(667,930)	-	-	(8,745,448)
Furniture and fixtures	(732,151)	(27,224)	-	(406)	(759,781)
Equipment ²	(6,163,467)	(529,534)	1,089,759	(55,339)	(5,658,581)
Vehicles	(5,309,348)	(492,048)	524,303	(2,014)	(5,279,107)
Lights	(561,281)	(10,424)	-	-	(571,705)
Improvements other than buildings	(36,441,021)	(2,742,424)	-	-	(39,183,445)
Total accumulated depreciation	(57,284,786)	(4,469,584)	1,614,062	(57,759)	(60,198,067)
Total capital assets, being depreciated, net ³	53,096,359	(600,386)	(39,685)	(54,359)	52,401,929
Governmental activities capital assets, net	\$ 58,322,525	\$ 1,444,775	\$ 916,534	\$ (54,359)	\$ 58,796,407

¹ The adjustment to Equipment is due to additional expenditures for the TickeTrak Parking Enforcement System.

² The adjustments in equipment depreciation was due to two assets transferred into Grounds from the Electric fund, 5 assets paid for with grant funding, a donated asset to the Library, as well as the additional TickeTrak depreciation.

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

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

(Continued)

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type activities:					
Water Fund					
Capital assets, not being depreciated					
Land	\$ 130,438	\$ -	\$ -	\$ -	\$ 130,438
Construction in progress	47,815	3,112,539	-	-	3,160,354
Total capital assets, not being depreciated	178,253	3,112,539	-	-	3,290,792
Capital assets, being depreciated					
Buildings	9,685,327	-	-	-	9,685,327
Distribution Mains/Accessories	26,348,071	-	-	-	26,348,071
Pumping stations	13,234,861	-	-	-	13,234,861
Sewer Lines	38,284	-	-	-	38,284
Vehicles and equipment	5,331,550	209,897	41,489	-	5,499,958
Total capital assets, being depreciated	54,638,093	209,897	41,489	-	54,806,501
Less accumulated depreciation for:					
Buildings	(1,434,243)	(425,557)	-	-	(1,859,800)
Vehicles and equipment	(3,703,221)	(197,916)	40,686	-	(3,860,451)
Distribution Mains/Accessories	(10,028,404)	(496,914)	-	-	(10,525,318)
Pumping Stations	(5,800,076)	(247,388)	-	-	(6,047,464)
Sewer Lines	(19,881)	(759)	-	-	(20,640)
Total accumulated depreciation	(20,985,825)	(1,368,533)	40,686	-	(22,313,673)
Total capital assets, being depreciated, net	33,652,268	(1,158,636)	(803)	-	32,492,829
Total water fund capital assets, net	\$ 33,830,520	\$ 1,953,903	\$ (803)	\$ -	\$ 35,783,620

(Continued)

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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	485,557	20,369	469,746	-	36,180
Total capital assets, not being depreciated	518,359	20,369	469,746	-	68,982
Capital assets, being depreciated					
Buildings	62,041	-	-	-	62,041
Distribution Mains/Accessories	204,662	-	-	-	204,662
Pumping Stations ¹	19,433,821	7,900	-	727	19,442,448
Sewer Lines	35,286,379	473,746	-	-	35,760,125
Vehicles and equipment	2,769,862	182,981	41,141	-	2,911,702
Total capital assets, being depreciated	57,756,765	664,627	41,141	727	58,380,978
Less accumulated depreciation for:					
Buildings	(47,367)	(2,682)	-	-	(50,049)
Vehicles and Equipment	(1,878,674)	(164,481)	41,141	-	(2,002,014)
Distribution mains, hydrant, and accessories	(20,705)	(2,868)	-	-	(23,573)
Pumping Stations ²	(7,319,083)	(587,116)	-	(30)	(7,906,229)
Sewer Lines	(16,670,575)	(791,282)	-	-	(17,461,857)
Total accumulated depreciation	(25,936,404)	(1,548,429)	41,141	(30)	(27,443,722)
Total capital assets, being depreciated, net	31,820,361	(883,802)	-	697	30,937,256
Total wastewater fund capital assets, net	\$ 32,338,721	\$ (863,433)	\$ (469,746)	\$ 697	\$ 31,006,239

¹ The capital asset adjustments to Pumping Stations was due to additional expense (improvement) on an existing asset.

² The accumulated depreciation adjustment to Pumping Stations is due to the improvement noted above.

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(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	2,399,672	3,712,855	895,447	(241,342)	4,975,738
Total capital assets, not being depreciated	3,857,738	3,712,855	895,447	(241,342)	6,433,804
Capital assets, being depreciated					
Buildings	13,287,398	88,365	252,800	-	13,122,963
Vehicles and Equipment	31,052,654	782,415	342,923	-	31,492,146
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights ²	69,815,271	701,839	-	-	70,517,110
SS, Switch Yards, Switchgears	36,728,771	-	-	-	36,728,771
Boiler, Turbo Generators, Cap Int - VS	39,122,189	-	1,464,658	-	37,657,531
Other (Streets, EST, Swr Lines, Wells, Eng & Legal Svcs, Land Impr)	7,662,503	-	-	-	7,662,503
Total capital assets, being depreciated	197,668,786	1,572,619	2,060,381	-	197,181,024
Less accumulated depreciation for:					
Buildings	(10,548,832)	(129,694)	71,627	-	(10,606,899)
Vehicles and Equipment	(26,092,222)	(763,499)	294,079	-	(26,561,642)
Transformers, Meters, T&D & Fiber Optic Lines, Street Lights ²	(42,551,065)	(1,731,932)	-	(3,336)	(44,286,333)
SS, Switch Yards, Switchgears	(18,651,854)	(963,782)	-	-	(19,615,636)
Boiler, Turbo Generators, Cap Int - VS ²	(33,208,122)	(358,060)	773,898	3,336	(32,788,948)
Other (Streets, EST, Swr Lines, Wells, Eng & Legal Svcs, Land Impr)	(6,782,825)	(112,612)	-	-	(6,895,437)
Total accumulated depreciation	(137,834,920)	(4,059,579)	1,139,604	-	(140,754,895)
Total capital assets, being depreciated, net	59,833,866	(2,486,960)	(920,777)	-	56,426,129
Total electric revenue fund capital assets, net	\$ 63,691,604	\$ 1,225,895	\$ (1,816,224)	\$ (241,342)	\$ 62,859,933

¹ The capital asset adjustment within the Construction in Progress section above is due to a determination that one project was a recurring maintenance expense, another project was emergency repairs, and 4 smaller projects completed in FY23 that were under the \$5,000 threshold.

² The adjustments in accumulated depreciation for Transformers and Boilers was to correct the account code due to a clerical error.

(Continued)

2023 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
Total Business-type Activities	\$ 129,860,845	\$ 2,316,365	\$ (2,286,773)	\$ (240,645)	\$ 129,649,792
Capital Assets, not being depreciated	4,554,350	6,845,763	(1,365,193)	(241,342)	9,793,578
Capital Assets, being depreciated, net	125,306,495	(4,529,398)	(921,580)	697	119,856,214
Total	<u>\$ 129,860,845</u>	<u>\$ 2,316,365</u>	<u>\$ (2,286,773)</u>	<u>\$ (240,645)</u>	<u>\$ 129,649,792</u>
General government		\$ 29,260			
Central services		58,020			
Public safety		437,227			
Public works		3,224,049			
Library and recreation		688,711			
Financial administration		32,317			
Total depreciation expense - governmental activities		<u>\$ 4,469,584</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 \$73,067 in rental income, and the second lease is with Garrison Energy Center which generated \$40,248 in rental income.

The total lease revenue generated by the City's Electric Revenue Fund is \$115,232, consisting of \$65,339 for pole attachment rentals which began in fiscal year 2020, Dark Fiber leases in the amount of \$19,893, 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 \$387,756 in the fiscal year ended June 30, 2023.

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	\$ 38,299	\$ 313,761	\$ 352,059
Interest revenue	75,017	189,227	264,244

As of June 30, 2023, the principal and interest requirements to maturity for the lease receivable are as follows:

	Governmental Activities Principal	Interest	Total
2024	\$ 44,412	\$ 74,031	\$ 118,443
2025	51,015	72,870	123,885
2026	58,147	71,522	129,669
2027	65,847	69,970	135,817
2028	74,159	68,197	142,356
2029 - 2033	522,254	305,227	827,481
2034 - 2038	856,183	214,967	1,071,150
2039 - 2042	996,181	69,358	1,065,539
	<u>\$ 2,668,198</u>	<u>\$ 946,142</u>	<u>\$ 3,614,340</u>

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	Business-type Activities		
	Principal	Interest	Total
2024	\$ 327,807	\$ 185,800	\$ 513,607
2025	353,973	170,627	524,600
2026	383,042	152,960	536,003
2027	421,488	134,498	555,987
2028	384,090	112,779	496,869
2029	3,792	235	4,027
2029-2030	52,199	7,801	60,000
2029 - 2031	297,432	49,430	346,862
2029 - 2032	276,097	32,490	308,587
2029 - 2033	288,508	210,474	498,982
2034 - 2034	22,627	2,263	24,890
2034 - 2037	280,259	63,724	343,983
	<u>\$ 3,091,315</u>	<u>\$ 1,123,081</u>	<u>\$ 4,214,396</u>

As a lessee, the City Police Department leases a part of a firing range for firearm practice and qualification. In FY23, there are 3 years remaining on the lease, for \$5,000 per year.

6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS

The City currently uses 2 subscription-based information technology agreements for the police department, including body-worn cameras and in-car cameras.

	Governmental Activities		
	Principal	Interest	Total
2024	\$ 77,838	\$ 2,955	\$ 80,793
2025	78,810	1,983	80,793
2026	79,795	998	80,793
	<u>\$ 236,443</u>	<u>\$ 5,936</u>	<u>\$ 242,379</u>

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7. 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	\$ 4,343,268	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	1,271,153	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	1,092,197	2.47%	4/1/12 - 10/1/30	No	Water quality improvements and main replacements
2013 Revenue Bonds	4,295,463	2,051,303	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	3,464,492	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	2,700,425	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	422,366	2.00%	6/1/12 - 12/1/31	No	Pump station replacements/upgrades and sanitary sewer main relining
2013 Revenue Bonds	1,829,538	873,698	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	780,383	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	716,266	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	12,580,000	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)

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B. Status as of June 30, 2023 – General Obligation Bonds

Long-term indebtedness of the City of Dover consists of Series 2019 General Obligation Bonds totaling \$4,343,268 and Series 2021 General Obligation Bonds totaling \$1,271,153 for a grand total of \$5,614,421 in outstanding bonds.

The total General Obligation Bonds outstanding amount includes \$506,218 payable within one year.

C. Change in Long-Term Debt

The following tables summarize the debt transactions for the year ended June 30, 2023:

1. General Long-Term Debt

Item	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Payable within One Year
Compensated Absences	2,625,451	2,316,998	1,996,811	2,945,638	1,492,424
General Obligation Bonds	6,111,209	-	496,788	5,614,421	506,218
Lease Liability	14,613	-	4,743	9,870	3,847
Net OPEB Liability	9,074,534	-	136,941	8,937,593	-
Net Pension Liability	268,089	9,831,807	-	10,099,896	-
Sub-total of General Long-Term Debt	\$ 18,093,896	\$ 12,148,805	\$ 2,635,283	\$ 27,607,418	\$ 2,002,489

2. Enterprise Funds Debt – Water and Wastewater Fund

WATER FUND

Item	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Payable within One Year
Compensated Absences	\$ 210,512	\$ 306,664	\$ 179,973	\$ 337,203	\$ 105,263
Revenue Bonds-Water	2,328,316	-	277,014	2,051,302	287,533
State of Delaware Municipal Revenue Bond - Water	4,868,984	-	312,295	4,556,689	319,375
Net OPEB Liability	262,083	-	255,917	6,166	-
Net Pension Liability	2,290,413	128,939	-	2,419,352	-
Sub-total of Water Fund	\$ 9,960,308	\$ 435,603	\$ 1,025,199	\$ 9,370,712	\$ 712,171

WASTEWATER FUND

Item	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Payable within One Year
Compensated Absences	\$ 67,042	\$ 69,594	\$ 72,169	\$ 64,466	\$ 36,084
Revenue Bonds-Wastewater	991,684	-	117,986	873,698	122,467
State of Delaware Municipal Revenue Bond - Wastewater	5,006,870	-	387,430	4,619,440	411,989
Net OPEB Liability	160,919	-	139,774	21,145	-
Net Pension Liability	1,348,702	38,197	-	1,386,899	-
Sub-total of Wastewater	\$ 7,575,217	\$ 107,791	\$ 717,359	\$ 6,965,648	\$ 570,540

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3. Enterprise Funds Debt – Electric Revenue Fund

Item	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Payable within One Year
Compensated Absences	\$ 467,989	\$ 579,868	\$ 411,167	\$ 636,690	\$ 328,557
Revenue Bonds	13,445,000	-	865,000	12,580,000	910,000
Bond Premium	907,305	-	82,482	824,823	82,482
Net OPEB Liability	861,489	859,092	-	1,720,581	-
Net Pension Liability	6,557,671	212,804	-	6,770,475	-
Asset Retirement Obligation	11,618,846	-	-	11,618,846	-
Sub-total of Electric Revenue Fund	33,858,300	1,651,764	1,358,649	34,151,415	1,321,039
Sub-total of Enterprise Fund Debt	51,393,825	2,195,158	3,101,207	50,487,775	2,603,750
Grand Totals of Long-Term Debt	\$ 69,487,721	\$ 14,343,963	\$ 5,736,490	\$ 78,095,194	\$ 4,606,239

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, 2023. In previous years, the City has used General Fund Revenues to liquidate Net Pension and Net OPEB Liabilities in the General Fund.

D. Debt Service Requirements

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

I. Governmental Activities:

Fiscal	2019 General Obligation Bonds		2021 General Obligation Bonds		Total General Fund Debt Service
Year	Principal	Interest	Principal	Interest	
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	\$ 4,343,268	\$ 473,695	\$ 1,271,153	\$ 91,236	\$ 6,179,352

2. 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>
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	\$ 2,700,425	\$ 249,484	\$ 1,092,197	\$ 117,474	\$ 422,366	\$ 71,695

(Continued)

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2. 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	
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	\$ 2,925,000	\$ 625,285	\$ 780,383	\$ 135,372	\$ 3,464,492	\$ 353,340	\$ 716,266	\$ 144,197	\$ 12,580,000	\$ 2,549,300	\$ 28,927,276

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 \$11,249,035 due to payment of invoices in the amount of \$369,811.

8. 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.	\$ 70,115
Grants-public safety	These represent the Police grants, ERLSP grant and Substance Abuse Prevention grant in the special revenue type funds.	231,957
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.	2,661,163
Total Restricted Net Position		<u>\$ 2,963,235</u>

Business Type Activities

Net restricted position for construction purposes - expendable		
Water and Wastewater	Restrictions on investments imposed by bond covenants	\$ 8,752,689
Electric	Restrictions on investments imposed by bond covenants	62,480,934
Total Restricted Net Position		<u>\$ 71,233,623</u>

9. 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, 2023, follows:

	General Fund	Other Governmental Funds	Total
Fund balances:			
Nonspendable:			
Inventory & Prepaids	\$ 1,029,035	\$ 414	\$ 1,029,449
Patronage Stock	16,594	-	16,594
Library Endowment	5,000	5,067	10,067
Subtotal Nonspendable:	1,050,629	5,481	1,056,110
Restricted for:			
Library Endowment Interest	2,728	-	2,728
Verizon cable franchise	73,979	-	73,979
Highway resurfacing	-	70,114	70,114
CDBG	-	1,142	1,142
ARPA Grant	-	4,744,797	4,744,797
Substance Abuse Prevention	-	43,429	43,429
Library Grants	-	161,173	161,173
Police Grants	-	1,188,114	1,188,114
Subtotal Restricted for:	76,707	6,208,769	6,285,476
Committed to:			
Contingency	749,396	-	749,396
Parkland	1,449,173	-	1,449,173
Subtotal Committed to:	2,198,569	-	2,198,569
Assigned to:			
Capital Projects	8,316,979	-	8,316,979
Subtotal Assigned to:	8,316,979	-	8,316,979
Unassigned	10,686,853	-	10,686,853
Total fund balances	<u>\$ 22,329,737</u>	<u>\$ 6,214,249</u>	<u>\$ 28,543,986</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.

10. 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, 2023, there were no material delinquent taxes.

11. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, 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	\$ 300,455
	Water Fund	2,813
	Wastewater Fund	1,970
	Electric Revenue Fund	245,095
		550,333
Water Fund	General Fund	133
		133
Wastewater Fund	General Fund	132
	Water Fund	46,686
	Non-major governmental funds	46,818
		46,818
Total		\$ 597,284

B. Temporary Advances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Fund	\$ 107,800

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>Water Revenue Fund</u>	<u>Electric Revenue Fund</u>	
Non-Major Governmental Funds	\$ 3,999,745	\$ 401,858	\$ 1,927,722	\$ 50,000	\$ 6,379,325
Water Fund	1,025,000	-	-	-	1,025,000
Wastewater Fund	1,025,000	-	-	-	1,025,000
Electric Revenue Fund	8,000,000	-	-	-	8,000,000
General Fund	-	-	-	25,000	25,000
Total	\$ 14,049,745	\$ 401,858	\$ 1,927,722	\$ 75,000	\$ 16,454,325

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

12. 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 three loans in the original amounts of \$635,300, \$757,900 and \$750,000 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 \$51,501 in expenditure for a Red Ford F250; \$146,238 for 2 Command Vehicles, and \$31,016 for an All-Terrain Vehicle.
- 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. There are no significant encumbered amounts where the resources have already been restricted.

13. 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, 2023 are as follows:

Collateral Summary

Counterparty	Counterparty or Guarantor Credit Rating	Counterparty Thresholds	Line Availability	Credit Risk w/o Respect to Collateral (\$)	Collateral Description
AEP Energy Partners, Inc.	BBB	\$10,000	\$11,230	(\$1,230)	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+	\$0	(\$3,791)	\$3,791	No Collateral if exposure under specified threshold
Carl King Energy Services division of Griffith Energy	B+	\$0	\$0	\$0	No specified threshold
Citigroup Energy, Inc.	A	\$7,000	\$7,000	\$0	Up to \$10,000 is guaranteed by Citigroup Global Markets Holdings Inc.
Conectiv Energy Supply, Inc.	NR	\$0	\$0	\$0	No Defined threshold, \$10,000 for planning purposes
Colonial Energy, Inc.	NR	\$0	\$0	\$0	No specified threshold
EDF Trading North America, LLC	BBB-	\$18,000	\$18,000	\$0	Threshold is \$18 million unless guarantor's credit rating falls below Baa3
Constellation Energy Generation, LLC	BBB	\$30,000	\$30,000	\$0	No collateral if exposure under specified threshold
Hess Corporation	BBB-	\$0	\$0	\$0	No specified threshold
Constellation Energy Services, Inc.	BBB	\$0	\$0	\$0	Lesser of guaranty or threshold, currently no guaranty
Macquarie Energy, LLC	A	\$15,000	\$15,161	(\$161)	Up to \$15,000 is guaranteed by Macquarie Bank Limited
Morgan Stanley Capital Group Inc.	A-	\$15,000	\$16,369	(\$1,369)	Unlimited guaranty from Morgan Stanley, threshold set by table in contract
NextEra Energy Power Marketing, LLC.	BBB+	\$10,000	\$2,139	\$7,861	Up to \$10,000 is guaranteed by NextEra Energy Capital Holdings, Inc.; \$17,700 collateral held for exposures above threshold
NJR Energy Services Company	NR	\$0	\$0	\$0	No specified threshold
Peninsula Energy Services Company, Inc.	NR	\$0	\$0	\$0	No specified threshold
Peninsula Oil Company, Inc.	NR	\$0	\$0	\$0	No specified threshold
PSEG Energy Resources & Trade, LLC	BBB	\$5,000	\$5,000	\$0	Up to \$5,000 is guaranteed by PSEG Power LLC
Sequent Energy Management, L.P.	BBB	\$5,000	\$5,000	\$0	Unlimited guaranty from Williams Company, threshold is \$5,000
Tri Gas & Oil Co., Inc.	NR	\$0	\$0	\$0	No specified threshold

14. 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, 2023, \$211,777 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, 2023.

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

	2023	2022
Claims payable, beginning of year	\$ 182,825	\$ 288,538
Claims incurred	217,216	274,337
Payment of claims	(188,264)	(380,050)
Claims payable, end of year	<u>\$ 211,777</u>	<u>\$ 182,825</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 9). There have been no significant reductions or settlements exceeding coverage in the past five fiscal years.

15. 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.

16. 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, 2023:

Retirees and beneficiaries receiving benefits	280
Terminated plan members entitled to but not yet receiving the benefits	13
Active plan members	<u>321</u>
Total	<u>614</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.

(Continued)

(Continued)

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.

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 \$164.90 for 2023; for 2022, the standard

premium was \$170.10. 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:

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General Government	\$ 2,526,261
Water and Wastewater Fund	307,632
Electric Revenue Fund	949,058
Total Contributions	<u>\$ 3,782,951</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, 2023, the City's average contribution rate was 13.4% of covered payroll of \$28,253,889.

The components of the Net OPEB liability of the City on June 30, 2023, 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, 2022	\$ 58,701,844	\$ 48,342,818	\$ 10,359,026
Changes for the year:			
Service cost	1,195,018	-	1,195,018
Interest	3,994,126	-	3,994,126
Differences between expected and actual exp	(733,957)	-	(733,957)
Changes in assumptions	4,429,099	-	4,429,099
Benefit payments	(3,023,499)	(3,023,499)	-
Employer contributions	-	3,782,951	(3,782,951)
Net investment income	-	4,776,525	(4,776,525)
Trust administrative expenses	-	(1,650)	1,650
Balances as of June 30, 2023	<u>\$ 64,562,631</u>	<u>\$ 53,877,145</u>	<u>\$ 10,685,485</u>
Plan Fiduciary Net Position as % of total OPEB Liability	82.4%		

Rate of return. For the year ending June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 9.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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Actuarial Methods and Significant Assumptions

Actuarial cost method	Entry Age Normal Funding Method with Level % of Payroll
Asset valuation date	June 30, 2023
Asset valuation method	Market value of assets
Actuarial assumptions:	
Expected Return on Assets	7.0%
Discount rate	7.0%
Inflation rate	2.5%
Healthcare cost trend rates	
<u>Pre-Medicare</u>	Initial rate of 7.5% decreasing to 7.0% for 2025, 5.29% by 2030 and 4.54% by 2050, ultimately leveling off at 4.04% in 2075.
<u>Medicare</u>	Initial rate of 10.8% decreasing to 7.0% for 2025, 5.29% by 2030 and 4.54% by 2050, ultimately leveling off at 4.04% in 2075.
Mortality	
<u>Active Employees:</u>	
Civilians	SOA Pub-2010 General Employees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Employees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
<u>Terminated Vested Participants, Healthy Retirees and Spouses:</u>	
Civilians	SOA Pub-2010 General Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
<u>Surviving Spouses</u>	
Civilians	SOA Pub-2010 General Contingent Survivors Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Contingent Survivors Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
<u>Disabled Retirees</u>	
Civilians	SOA Pub-2010 General Disabled Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021

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, 2023, 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 determine the liabilities under GASB 74 and 75 depends upon the entity's funding policy. The City has established an irrevocable Trust and adopted a funding policy to contribute the Actuarial Determined Contribution (ADC) each year. Under this policy, the plan is projected to be solvent in the future, and therefore the discount rate is the expected rate of return of 7.00%.

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

The following presents the net OPEB liability as of June 30, 2023, 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	\$ 19,596,069	\$ 10,685,486	\$ 3,379,669

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, 2023, 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 3.04%	Current Discount Rate 4.04%	1% Increase 5.04%
Net OPEB liability	\$ 2,899,791	\$ 10,685,486	\$ 20,307,336

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

For the year ended June 30, 2023, the City recognized OPEB expense (credit) of (\$807,395) as calculated in the following table:

OPEB Expense

Service cost	\$ 1,195,018
Interest	3,994,126
OPEB plan administrative expenses	1,650
Projected earnings on OPEB plan investments	(3,410,520)
Current period recognition of deferred outflows/(inflows) of resources	
Differences between expected and actual experience	(3,700,308)
Net difference between projected and actual earnings on plan investments	415,173
Changes of assumptions	697,466
Total OPEB Credit	<u>\$ (807,395)</u>

On June 30, 2023, 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	\$ -	\$ 5,399,234
Changes in assumptions	4,951,244	2,114,264
Net difference between projected and actual earnings in OPEB plan investments	2,613,494	-
Total Deferred Outflows (Inflows) of Resources	<u>\$ 7,564,738</u>	<u>\$ 7,513,499</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:	
2024	\$ (1,846,635)
2025	(1,137,532)
2026	1,461,034
2027	188,691
2028	461,892
Thereafter	923,790

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, 2023

	Other Post-Employment Benefit Trust Fund
Assets:	
Cash and cash equivalents	\$ 2,951,384
Receivables	
Investments at Fair Value - Mutual Funds	-
Total Assets	<u>2,951,384</u>
Liabilities:	
Accounts Payable	-
Total Liabilities	<u>-</u>
Net Position:	
Net Position Restricted for Retiree Health Benefits	<u><u>\$ 2,951,384</u></u>

The City of Dover, Delaware
Schedule of Changes in Other Post-Employment Benefits Trust Fund Net Position
June 30, 2023

	Other Post-Employment Benefit Trust Fund
Additions:	
Net Investment Income	\$ 4,776,525
City's Contribution-Payroll Based	235,551
City's Contribution-Lump Sum	3,547,400
Total Additions	<u>8,559,476</u>
Deductions:	
Benefit Payments	3,023,499
General Administration	1,650
Total Deductions	<u>3,025,149</u>
Change in Net Position	
Net Position - Beginning	48,342,818
Net Position - Ending	<u><u>\$ 53,877,145</u></u>

17. DEFERRED COMPENSATION PLAN

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

In May 1994, the City offered the 457 Deferred Compensation Plan to employees as their pension plan in lieu of participating 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 \$11,486,570 (market value) as of June 30, 2023, with 170 active employees contributing \$144,205. The Nationwide plan has assets of \$3,880,510 (market value) as of June 30, 2023, with 10 active employees contributing \$9,469. 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, 2023, there are 359 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.

18. 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 2023, the total wages were \$28.7 million. The number of employees eligible for pension benefits as of June 30, 2023, is 359.

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, 2023:

	2023			
	Police	General	DPERS	Total
Pension Net Position	\$ 15,053,250	\$ 52,956,675	N/A	\$ 68,009,925
Pension Liabilities	16,807,646	72,744,686	N/A	89,552,332
Net Pension (Liabilities)/Asset	(1,754,396)	(19,788,011)	\$ 865,783	(20,676,624)
Deferred Outflows of Resources	1,031,969	5,445,082	4,443,242	10,920,293
Deferred Inflows of Resources	-	-	(2,355,303)	(2,355,303)
Pension Expense	59,172	5,065,048	1,235,836	6,360,056

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:

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

All other employees, except for FOP members, must contribute 3% of pensionable wages into the 401a Plan. The City matches the 3% contribution into the 401a Plan. The City provides an additional dollar-for-

dollar match into the 401a Plan if the employee contributes to their 457 Plan, up to a maximum of 3% for a total matching contribution not to exceed 6%. (See note 17 – 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, 2023, there were 219 full-time employees enrolled in the 401a plan. The City contributed a total of \$611,176 on wages of approximately \$9.8 million. Employees contributed \$405,407 to the 401a Money Purchase Plan. The market value of the 401a plan assets totaled \$11,173,169 as of June 30, 2023.

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, 2023

	Police Pension	General Pension	Totals
Assets:			
Cash and cash equivalents	\$ 2,368,198	\$ 8,019,966	\$ 10,388,164
Investments at fair value - Mutual Funds	12,685,052	44,936,709	57,621,761
Total Assets	<u>15,053,250</u>	<u>52,956,675</u>	<u>68,009,925</u>
Liabilities:			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
Net position held in trust for pension benefits	<u>\$ 15,053,250</u>	<u>\$ 52,956,675</u>	<u>\$ 68,009,925</u>

The City of Dover, Delaware
Combining Schedule of Changes in Pension Trust Fund Net Position
For the Year Ended June 30, 2023

	Police Pension	General Pension	Totals
Additions			
Net investment income	\$ 989,896	\$ 3,860,369	\$ 4,850,265
City's contribution - payroll based	-	4,348,625	4,348,625
City's contribution - lump sum	-	1,000,000	1,000,000
Employee contribution	-	209,416	209,416
State grants	765,608	-	765,608
Other	5,217	-	5,217
Total Additions to Net Position	<u>1,760,721</u>	<u>9,418,410</u>	<u>11,179,131</u>
Deductions			
Benefit payments	1,506,847	4,522,211	6,029,058
General administration	4,370	16,341	20,711
Total Deductions From Net Position	<u>1,511,217</u>	<u>4,538,552</u>	<u>6,049,769</u>
Change in net position	249,504	4,879,858	5,129,362
Net Position - Beginning	14,803,746	48,076,817	62,880,563
Net Position - Ending	<u>\$ 15,053,250</u>	<u>\$ 52,956,675</u>	<u>\$ 68,009,925</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, 2023, 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, 2023, the State contributed \$765,607.

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 Bolton of Towson, MD. The ADC is being amortized using the Entry Age method.

Total contributions to the plan for the fiscal year ending June 30, 2023, were \$0.8 million.

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 rolled forward to June 30, 2023. As of June 30, 2023, the plan was 89.56% funded. The total pension liability for benefits was \$16.8 million, and the fiduciary net position was \$15.0 million, which resulted in a net pension liability (NPL) of \$1.8 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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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Actuarial Methods and Significant Assumptions

Valuation date	June 30, 2023
Actuarial cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period	N/A; plan projected to be in surplus position as of July 1, 2022
Asset valuation method	Market Value
Actuarial assumptions:	
Inflation	2.5%
Salary Increases	N/A
COLA for members in receipt of benefits	2.00%
Investment rate of return	6.5%, net of pension plan investment expense, including inflation
Retirement age	N/A
Mortality:	
<u>Healthy retirees:</u>	Pub-2010 Safety Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2020
<u>Disabled retirees:</u>	Pub-2010 Safety Disabled Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2020
<u>Beneficiaries:</u>	Pub-2010 Contingent Survivors Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2020

Changes in Actuarial Assumptions or Methods

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, 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
US Cash	7.0%	0.68%
US Short (1-3 Yr) Government/Credit I	6.0%	1.39%
US Interim (1-10 Yr) BBB Corporate B	4.0%	2.92%
US TIPS (Inflation-Indexed Bonds)	7.0%	1.71%
US Interim (1-10 Yr) Government/Cred	5.0%	1.77%
US Long (11-30 Yr) BBB Corporate B	2.5%	3.54%
US Long (11-30 Yr) Government/Cred	2.5%	2.73%
US High Yield Bonds	6.0%	3.93%
US Long STRIPS (20+ Yrs)	0.0%	4.25%
US Broad Value Equity	7.0%	4.46%
US Broad Growth Equity	3.5%	4.74%
US Large & Mid Cap Growth Equity	3.5%	4.64%
US Mid Cap Equity	3.5%	5.20%
US Mid Cap Value Equity	3.5%	4.75%
US Small Cap Value Equity	2.0%	5.74%
US Small Cap Growth Equity	3.0%	6.78%
Global REITs	3.0%	7.02%

**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, 2022	\$ 17,552,192	\$ 14,803,746	\$ 2,748,446
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,091,919	-	1,091,919
Differences between expected and actual experience	(329,618)	-	(329,618)
Changes of assumptions	-	-	-
Benefit payments	(1,506,847)	(1,506,847)	-
Employer contributions	-	770,825	(770,825)
Net investment income	-	989,896	(989,896)
Administrative expenses	-	(4,370)	4,370
Net Changes	(744,546)	249,504	(994,050)
Balances as of June 30, 2023	\$ 16,807,646	\$ 15,053,250	\$ 1,754,396

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	\$ 3,224,351	\$ 1,754,396	\$ 483,015

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

For the year ended June 30, 2023, the City recognized pension credit of \$59,172 calculated in the following chart:

Police Pension Expense

	July 1, 2022 to June 30, 2023
Interest on total pension liability	\$ 1,091,919
Differences between expected and actual experience	(329,618)
Projected earnings on pension plan investments	(938,180)
Differences between expected and actual earnings on plan investments	230,681
Pension plan administrative expense	4,370
Total Pension Expense	\$ 59,172

As of June 30, 2023, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	Police Pension Plan
Total Deferred Outflows of Resources	\$ 1,031,969

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

	Police Pension Plan
Fiscal Year Ending June 30:	
2024	\$ 216,646
2025	121,923
2026	703,744
2027	(10,344)

2. 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, 2023, the General Employee Pension Plan is comprised of the following:

Retired and beneficiaries currently receiving benefits:	218
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, 2023, gross payroll earnings of \$5.7 million were reported to and covered by this plan.

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

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

An employee may also take an early-reduced retirement on any date following the attainment of age 55 and the completion of 10 years of continuous service. However, the early retirement benefit is calculated

in the same manner as the normal retirement benefit, at a reduced rate of one-half percent for each month computed from the date of early retirement to age 65 years. If an employee terminated before becoming vested in the plan, they are eligible to withdraw this total contribution with interest compounded annually.

Survivor's benefits are payable to eligible survivors of a participant who dies after completing 10 years of continuous service. The amount of the death benefit is equal to 50% of the retirement benefit the participant would have received had he retired the day before he died. The benefit is calculated using the normal retirement benefit formula and service at date of termination.

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

Plan Administration

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

Funding Policy

The City intends to fund the actuarial determined contributions (ADC) as provided for in the actuarial valuation. The City uses the percentage of payroll determined by the actuary for its contributions. The funding may be impacted by differences in actual experience and the actuarial assumptions. The employer contributions are considered by the actuaries in their determination of the actuarial determined contribution.

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

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of July 1, 2022, with liabilities rolled forward to the June 30, 2023 measurement date. As of June 30, 2023, the plan was 72.8% funded. The total pension liability for benefits was \$72.7 million, and the fiduciary net position was \$52.9 million, which resulted in a net pension liability (NPL) of \$19.8 million for the primary government. The covered payroll (annual payroll of active employees covered by the plan) was \$5.7 million and the ratio of the NPL to the covered payroll was 349.32%.

Rate of return. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 8.57%. 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:

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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Methods and assumptions used to determine total pension liability:

Valuation date	July 1, 2022 rolled forward to June 30, 2023
Actuarial cost method	Entry Age Method
Asset valuation method	Fair Market Value of assets on the measurement date
Interest Rates:	
Discount Rate	6.5%
Investment rate of return	6.5%, net of pension plan investment expense, including inflation
Municipal Bond Rate	N/A
Inflation	2.35%
Annual Pay Increases	3.0%
Measurement Date	June 30, 2022
Participant Data	Collected as of July 1, 2021
Cost of Living Increases	None
Mortality	

-Pre-retirement: Pub-2010 General Employees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

-Healthy retirees: Pub-2010 General Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

-Disabled retirees: Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

-Beneficiaries: Pub-2010 Contingent Survivors Amount-Weighted Mortality Table with generational projection from the 2010 base year using 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, 2023 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
US Cash	6.0%	0.68%
US Short (1-3 Yr) Government/Credit Bonds	5.0%	1.39%
US Interm (1-10 Yr) BBB Corporate Bonds	4.0%	2.92%
US TIPS (Inflation-Indexed Bonds)	6.0%	1.71%
US Interm (1-10 Yr) Government/Credit Bonds	4.0%	1.77%
US Long (11-30 Yr) BBB Corporate Bonds	2.5%	3.54%
US Long (11-30 Yr) Government/Credit Bonds	2.5%	2.73%
US High Yield Bonds	5.0%	3.93%
US Long STRIPS (20+ Yrs)	0.0%	4.25%
US Broad Value Equity	7.0%	4.46%
US Broad Growth Equity	4.5%	4.74%
US Large & Mid Cap Growth Equity	4.5%	4.64%
US Mid Cap Equity	4.0%	5.20%

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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 at June 30, 2022	\$ 67,018,229	\$ 48,076,817	\$ 18,941,412
Changes for the year:			
Service cost	476,900	-	476,900
Interest	4,209,213	-	4,209,213
Changes of benefit terms	-	-	-
Differences between expected and actual experience	5,562,555	-	5,562,555
Changes of assumptions	-	-	-
Contributions - employer	-	5,348,625	(5,348,625)
Contributions - member	-	209,416	(209,416)
Net investment income	-	3,860,369	(3,860,369)
Benefit payments, including refunds of member contribut	(4,522,211)	(4,522,211)	-
Administrative expense	-	(16,341)	16,341
Other	-	-	-
Net Changes	5,726,457	4,879,858	846,599
Balances as of June 30, 2022	\$ 72,744,686	\$ 52,956,675	\$ 19,788,011

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.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	\$ 28,425,043	\$ 19,788,011	\$ 12,587,559

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

For the year ended June 30, 2023, the City recognized pension expense of \$5,065,048 as calculated in the following chart:

General Employee Pension Expense	
	July 1, 2022 to June 30, 2023
Service cost	\$ 476,900
Interest on the total pension liability	4,209,213
Changes of benefit terms	-
Differences between expected and actual experience	3,220,505
Changes of assumptions	56,435
Employee contributions	(209,416)
Projected earnings on pension plan investments	(3,158,126)
Differences between expected and actual earnings on plan investments	453,196
Pension plan administrative expense	16,341
Other changes in fiduciary net position	-
Total Pension Expense	\$ 5,065,048

As of June 30, 2023, the City reported deferred outflows/(inflows) of resources related to pension from the following sources:

	General Employee Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 2,781,277
Net difference between projected and actual earnings on pension plan investments	2,663,805
	\$ 5,445,082

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:	
2024	\$ 3,234,745
2025	191,138
2026	2,159,646
2027	(140,447)

3. 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, 2023, city membership in this plan is comprised of the following:

Retired and beneficiaries currently receiving benefits	83
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 2023, 2022 and 2021, respectively. The City's contributions to the plan for years ended June 30, 2023, 2022 and 2021 were \$1,008,343, \$1,373,957, and \$1,312,381, 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 8.2346% for the current fiscal year, 8.1574% for the prior year and the change is a increase of 0.0772%.

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

On June 30, 2023, the City reported a net pension asset of \$865,783 for its proportionate share of the collective net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the pension liability to June 30, 2022. The City's proportion of the net pension asset was based on the percentage of actual employer contributions.

The City recognized pension expense of \$1,323,362 for the year ended June 30, 2023, associated with membership within the Delaware State Police Pension Plan. As of June 30, 2023, the City reported

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

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	\$ 1,472,564
Change in proportion	19,667
Changes of assumptions	513,434
Net differences between projected and actual earnings	1,434,491
City contributions subsequent to the measurement date	1,003,086
Total Deferred Outflows of Resources	<u>\$ 4,443,242</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ (359,968)
Changes in assumptions	(907,961)
Net difference between actual and expected earnings	-
Change in proportion	(87,374)
Total Deferred Inflows of Resources	<u>\$ (1,355,303)</u>

The City's contributions of \$1,003,086 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:	
2024	\$ (86,295)
2025	(220,519)
2026	(32,276)
2027	2,293,175
2028	114,875
Thereafter	15,893

The proportionate share of the total pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. These actuarial valuations used the following actuarial assumptions:

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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 PUB 2010 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2020 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

	Long-Term Expected Real Rate of Return	Asset Allocation
Asset class:		
Domestic equity	5.7%	31.8%
International equity	5.7	15.0
Fixed income	2.0	23.6
Alternative investments	7.8	21.5
Cash and equivalents	-	8.1

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)	\$ 5,761	\$ (866)	\$ (6,265)

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

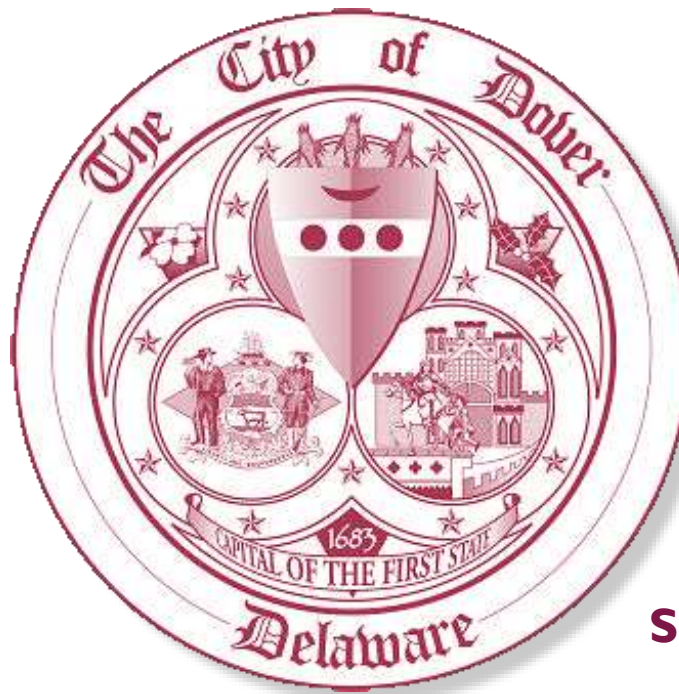
Parks & Recreation

Community

Planning & Zoning

Development/Housing

Police Protection



Elections

Snow Removal

Electricity

Stormwater

Economic Development

Street

Emergency Preparedness

Maintenance/Cleaning

Fire Protection

Trash Collection

**Inspections & Code
Enforcement**

Tree Maintenance

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance	\$ 10,077,500	\$ 13,219,100	\$ 13,219,081	\$ (19)
REVENUES:				
Fines & Police Revenue	546,800	539,700	651,468	111,768
Library Revenues	103,100	143,400	147,504	4,104
Kent County Book Reimbursement	200,000	431,700	431,806	106
Business Licenses	1,450,000	1,450,000	1,452,182	2,182
Permits and Other Fees	1,383,000	1,994,400	2,453,910	459,510
Miscellaneous Charges	83,300	96,500	105,072	8,572
Police Extra Duty Fees	240,000	240,000	469,521	229,521
Property Taxes	15,825,000	16,101,300	16,105,462	4,162
Recreation Revenue	129,000	134,000	148,177	14,177
Franchise Fees	600,000	600,000	562,434	(37,566)
Sanitation Fees	3,564,200	3,564,200	3,652,779	88,579
Rent Revenue - Garrison Farm	110,000	110,000	113,315	3,315
Court of Chancery Fees	1,500,000	1,900,000	2,219,660	319,660
Investment Income	90,000	290,000	351,724	61,724
Interfund Service Receipts	6,181,400	6,181,400	6,123,476	(57,924)
Grants:				-
Police Extra Duty	165,000	165,000	127,238	(37,762)
Police Grants Fund	287,500	287,500	290,000	2,500
Police Pension Grant	500,000	620,000	765,607	145,607
Green Energy Grant	98,500	98,500	98,500	-
Miscellaneous Federal Grant Revenue	-	111,200	104,858	(6,342)
Miscellaneous State Grant Revenue	-	105,000	92,263	(12,737)
Transfer from:				
Transfer Tax	1,800,000	2,300,000	2,334,876	34,876
Municipal Street Aid	750,000	794,000	796,793	2,793
Civil Traffic Penalties	400,000	70,000	54,507	(15,493)
Water Fund	1,000,000	1,000,000	1,000,000	-
Wastewater Fund	1,000,000	1,000,000	1,000,000	-
Electric Fund	8,000,000	8,000,000	8,000,000	-
ARPA Grant	-	-	0	-
Total Revenues	46,006,800	48,327,800	49,653,132	1,325,332
TOTAL BEGINNING BALANCE & REVENUES	\$ 56,084,300	\$ 61,546,900	\$ 62,872,213	\$ 1,325,313

(Continued)

2023 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	\$ -	\$ -	\$ -	-
Fire	724,000	741,200	759,257	(18,057)
Library	1,916,500	1,957,800	1,884,419	73,381
Recreation	1,341,300	1,367,700	1,312,315	55,385
Life Safety	594,700	620,900	576,359	44,541
Code Enforcement	821,300	1,007,000	948,976	58,024
Planning	757,600	730,200	655,845	74,355
Inspections	758,200	789,900	802,430	(12,530)
Police	19,206,200	19,512,800	18,762,136	750,664
Police Extra Duty	405,000	405,000	621,098	(216,098)
Streets	674,800	598,400	542,928	55,472
Stormwater	864,900	819,000	591,429	227,571
Sanitation	2,801,100	2,865,100	2,505,873	359,227
Public Works - Engineering	188,700	207,100	231,172	(24,072)
Allocated Expenditures:				
City Clerk	379,300	385,800	360,341	25,459
Council	256,800	251,800	224,532	27,268
Grounds Maintenance	1,611,100	1,637,000	1,595,655	41,345
City Manager	1,251,200	1,299,600	1,219,627	79,973
Information Technology	832,700	848,400	832,236	16,164
Finance	1,109,500	1,157,200	1,051,814	105,386
Public Works-Administration	541,800	571,100	562,156	8,944
Facilities Management	844,200	861,900	827,809	34,091
Procurement and Inventory	754,800	781,600	767,002	14,598
Fleet Maintenance	941,100	1,024,000	986,335	37,665
Customer Services	1,393,300	1,438,800	1,321,297	117,503
Human Resources	488,300	472,800	390,910	81,890
Mayor	234,400	224,500	203,142	21,358
Insurance	950,000	950,000	928,854	21,146
Contribution to Downtown Dover Partnership	150,000	150,000	150,000	-
Subtotal	42,792,800	43,676,600	41,615,947	2,060,653
Appropriations:				
Bank & Credit Card Fees	36,000	36,000	29,302	6,698
Debt Service - Principal and Interest	630,000	630,000	629,440	560
Appropriation to the General Employee Pension Fund	1,000,000	1,000,000	1,000,000	-
Transfer to Capital Fund for Projects	3,536,500	3,554,600	3,554,600	-
Retirees Health Care	2,328,500	2,328,500	2,328,500	-
Appropriation to Police Pension Fund	689,400	199,300	25,006	174,294
Transfer to Cable Franchise Reserve	-	-	9,164	(9,164)
Transfer to Electric Fund (ERP)	25,000	25,000	25,000	-
Appropriation to Police Pension Fund - State Grant	500,000	620,000	765,607	(145,607)
Street Lights	810,000	810,000	832,139	(22,139)
Total Expenditures	52,348,200	52,880,000	50,814,705	2,065,295
Budget Balance	3,736,100	8,666,900	12,057,508	(3,390,608)
Total Budget Balance & Expenditures	\$ 56,084,300	\$ 61,546,900	\$ 62,872,213	\$ (1,325,313)
Budget Balance - Working Capital			12,057,508	
Perspective and GAAP (Non-GAAP) Differences:				
Reserve for Encumbrances			-	
Fair Value of Investment Adjustment			(219,138)	
Deferred Revenues - Non-spendable			(122,482)	
Inventory & Prepaids - Non-spendable			(1,029,035)	
Unassigned Fund Balance			<u>\$ 10,686,853</u>	

2023 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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,092	1,129	1,162	1,134	1,173	1,197	1,211	1,281	1,311	1,325
Differences between expected and actual experience	(330)	(246)	-	206	(157)	-	-	(836)	286	25
Changes of assumptions	-	48	(134)	633	(88)	(44)	116	-	932	-
Benefit payments	(1,507)	(1,517)	(1,534)	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Net change in total pension liability	(745)	(586)	(506)	436	(590)	(388)	(201)	(1,083)	972	(198)
Total pension liability, beginning	17,552	18,138	18,644	18,208	18,798	19,186	19,387	20,471	19,499	19,697
Total pension liability, ending (a)	\$ 16,808	\$ 17,552	\$ 18,138	\$ 18,644	\$ 18,208	\$ 18,798	\$ 19,186	\$ 19,388	\$ 20,471	\$ 19,499
Fiduciary Net Position										
Contributions - employer	\$ 771	\$ 1,287	\$ 988	\$ 1,033	\$ 1,097	\$ 1,295	\$ 1,118	\$ 1,093	\$ 1,386	\$ 1,229
Net investment income	990	(2,442)	3,816	439	820	908	1,433	279	283	1,583
Benefit payments, including refunds of member contr.	(1,507)	(1,517)	(1,534)	(1,537)	(1,517)	(1,541)	(1,528)	(1,528)	(1,557)	(1,548)
Administrative expenses	(4)	(12)	(7)	(5)	(5)	(5)	(4)	(4)	(6)	(20)
Net change in plan fiduciary net position	250	(2,684)	3,263	(70)	394	657	1,019	(160)	106	1,244
Fiduciary net position, beginning	14,804	17,488	14,225	14,295	13,900	13,243	12,225	12,385	12,279	11,035
Fiduciary net position, ending (b)	15,054	14,804	17,488	14,225	14,295	13,900	13,244	12,225	12,385	12,279
Net pension liability, ending = (a) - (b)	\$ 1,754	\$ 2,748	\$ 650	\$ 4,419	\$ 3,913	\$ 4,898	\$ 5,942	\$ 7,163	\$ 8,086	\$ 7,220
Fiduciary net position as a % of total pension liability	89.56%	84.34%	96.42%	76.30%	78.51%	73.95%	69.03%	63.05%	60.50%	62.97%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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
2023	\$ -	\$ 771	\$ (771)	\$ -	N/A
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

Police Pension Fund
Schedule of Investment Returns
Fiscal year 2017 through 2023 ⁽¹⁾

Fiscal year ending June 30	2023	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	7.97%	(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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

The total pension liability was determined by an actuarial valuation as of June 30, 2023 with liabilities projected to the June 30, 2023 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, 2023
Actuarial cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period	N/A; plan projected to be in surplus position as of July 1, 2022
Asset valuation method	Market Value
Actuarial assumptions:	
Inflation	2.5%
Salary Increases	N/A
COLA for members in receipt of benefits	2.00%
Investment rate of return	6.5%, net of pension plan investment expense, including inflation
Retirement age	N/A
Mortality:	
<u>Healthy retirees:</u>	Pub-2010 Safety Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2020
<u>Disabled retirees:</u>	Pub-2010 Safety Disabled Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2020
<u>Beneficiaries:</u>	Pub-2010 Contingent Survivors Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2020

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 477	\$ 395	\$ 396	\$ 395	\$ 424	\$ 406	\$ 433	\$ 401	\$ 459	\$ 484
Interest	4,209	4,169	4,178	3,991	3,989	3,827	3,729	3,719	3,861	3,810
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	5,563	-	-	-	-	-	-	-	-	-
Changes of assumptions	-	-	-	-	-	830	-	-	-	-
Contributions - employer	-	878	-	1,447	-	1,504	41	(267)	(422)	111
Contributions - member	-	113	(290)	1,260	(279)	(99)	1,200	-	1,956	-
Net investment income	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contr.	(4,522)	(4,561)	(4,291)	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Administrative expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net changes	5,727	994	(7)	2,973	101	2,492	1,657	135	2,154	751
Total pension liability, beginning	67,018	66,024	66,031	63,058	62,957	60,465	58,808	58,673	56,519	55,768
Total pension liability, ending (a)	<u>\$ 72,745</u>	<u>\$ 67,018</u>	<u>\$ 66,024</u>	<u>\$ 66,031</u>	<u>\$ 63,058</u>	<u>\$ 62,957</u>	<u>\$ 60,465</u>	<u>\$ 58,808</u>	<u>\$ 58,673</u>	<u>\$ 56,519</u>
Fiduciary Net Position										
Employer contributions	\$ 5,349	\$ 4,482	\$ 2,428	\$ 2,606	\$ 2,704	\$ 4,777	\$ 2,877	\$ 3,090	\$ 3,420	\$ 3,473
Member contributions	209	171	173	183	190	195	202	202	209	212
Investment income net of investment expenses	3,860	(7,865)	12,706	1,550	2,765	2,757	4,351	850	955	4,153
Benefit payments	(4,522)	(4,561)	(4,292)	(4,120)	(4,033)	(3,976)	(3,746)	(3,718)	(3,700)	(3,654)
Administrative expenses	(16)	(52)	(21)	(19)	(19)	(18)	(18)	(16)	(19)	(20)
Net change in plan fiduciary net position	4,880	(7,825)	10,994	200	1,607	3,735	3,666	408	865	4,164
Fiduciary net position, beginning	48,077	55,902	44,908	44,708	43,100	39,364	35,699	35,291	34,426	30,263
Fiduciary net position, ending (b)	<u>52,957</u>	<u>48,077</u>	<u>55,902</u>	<u>44,908</u>	<u>44,708</u>	<u>43,100</u>	<u>39,365</u>	<u>35,699</u>	<u>35,291</u>	<u>34,427</u>
Net pension liability, ending = (a) - (b)	<u>\$ 19,788</u>	<u>\$ 18,941</u>	<u>\$ 10,122</u>	<u>\$ 21,123</u>	<u>\$ 18,350</u>	<u>\$ 19,857</u>	<u>\$ 21,100</u>	<u>\$ 23,109</u>	<u>\$ 23,382</u>	<u>\$ 22,092</u>
Fiduciary net position as a % of total pension liability	72.80%	71.74%	84.67%	68.01%	70.90%	68.46%	65.10%	60.70%	60.15%	60.91%
Covered payroll	\$ 5,665	\$ 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	349.32%	414.56%	199.79%	404.77%	330.20%	357.06%	374.39%	419.88%	398.73%	370.03%

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
2023	\$ 2,871,000	\$ 5,349,000	\$ (2,478,000)	\$ 5,665,000	94.42%
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 2023 ⁽¹⁾**

Fiscal year ending June 30	2023	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	8.57%	(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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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The total pension liability was determined by an actuarial valuation as of June 30, 2023 with liabilities projected to the June 30, 2023 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.

Methods and assumptions used to determine total pension liability:

Valuation date	July 1, 2022 rolled forward to June 30, 2023
Actuarial cost method	Entry Age Method
Asset valuation method	Fair Market Value of assets on the measurement date
Interest Rates:	
Discount Rate	6.5%
Investment rate of return	6.5%, net of pension plan investment expense, including inflation
Municipal Bond Rate	N/A
Inflation	2.35%
Annual Pay Increases	3.0%
Measurement Date	June 30, 2022
Participant Data	Collected as of July 1, 2021
Cost of Living Increases	None
Mortality	

-Pre-retirement: Pub-2010 General Employees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

-Healthy retirees: Pub-2010 General Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

-Disabled retirees: Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

-Beneficiaries: Pub-2010 Contingent Survivors Amount-Weighted Mortality Table with generational projection from the 2010 base year using Scale MP-2021

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	Measurement Date								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability(asset)	8.2346%	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) \$	(865,783)	\$(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	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
City's proportionate share of the net pension liability(asset) as a percentage of its covered payroll	(10.11%)	(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	101.95%	128.19%	96.67%	93.25%	94.10%	109.23%	105.59%	101.97%	104.47%

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

	Fiscal Year Ending								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
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%

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	Fiscal Year Ending June 30						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 1,195	\$ 1,118	\$ 1,089	\$ 1,120	\$ 1,202	\$ 1,222	\$ 1,655
Interest	3,994	4,057	4,095	4,211	4,288	4,498	4,682
Experience Losses/(Gains)	(734)	-	-	-	-	-	-
Changes in Assumptions	4,429	(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 (net of retiree contributions)	(3,023)	(2,903)	(2,867)	(2,755)	(2,748)	(2,704)	(2,663)
Net change in total OPEB liability	5,861	(4,014)	(605)	(1,699)	(1,099)	(3,186)	(4,030)
Total OPEB liability, beginning	58,702	62,716	63,321	65,020	66,119	69,305	73,335
Total OPEB liability, ending (a)	\$ 64,563	\$ 58,702	\$ 62,716	\$ 63,321	\$ 65,020	\$ 66,119	\$ 69,305
Fiduciary Net Position							
Employer contributions	\$ 3,783	\$ 4,042	\$ 3,504	\$ 4,326	\$ 5,448	\$ 5,722	\$ 4,603
Net Investment Income	4,777	(8,960)	12,864	1,871	2,184	2,295	3,074
Benefit payments	(3,023)	(2,903)	(2,867)	(2,755)	(2,748)	(2,704)	(2,663)
Administrative expenses	(2)	(7)	(3)	(9)	(3)	(8)	(3)
Net change in plan fiduciary net position	5,535	(7,828)	13,498	3,433	4,881	5,305	5,011
Fiduciary net position, beginning	48,343	56,171	42,673	39,240	34,359	29,054	24,043
Fiduciary net position, ending (b)	\$ 53,878	\$ 48,343	\$ 56,171	\$ 42,673	\$ 39,240	\$ 34,359	\$ 29,054
Net OPEB liability, ending = (a) - (b)	\$ 10,685	\$ 10,359	\$ 6,545	\$ 20,648	\$ 25,780	\$ 31,760	\$ 40,251
Fiduciary net position as a % of total OPEB liability	83.45%	82.40%	89.60%	67.40%	60.40%	52.00%	41.90%
Covered payroll	\$ 28,254	\$ 20,250	\$ 19,756	\$ 20,262	\$ 19,578	\$ 19,101	\$ 17,657
Net OPEB liability as a % of covered payroll	37.82%	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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

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

	For the year ended June 30						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution (ADC)	\$ 1,928	\$ 1,712	\$ 2,780	\$ 3,190	\$ 4,044	\$ 4,560	\$ 4,644
Contributions in relation to the ADC	(3,783)	(4,042)	(3,504)	(4,326)	(5,447)	(5,722)	(4,603)
Contributions deficiency / (excess)	<u>\$ (1,855)</u>	<u>\$ (2,330)</u>	<u>\$ (724)</u>	<u>\$ (1,136)</u>	<u>\$ (1,403)</u>	<u>\$ (1,162)</u>	<u>\$ 41</u>
Covered payroll	\$ 28,254	\$ 20,250	\$ 19,756	\$ 20,262	\$ 19,580	\$ 19,578	\$ 19,101
Contributions as a percentage of covered payroll	13.4%	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 2023 ⁽¹⁾

Fiscal year ending June 30	2023	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	9.90%	(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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part D – Required Supplementary Information

Actuarial Methods and Significant Assumptions

Actuarial cost method	Entry Age Normal Funding Method with Level % of Payroll
Asset valuation date	June 30, 2023
Asset valuation method	Market value of assets
Actuarial assumptions:	
Expected Return on Assets	7.0%
Discount rate	7.0%
Inflation rate	2.5%
Healthcare cost trend rates	
<u>Pre-Medicare</u>	Initial rate of 7.5% decreasing to 7.0% for 2025, 5.29% by 2030 and 4.54% by 2050, ultimately leveling off at 4.04% in 2075.
<u>Medicare</u>	Initial rate of 10.8% decreasing to 7.0% for 2025, 5.29% by 2030 and 4.54% by 2050, ultimately leveling off at 4.04% in 2075.
Mortality	
<u>Active Employees:</u>	
Civilians	SOA Pub-2010 General Employees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Employees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
<u>Terminated Vested Participants, Healthy Retirees and Spouses:</u>	
Civilians	SOA Pub-2010 General Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
<u>Surviving Spouses</u>	
Civilians	SOA Pub-2010 General Contingent Survivors Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Contingent Survivors Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
<u>Disabled Retirees</u>	
Civilians	SOA Pub-2010 General Disabled Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021
Police Officers	SOA Pub-2010 Public Safety Disabled Retirees Headcount Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021

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 expenditure is 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 \$1,325,332 with positive variances in fines & police revenue, permits & other fees, police extra duty fees, recreation revenue, sanitation fees, rent revenue – garrison farm, court of chancery fees, investment income, interfund service receipts, police grants fund, police pension grant, transfer tax, and municipal street aid. The sources of revenues with negative variances are police extra duty, franchise fees, interfund service receipts, property taxes, miscellaneous state grant revenue, and civil traffic penalties. Actual total expenditures were lower than budget by \$2,065,295 due to lower than budgeted expense across almost all functions apart from fire, inspections, police extra duty, and public works engineering. The net result is an increase of \$3,390,608 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 2023.

The differences for the year ended June 30, 2023 were as follows:

Total revenues- budgetary basis	\$ 49,653,132
Total expenditures- budgetary basis	50,814,705
Net decrease in fund balance- budgetary basis	(1,161,573)
Perspective differences	
Transfer to/from Reserves	(193,530)
Leases	-
General Fund Subfund Expense Activity for the Capital Project Fund	(4,882,142)
Intrafund Transfers to the General Fund- Capital Projects Fund	3,554,600
General Fund Subfund Revenue Activity for the Capital Project Fund	1,959,642
Fair Value of Investments	(152,683)
Deferred Revenue Adjustment	203,237
Net increase in fund balance - GAAP Basis	<u>\$ (672,449)</u>

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PART E



SUPPLEMENTARY INFORMATION

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FINANCIAL STATEMENTS

GENERAL FUND COMBINING SCHEDULES

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

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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

The City of Dover, Delaware
Combining General Fund Balance Sheet
June 30, 2023

	General Fund	General Capital Projects Fund	Total General Funds
Assets:			
Cash and Cash Equivalents	\$ 6,590,987	\$ 6,422,209	\$ 13,013,196
Investments	4,972,074	3,466,158	8,438,232
Restricted Investments	19,322	-	19,322
Receivables, net			
Accounts	2,881,306	18,321	2,899,627
Taxes	36,928	-	36,928
Due from Other Funds	553,217	(2,884)	550,333
Temporary Advances	107,800	-	107,800
Prepaid Items	855,088	-	855,088
Inventory, at Cost	173,947	-	173,947
Total Assets	<u>\$ 16,190,668</u>	<u>\$ 9,903,804</u>	<u>\$ 26,094,472</u>
Liabilities:			
Accounts Payable	\$ 1,351,832	\$ 78,826	\$ 1,430,658
Unearned Revenue	89,375	58,825	148,200
Due to Other Funds	265	-	265
Other	70,225	-	70,225
Total Liabilities	<u>1,511,698</u>	<u>137,651</u>	<u>1,649,349</u>
Deferred Inflows of Resources:			
Unavailable revenue	76,446	-	76,446
Leases Revenue	2,038,940	-	2,038,940
Total Deferred Inflows of Resources	<u>2,115,386</u>	<u>-</u>	<u>2,115,386</u>
Fund Balances:			
Non-Spendable			
Inventory and Prepaids	1,029,035	-	1,029,035
Library Endowment	5,000	-	5,000
Patronage Stock	16,594	-	16,594
Restricted			
Library Endowment	2,728	-	2,728
Verizon Cable Franchise	73,979	-	73,979
Committed			
Contingency	749,396	-	749,396
Parkland Reserve	-	1,449,173	1,449,173
Assigned			
Capital Projects	-	8,316,979	8,316,979
Unassigned	10,686,853	-	10,686,853
Total Fund Balances	<u>12,563,585</u>	<u>9,766,153</u>	<u>22,329,737</u>
Total Liabilities and Fund Balances	<u>\$ 16,190,669</u>	<u>\$ 9,903,804</u>	<u>\$ 26,094,472</u>

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

The City of Dover, Delaware
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances of the General Fund (Non-GAAP Basis)
For the Year Ended June 30, 2023

	General Fund	General Capital Projects Fund	Total General Funds
Revenues			
Fines	\$ 651,468	\$ -	\$ 651,468
Library Revenue- General	147,504	-	147,504
Library Revenue County Reimbursement	431,806	-	431,806
Licenses and Permits	3,906,092	-	3,906,092
Sanitation Fees	3,652,779	-	3,652,779
Miscellaneous Services	1,398,519	1,615,389	3,013,908
Property Taxes	16,105,462	-	16,105,462
Grants Received	1,478,466	180,397	1,658,863
Court of Chancery Fees	2,219,660	-	2,219,660
Investment Income	322,422	8,181	330,603
Total Revenues	30,314,178	1,803,967	32,118,145
Expenditures			
Current:			
General Government	3,054,397	-	3,054,397
Library Services	1,884,419	67,183	1,951,602
Public Safety and Law Enforcement	22,470,256	1,489,374	23,959,630
Public Works	3,602,049	2,185,669	5,787,718
Recreational Services	1,312,315	281,341	1,593,656
Streets and Sanitation Services	3,048,801	665,585	3,714,386
Engineering services	231,172	-	231,172
Financial Administration	3,205,347	110,293	3,315,640
Garage and Stores	1,753,337	82,697	1,836,034
Insurance	928,854	-	928,854
Retiree Health Care	2,328,500	-	2,328,500
Employee Pension	1,000,000	-	1,000,000
Community and Economic Development	150,000	-	150,000
Street Lights	832,139	-	832,139
Debt Service:			
Principal Retirement	496,787	-	496,787
Interest and Fiscal Charges	132,653	-	132,653
Total Expenditures	46,431,026	4,882,142	51,313,168
Excess (deficiency) of Revenues over Expenditures	(16,116,848)	(3,078,175)	(19,195,023)
Other Financing Sources and Uses			
Reserve Transfers	-	150,000	150,000
Interfund Transfers	14,955,275	3,554,600	18,509,875
Total Other Financing Sources and Uses	14,955,275	3,704,600	18,659,875
Net Change in Fund Balances	(1,161,573)	626,425	(535,148)
Fund Balances at Beginning of Year	13,219,081	5,556,567	18,775,648
Fund Balances at End of Year	12,057,508	6,182,992	18,240,500
 Perspective and GAAP (Non-GAAP) Differences:			
Fair Value of Investment Adjustment	(219,138)	(152,683)	(371,821)
Deferred Revenues - Non-spendable	(122,482)	-	(122,482)
Inventory & Prepaids - Non-spendable	(1,029,035)	-	(1,029,035)
Capital Asset - Assigned	-	(6,030,309)	(6,030,309)
Unassigned Fund Balance	\$ 10,686,853	\$ -	\$ 10,686,853

2023 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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Beginning Balance - Working Capital	\$ 463,900	\$ 5,556,500	\$ 5,556,567	\$ 67
Revenues:				
State Grant - Other	1,452,500	1,695,600	180,397	(1,515,203)
Police Grants	-	5,700	5,675	(25)
Miscellaneous Receipts	-	1,179,000	1,158,665	(20,335)
Transfer from General Fund for Projects	3,536,500	3,554,600	3,554,600	-
Transfer from Parkland Reserve	1,045,000	1,334,000	-	(1,334,000)
Transfer from Capital Asset Reserve	290,000	340,000	150,000	(190,000)
Transfer from Lodging Tax	275,000	450,000	464,905	14,905
Transfer from Other Reserves	-	-	-	-
Total Revenues	6,599,000	8,558,900	5,514,242	(3,044,658)
Total Beginning Balance & Revenues	\$ 7,062,900	\$ 14,115,400	\$ 11,070,809	\$ (3,044,591)
Expenditures:				
Fire	\$ 360,800	\$ 507,100	\$ 448,005	\$ 59,095
Library	-	154,500	67,183	87,317
Recreation	1,940,000	2,348,700	281,341	2,067,359
Code Enforcement	25,300	29,000	-	29,000
Planning	-	-	-	-
Inspections	-	30,100	-	30,100
Police	858,200	1,202,000	1,041,369	160,631
Streets	128,000	3,011,600	196,798	2,814,802
Sanitation	527,000	1,225,400	468,787	756,613
Grounds	93,900	154,300	118,067	36,233
Stormwater	1,865,700	3,437,500	1,127,857	2,309,643
Information Technology	153,100	160,600	110,293	50,307
Facilities Management	200,000	1,019,300	939,745	79,555
Fleet Maintenance	-	5,700	-	5,700
Purchasing	172,000	152,700	82,697	70,003
Subtotal	6,324,000	13,438,500	4,882,142	8,556,358
Transfers and Miscellaneous Expenses:				
Transfer to Capital Asset Reserve	-	-	-	-
Transfer to Parkland Reserve	-	-	-	-
Transfer to Other Reserve	-	-	-	-
Total Expenditures	6,324,000	13,438,500	4,882,142	8,556,358
Budget Balance - Working Capital	738,900	676,900	6,188,667	(5,511,767)
Budget Balance & Expenditures	\$ 7,062,900	\$ 14,115,400	\$ 11,070,809	\$ 3,044,591
Budget Balance - Working Capital			\$ 6,188,667	
Perspective and GAAP (Non-GAAP) Differences:				
Fair value of investment adjustment			(152,683)	
Assigned to Capital assets			2,280,995	
Committed to Parks & Recreation improvements			1,449,173	
Total Fund Balances			\$ 9,766,152	



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.

2023 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, 2023**

	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	\$ 1,035,329	\$ 195,876	\$ 196,449	\$ -	\$ 6,816	\$ 5,413,485	\$ -	\$ 46,630	\$ -	\$ 31,735	\$ -	\$ 6,926,320
Receivables	283,053	-	-	-	-	-	165,442	-	-	-	1,582	450,077
Prepaid items	414	-	5,067	-	-	-	-	-	-	-	-	5,481
Due from other governments	-	-	-	-	137,303	-	-	-	-	-	-	137,303
TOTAL ASSETS	\$ 1,318,796	\$ 195,876	\$ 201,516	\$ -	\$ 144,119	\$ 5,413,485	\$ 165,442	\$ 46,630	\$ -	\$ 31,735	\$ 1,582	\$ 7,519,181
LIABILITIES AND FUND BALANCE:												
Liabilities:												
Vouchers Payable	\$ 4,489	\$ 5,528	\$ 35,276	\$ -	\$ 34,140	\$ 668,689	\$ -	\$ 3,201	\$ -	\$ -	\$ -	\$ 751,323
Unearned Revenue	1,016,710	-	-	-	-	400,000	51,283	-	-	31,735	-	1,499,728
Due to other funds-charges	298,859	558	-	-	1,037	-	44,044	-	-	-	1,582	346,080
Due to other funds-temporary advances	-	-	-	-	107,800	1,927,722	-	-	-	-	-	2,035,522
Total Liabilities	1,320,058	6,086	35,276	-	142,977	2,996,411	95,327	3,201	-	31,735	1,582	4,632,653
Fund Balances:												
Nonspendable	414	-	5,067	-	-	-	-	-	-	-	-	5,481
Restricted	(1,676)	189,790	161,173	-	1,142	2,417,074	70,115	43,429	-	-	-	2,881,047
Total Fund Balances	(1,262)	189,790	166,240	-	1,142	2,417,074	70,115	43,429	-	-	-	2,886,528
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,318,796	\$ 195,876	\$ 201,516	\$ -	\$ 144,119	\$ 5,413,485	\$ 165,442	\$ 46,630	\$ -	\$ 31,735	\$ 1,582	\$ 7,519,181

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	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	\$ 343,536	\$ 513,384	\$ 351,988	\$ 790,827	\$ 427,478	\$ 3,517,692	\$ 165,442	\$ 40,000	\$ -	\$ -	\$ -	\$ 6,150,347
Recreation revenue	-	-	-	-	-	-	-	54,430	-	-	-	54,430
Police fines	-	-	-	-	-	-	-	-	54,507	-	-	54,507
Taxes	-	-	-	-	-	-	-	-	-	464,905	2,330,570	2,795,475
Investment income (loss)	7,744	-	-	5,967	-	148,783	6,910	-	-	-	4,307	173,711
TOTAL REVENUES	351,280	513,384	351,988	796,794	427,478	3,666,475	172,352	94,430	54,507	464,905	2,334,877	9,228,470
EXPENDITURES:												
Public Safety and Law Enforcement	337,116	391,161	-	-	-	3,117,225	-	-	-	-	-	3,845,502
Library Services	-	-	374,756	-	-	-	-	-	-	-	-	374,756
Community and Economic Development	-	-	-	-	427,478	-	-	107,780	-	-	-	535,258
Public Works	-	-	-	-	-	-	216,724	-	-	-	-	216,724
TOTAL EXPENDITURES	337,116	391,161	374,756	-	427,478	3,117,225	216,724	107,780	-	-	-	4,972,240
Excess (deficiency) of revenues over (under) expenditures	14,164	122,223	(22,768)	796,794	-	549,250	(44,372)	(13,350)	54,507	464,905	2,334,877	4,256,230
OTHER FINANCING SOURCES (USES):												
Operating transfers-in	401,858	-	-	-	-	-	-	-	-	-	-	401,858
Transfers-out	(430,521)	-	-	(796,794)	-	(2,297,721)	-	-	(54,507)	(464,905)	(2,334,877)	(6,379,325)
Net Change in fund balances	(14,499)	122,223	(22,768)	-	-	(1,748,471)	(44,372)	(13,350)	-	-	-	(1,721,237)
FUND BALANCE AT BEGINNING OF YEAR	13,237	67,567	189,008	-	1,141	4,165,545	114,487	56,779	-	-	-	4,607,764
FUND BALANCE AT END OF YEAR	\$ (1,262)	\$ 189,790	\$ 166,240	\$ -	\$ 1,141	\$ 2,417,074	\$ 70,115	\$ 43,429	\$ -	\$ -	\$ -	\$ 2,886,528

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

**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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 50,000	\$ (36,800)	\$ 18,911	\$ 55,711
Interest earned	-	-	7,744	7,744
Grants received	752,500	2,294,100	343,536	(1,950,564)
TOTAL REVENUES & BEGINNING BALANCE	802,500	2,257,300	370,191	(1,887,109)
EXPENDITURES:				
Program expenses/supplies	375,000	533,400	297,917	(235,483)
Training/Conference/Food/Travel	75,000	(11,800)	19,409	31,209
Salaries/Benefits	-	69,200	19,790	(49,410)
TOTAL EXPENDITURES	450,000	590,800	337,116	(253,684)
Other financing sources and uses:				
Operating transfers - in	-	948,700	401,858	(546,842)
Operating transfers - out	(352,500)	(1,716,200)	(430,521)	1,285,679
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ 899,000	\$ 4,412	\$ (894,588)
Fund Balance - Working Capital			\$ 4,412	
GAAP Differences				
Deferred Revenue - non-spendable			(5,674)	
Total Fund Balance			<u>\$ (1,262)</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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ 67,567	\$ 67,567
Grants received	405,000	405,000	513,384	108,384
TOTAL REVENUES & BEGINNING BALANCE	405,000	405,000	580,951	175,951
EXPENDITURES:				
Program expenses/supplies	355,000	355,000	311,240	(43,760)
Contractual Services	-	-	61,099	61,099
TOTAL EXPENDITURES	355,000	355,000	372,339	17,339
Other financing uses:				
Operating transfers - out	50,000	50,000	5,586	(44,414)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ 203,026	\$ 203,026
Fund Balance - Working Capital			203,026	
GAAP Differences				
Deferred Revenue - non-spendable			(13,236)	
Total Fund Balance			<u>189,790</u>	

2023 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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 31,330	\$ 198,921	\$ 189,008	\$ (9,913)
Grants received: State	336,900	367,244	349,988	(17,256)
Grants received: Other	1,532	1,532	-	(1,532)
Grants received: Federal	2,000	2,000	2,000	-
TOTAL REVENUES & BEGINNING BALANCE	371,762	569,697	540,996	(28,701)
EXPENDITURES:				
Program expenditures/supplies (Fed Grant)	2,000	2,000	1,925	(75)
Program expenditures/supplies (Other Grant)	-	19,256	18,720	(536)
Program expenditures/supplies (State Grant)	37,000	56,592	28,488	(28,104)
Office Supplies	30,000	30,000	18,918	(11,082)
Printing/duplicating	10,000	10,000	2,506	(7,494)
Postage	100	100	4	(96)
Books	145,000	150,000	138,151	(11,849)
Furniture/Fixtures	7,800	50,800	15,865	(34,935)
Audio visual supplies	85,000	90,000	82,844	(7,156)
Training/conference/food/travel	5,000	5,000	4,761	(239)
Office equipment repairs	2,000	2,000	737	(1,263)
Office equipment lease	6,000	6,000	4,696	(1,304)
Advertisement	-	40,000	35,003	(4,997)
Contractual Services	-	21,088	-	(21,088)
Computer software	6,000	6,000	2,723	(3,277)
Computer hardware	5,000	50,000	19,415	(30,585)
TOTAL EXPENDITURES	340,900	538,836	374,756	(164,080)
BALANCE CARRIED TO NEXT YEAR	\$ 30,862	\$ 30,861	\$ 166,240	\$ 135,379
Fund Balance - Working Capital			166,240	
Corrections to balance				
Deferred Revenue - non-spendable			-	
Total Fund Balance			<u>166,240</u>	

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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**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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 100	\$ 100	\$ -	\$ (100)
State Grant - Operations	750,000	794,000	790,827	(3,173)
Interest Earned	-	-	5,967	5,967
TOTAL REVENUES & BEGINNING BALANCE	750,100	794,100	796,794	2,694
Other financing uses:				
Operating transfers-out	(750,000)	(794,100)	(796,794)	(2,694)
BALANCE CARRIED TO NEXT YEAR	\$ 100	\$ -	\$ -	\$ -
Fund Balance - Working Capital			\$ -	
Correction to ending balance				
GAAP Differences				
Deferred Revenue - non-spendable			-	
Total Fund Balance			<u>\$ -</u>	

**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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance CDBG	\$ 2,000	\$ 305,630	\$ 1,141	\$ (304,489)
Federal grant received	346,104	358,104	427,479	69,375
TOTAL REVENUES & BEGINNING BALANCE	348,104	663,734	428,620	(235,114)
EXPENDITURES:				
Closing Cost/Down Payment Program	131,883	222,270	211,433	10,837
Dover Interfaith Ministry	30,000	75,257	7,948	67,309
MHDC Emergency Home Repair	55,000	55,439	21,418	34,021
Milford Housing H/O Rehab	-	95,190	44,663	50,527
Central DE Housing Collaboration	20,000	20,000	12,780	7,220
Cares Act COVID19	-	91,931	68,280	23,651
NCALL Research Demo	42,010	2,000	-	2,000
Administrative Expense	69,211	101,647	60,957	40,690
TOTAL EXPENDITURES	348,104	663,734	427,479	236,255
CDBG BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ 1,141	\$ (1,141)
Fund Balance - Working Capital			1,141	
GAAP Differences				
Deferred Revenue - non-spendable			-	
Total Fund Balance			<u>1,141</u>	

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 1,809,600	\$ 4,214,325	\$ 4,165,545	\$ (48,780)
Grants received: Federal	4,300,000	4,300,000	3,517,692	(782,308)
Grants received: Federal	-	100,000	148,783	48,783
TOTAL REVENUES & BEGINNING BALANCE	6,109,600	8,614,325	7,832,020	(782,305)
EXPENDITURES:				
Program Expense and Supplies	-	-	14,000	14,000
Program Expense Housing	-	-	516,256	516,256
Program Expense Public Health			46,204	46,204
Program Expense Education/Technology			241,059	241,059
Transfer to General Fund	6,098,000	6,103,000	4,597,427	(1,505,573)
TOTAL EXPENDITURES	6,098,000	6,103,000	5,414,946	688,054
BALANCE CARRIED TO NEXT YEAR	\$ 11,600	\$ 2,511,325	\$ 2,417,074	\$ (94,251)
Fund Balance - Working Capital			\$ 2,417,074	
Corrections to balance				
Deferred Revenue - non-spendable				
Total Fund Balance			<u>2,417,074</u>	

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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 189,700	\$ 114,500	\$ 114,487	\$ (13)
Grants received: State	-	957,900	165,442	(792,458)
Interest earned	-	-	6,910	6,910
TOTAL REVENUES & BEGINNING BALANCE	189,700	1,072,400	286,839	(785,561)
EXPENDITURES:				
Program expenditures grant related	189,700	957,900	216,724	(741,176)
TOTAL EXPENDITURES	189,700	957,900	216,724	741,176
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ 114,500	\$ 70,115	\$ (44,385)
Fund Balance - Working Capital			70,115	
GAAP Differences				
Deferred Revenue - non-spendable			-	
Total Fund Balance			<u>70,115</u>	

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 83,700	\$ 56,800	\$ 56,779	\$ (21)
Grants revenue	28,000	40,000	40,000	-
Recreation revenue	33,000	30,000	54,430	24,430
TOTAL REVENUES & BEGINNING BALANCE	144,700	126,800	151,209	24,409
EXPENDITURES:				
Temporary help/benefits	68,500	32,600	63,065	30,465
Program expenditures/supplies	35,000	40,000	44,715	4,715
TOTAL EXPENDITURES	103,500	72,600	107,780	35,180
BALANCE CARRIED TO NEXT YEAR	\$ 41,200	\$ 54,200	\$ 43,429	\$ (10,771)
Fund Balance - Working Capital			43,429	
Corrections to balance				
Total Fund Balance			<u>43,429</u>	

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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ 100	\$ 100	\$ -	\$ (100)
Grants received: State	400,000	70,000	54,507	(15,493)
TOTAL REVENUES & BEGINNING BALANCE	400,100	70,100	54,507	(15,593)
EXPENDITURES:				
Transfer to General Fund	400,000	70,000	54,507	(15,493)
TOTAL EXPENDITURES	400,000	70,000	54,507	15,493
BALANCE CARRIED TO NEXT YEAR	\$ 100	\$ 100	\$ -	\$ (100)
Fund Balance - Working Capital			\$ -	
Corrections to balance				
Deferred Revenue - non-spendable			-	
Total Fund Balance			<u>-</u>	

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

**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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Lodging Tax Revenue	275,000	450,000	464,905	14,905
TOTAL REVENUES & BEGINNING BALANCE	275,000	450,000	464,905	14,905
EXPENDITURES:				
Transfer to General Fund	275,000	450,000	464,905	14,905
TOTAL EXPENDITURES	275,000	450,000	464,905	14,905
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ -	\$ -
Fund Balance - Working Capital				-
GAAP Differences				
Deferred Revenue - non-spendable				
Total Fund Balance				-

**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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Realty Transfer Taxes	1,800,000	2,300,000	2,330,570	30,570
Interest earned	-	-	4,307	4,307
TOTAL REVENUES & BEGINNING BALANCE	1,800,000	2,300,000	2,334,877	34,877
EXPENDITURES:				
Transfer to General Fund	1,800,000	2,300,000	2,334,877	34,877
TOTAL EXPENDITURES	1,800,000	2,300,000	2,334,877	(34,877)
BALANCE CARRIED TO NEXT YEAR	\$ -	\$ -	\$ -	\$ -
Fund Balance - Working Capital				-
GAAP Differences				
Deferred Revenue - non-spendable				-
Total Fund Balance				-



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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
ELECTRIC REVENUE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Working Capital	\$ 23,160,400	\$ 21,892,300	\$ 21,889,785	\$ (2,515)
Distribution of Earnings - PCA Credit	-	16,440,000	16,465,555	25,555
	23,160,400	38,332,300	38,355,340	23,040
REVENUES:				
Direct base sales	102,697,100	79,461,200	75,400,589	(4,060,611)
Rental income	65,000	212,000	224,099	12,099
Miscellaneous services	500,000	731,200	885,610	154,410
Utility tax	1,648,700	1,648,700	1,516,661	(132,039)
Green Energy	127,000	127,000	127,427	427
Interest earned - operating	125,000	909,200	1,226,076	316,876
Transfer from Rate Stabilization	10,000,000	10,000,000	10,000,000	-
Transfer from Other Funds (ERP)	75,000	75,000	75,000	-
Total Revenues	115,237,800	93,164,300	89,455,462	(3,708,838)
TOTAL BEGINNING BALANCE & REVENUES	\$ 138,398,200	\$ 131,496,600	\$ 127,810,802	\$ (3,685,798)
EXPENSES:				
Power Supply & Generation				
Hedged Energy	\$ 32,617,500	\$ 30,517,600	\$ 28,805,442	\$ 1,712,158
Power Supply Management	634,800	634,800	634,800	-
Capacity Charges	13,528,300	13,128,400	13,083,525	44,875
Dover Sun Park Energy	3,153,300	3,153,300	3,024,976	128,324
Solar Renewal Energy Credits	388,300	388,300	377,791	10,509
Renewable Energy Credits	5,177,000	3,500,400	1,659,000	1,841,400
RGGI	53,500	53,500	-	53,500
PJM Charges - Energy	25,850,300	12,850,300	4,078,980	8,771,320
PJM Charges - Transmission & Fees	10,111,200	13,760,000	12,322,020	1,437,980
Total Power Supply	91,514,200	77,986,600	63,986,534	14,000,066
Plant Operations	1,754,000	2,053,000	2,241,398	(188,398)
Generation Fuels	423,300	412,700	167,509	245,191
Capacity Credits	(5,703,900)	(5,704,200)	(4,996,711)	(707,489)
PJM Spot Market Energy	(726,500)	(426,500)	(277,545)	(148,955)
PJM Credits	(400,400)	1,580,700	873,838	706,862
Total Generation	(4,653,500)	(2,084,300)	(1,991,511)	(92,789)
Utility Tax	1,648,700	1,648,700	1,516,661	132,039
Administration	894,100	966,400	1,052,712	(86,312)
Transmission/Distribution	4,196,300	4,274,700	4,306,353	(31,653)
Electrical Engineering	1,611,300	1,557,100	1,462,072	95,028
Systems Operations	864,400	902,300	783,222	119,078
Meter Reading	353,600	375,400	450,217	(74,817)
Contractual Services - Power Supply	60,000	60,000	36,763	23,237
Legal Expenses	-	-	-	-
Bond Issue Costs	40,000	40,000	-	40,000
Provision for Uncollectible	300,000	300,000	300,000	-
Retirees Health Care	911,000	911,000	911,000	-
Green Energy Grants	127,000	98,500	-	98,500
Bank & CC Fees	535,000	635,000	603,607	31,393
Interest on Deposits	135,000	135,000	21,285	113,715
Interfund Service Fees	4,243,400	4,243,400	4,177,421	65,979
Other Appropriations:				
Electric Capital Project Fund	6,435,200	4,826,400	4,826,400	-
General Fund	8,000,000	8,000,000	8,000,000	-
Debt Service	1,591,600	1,591,600	1,401,204	190,396
Rate Stabilization Fund	-	-	-	-
Transfer to Other Reserve	-	117,200	216,292	(99,092)
TOTAL EXPENSES	118,807,300	106,585,000	92,060,232	14,524,768
Budget Balance - Working Capital	19,590,900	24,911,600	35,750,570	(10,838,970)
TOTAL BUDGET BALANCE & EXPENSES	\$ 138,398,200	\$ 131,496,600	\$ 127,810,802	\$ 3,685,798

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
ELECTRIC IMPROVEMENT AND EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2023

	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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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CITY OF DOVER, DELAWARE
WATER FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Water	\$ 1,618,200	\$ 2,045,300	\$ 1,522,881	\$ (522,419)
TOTAL BEGINNING BALANCES	1,618,200	2,045,300	1,522,881	(522,419)
REVENUES:				
Water Services	6,500,000	6,650,000	6,711,369	61,369
Miscellaneous service fees	52,600	56,700	83,066	26,366
Water tank space leasing	425,400	425,400	399,756	(25,644)
Interest - Water	7,000	137,000	201,220	64,220
Water Impact Fees	220,000	300,000	393,278	93,278
Total Revenues	7,205,000	7,569,100	7,788,689	219,589
TOTAL BEGINNING BALANCES & REVENUES	\$ 8,823,200	\$ 9,614,400	\$ 9,311,570	\$ (302,830)
EXPENSES:				
Engineering & Inspection	\$ 338,200	\$ 357,100	\$ 276,387	\$ 80,713
Water Department	690,800	729,600	662,608	66,992
Water Treatment Plant	2,199,600	2,389,300	2,312,763	76,537
Interfund Service Fees	1,096,400	1,096,400	1,106,569	(10,169)
Retirees Health Care	207,400	207,400	207,400	-
Debt Service - Water	692,000	778,000	766,668	11,332
Bank & Credit Card Fees	27,000	23,000	20,967	2,033
Transfer To:				
Water Improvement and Extension	920,700	920,700	920,700	-
General Fund from Water	1,000,000	1,000,000	1,000,000	-
Electric Improvement and Extension	25,000	25,000	25,000	-
Total Expenses	7,197,100	7,526,500	7,299,062	227,438
Budget Balance - Water	1,581,100	2,082,900	2,012,508	70,392
Total Budget Balances - Working Capital	1,581,100	2,082,900	2,012,508	70,392
TOTAL BUDGET BALANCES & EXPENSES	\$ 8,778,200	\$ 9,609,400	\$ 9,311,570	\$ 297,830

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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**CITY OF DOVER, DELAWARE
WATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Water	\$ 4,640,400	\$ 4,314,300	\$ 4,763,795	\$ 449,495
TOTAL BEGINNING BALANCES	4,640,400	4,314,300	4,763,795	449,495
REVENUES:				
State Loan Fund - Water	25,000	1,104,100	904,100	(200,000)
Interest earnings	50,000	50,000	48,187	(1,813)
Income from sale of assets	-	-	-	-
Transfer from Operating Fund - Water	920,700	920,700	920,700	-
Transfer from Water Impact Fee Reserve	-	746,400	-	(746,400)
Total Revenues	995,700	2,821,200	1,872,987	(948,213)
TOTAL BEGINNING BALANCES & REVENUES	\$ 5,636,100	\$ 7,135,500	\$ 6,636,782	\$ (498,718)
EXPENSES:				
Water	\$ 797,000	\$ 3,192,300	\$ (1,765,674)	\$ 4,957,974
Water Engineering and Inspection	-	-	-	-
Water Treatment Plant	148,700	312,500	151,672	160,828
Total Expenses	945,700	3,504,800	(1,614,002)	5,118,802
Budget Balance - Water	4,690,400	3,630,700	8,250,784	(4,620,084)
Total Budget Balances - Working Capital	4,690,400	3,630,700	8,250,784	(4,620,084)
TOTAL BUDGET BALANCES & EXPENSES	\$ 5,636,100	\$ 7,135,500	\$ 6,636,782	\$ 498,718

2023 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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance - Wastewater	\$ 1,906,700	\$ 2,858,700	\$ 1,169,441	(1,689,259)
TOTAL BEGINNING BALANCES	1,906,700	2,858,700	1,169,441	(1,689,259)
REVENUES:				
Wastewater Services	4,580,300	4,580,300	4,590,021	9,721
Wastewater Treatment Services	3,205,400	3,205,400	3,029,834	(175,566)
Groundwater inflow adjustment	2,137,000	2,137,000	2,135,571	(1,429)
Miscellaneous service fees	200	24,500	39,442	14,942
State Grant - Wastewater	-	2,500	2,500	-
Interest - Wastewater	4,000	134,000	152,029	18,029
Wastewater Impact Fees	180,000	280,000	357,740	77,740
Total Revenues	10,106,900	10,363,700	10,307,137	(56,563)
TOTAL BEGINNING BALANCES & REVENUES	\$ 12,013,600	\$ 13,222,400	\$ 11,476,578	\$ (1,745,822)
EXPENSES:				
Engineering & Inspection	\$ 279,100	\$ 359,900	\$ 307,084	\$ 52,816
Wastewater Department	1,175,700	1,231,200	1,161,098	70,102
Debt Service - Wastewater	715,000	650,000	615,596	34,404
Retirees Health Care	100,500	100,500	100,500	-
Kent County Treatment Charge	4,850,000	3,760,000	4,164,095	(404,095)
Interfund Service Fees	841,600	841,600	839,485	2,115
Bank & Credit Card Fees	30,000	13,400	10,871	2,529
Transfer To:				
General Fund from Wastewater	1,000,000	1,000,000	1,000,000	-
Wastewater Improvement and Extension	756,400	706,400	706,400	-
Electric Improvement and Extension	25,000	25,000	25,000	-
Wastewater Impact Fee reserves	-	-	186,378	(186,378)
Total Expenses	9,773,300	8,688,000	9,116,507	(428,507)
Budget Balance - Wastewater	2,240,300	4,534,400	2,360,071	2,174,329
Total Budget Balances - Working Capital	2,240,300	4,534,400	2,360,071	2,174,329
TOTAL BUDGET BALANCES & EXPENSES	\$ 12,013,600	\$ 13,222,400	\$ 11,476,578	\$ 1,745,822
	0	0		

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

CITY OF DOVER, DELAWARE
WASTEWATER IMPROVEMENT & EXTENSION FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (NON-GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Beginning Balance -Wastewater	\$ 788,600	\$ 1,122,400	\$ 1,200,837	78,437
TOTAL BEGINNING BALANCES	788,600	1,122,400	1,200,837	78,437
REVENUES:				
State Loan Fund - Wastewater	-	960,900	960,900	-
Transfer from Operating Fund - Wastewater	756,400	706,400	706,400	-
Transfer from Wastewater Impact Fee Reserve	255,600	255,600	5,600	(250,000)
Interest earnings	10,000	10,000	14,008	4,008
Total Revenues	1,022,000	1,932,900	1,686,908	(245,992)
TOTAL BEGINNING BALANCES & REVENUES	\$ 1,810,600	\$ 3,055,300	\$ 2,887,745	\$ (167,555)
EXPENSES:				
Wastewater Engineering	\$ -	\$ -	\$ -	\$ -
Wastewater	1,012,000	2,249,000	668,444	1,580,556
Total Expenses	1,012,000	2,249,000	668,444	1,580,556
Budget Balance - Wastewater	798,600	806,300	2,219,301	(1,413,001)
Total Budget Balances - Working Capital	798,600	806,300	2,219,301	(1,413,001)
TOTAL BUDGET BALANCES & EXPENSES	\$ 1,810,600	\$ 3,055,300	\$ 2,887,745	\$ 167,555



FINANCIAL SCHEDULES PROPRIETARY FUND TYPES INTERNAL SERVICE FUNDS

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, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OPERATING REVENUES:				
Beginning Balance	\$ 2,108,100	\$ 3,597,400	\$ 3,597,410	\$ 10
Interest Earned	28,500	28,500	88,454	59,954
City Contribution	1,000,000	1,000,000	1,143,021	143,021
TOTAL REVENUES	\$ 3,136,600	\$ 4,625,900	\$ 4,828,885	\$ 202,985
OPERATING EXPENSES:				
Program Expenses	\$ 300,000	\$ 278,200	\$ 133,026	\$ 145,174
Contractual Services	20,000	50,000	29,167	20,833
Insurance	182,500	174,300	174,267	33
State of Delaware - Self-Insurance Tax	39,000	20,100	22,523	(2,423)
TOTAL EXPENSES	\$ 541,500	\$ 522,600	\$ 358,983	\$ 163,617
BUDGET BALANCE - CARRY FORWARD	\$ 2,595,100	\$ 4,103,300	\$ 4,469,902	\$ (366,602)



FINANCIAL STATEMENTS FIDUCIARY FUND TYPES PENSION AND OTHER EMPLOYEE BENEFIT TRUSTS

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
June 30, 2023

	Police Pension Trust	Employee Pension Trust	OPEB Trust Fund	Total Pension and OPEB Benefit Trust Funds
Assets				
Cash and Cash Equivalents	2,368,198	8,019,966	2,951,384	13,339,548
Investments at Fair Value - Mutual Funds	12,685,052	44,936,709	51,394,985	109,016,746
Total Assets	<u>\$ 15,053,250</u>	<u>\$ 52,956,675</u>	<u>\$ 54,346,369</u>	<u>\$ 122,356,294</u>
Liabilities				
Vouchers Payable & Deposit Payable	-	-	469,224	469,224
Total Liabilities	<u>-</u>	<u>-</u>	<u>469,224</u>	<u>469,224</u>
Net Position				
Net Position Restricted for Pensions	15,053,250	52,956,675		68,009,925
Net Position Restricted for Health Benefits			53,877,145	53,877,145
Total Net Position	<u>\$ 15,053,250</u>	<u>\$ 52,956,675</u>	<u>\$ 53,877,145</u>	<u>\$ 121,887,070</u>

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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Financial Section – Part E – Supplementary Information

Combining Statement of Changes in Net Position
Fiduciary Funds
YEAR ENDED JUNE 30, 2023

	Police Pension Trust	Employees' Pension Trust	OPEB Trust Fund	Pension and Other Postemployment Benefit Trust Funds
Additions:				
Net Investment Income	\$ 989,896	\$ 3,860,369	\$ 4,776,525	\$ 9,626,790
City's Contribution-Payroll Based	-	4,348,625	235,551	4,584,176
City's Contribution-Lump Sum	-	1,000,000	3,547,400	4,547,400
Employee Contribution	-	209,416	-	209,416
State Grants	765,608	-	-	765,608
Other	5,217	-	-	5,217
Total Additions	<u>1,760,721</u>	<u>9,418,410</u>	<u>8,559,476</u>	<u>19,738,607</u>
Deductions:				
Benefit Payments	1,506,847	4,522,211	3,023,499	9,052,557
General Administration	4,370	16,341	1,650	22,361
Total Deductions	<u>1,511,217</u>	<u>4,538,552</u>	<u>3,025,149</u>	<u>9,074,918</u>
Change in Net Position	249,504	4,879,858	5,534,327	10,663,689
Net Position - Beginning	14,803,746	48,076,817	48,342,818	111,223,381
Net Position - Ending	<u>\$ 15,053,250</u>	<u>\$ 52,956,675</u>	<u>\$ 53,877,145</u>	<u>\$ 121,887,070</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 recreational 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.

2023 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, 2023

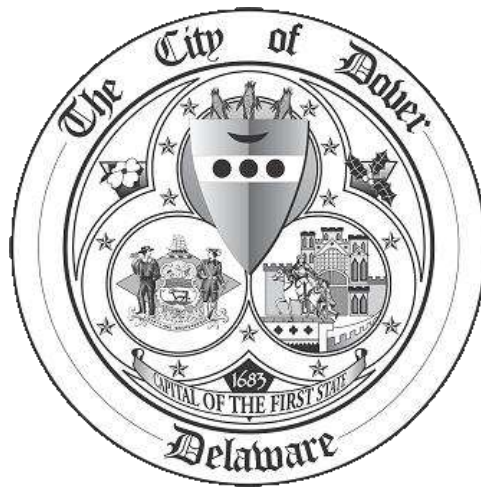
	<u>4th of July Celebration</u>	<u>Dover Day's Celebration</u>	<u>Dover Strong</u>	<u>Total Custodial Funds</u>
Assets				
Cash and Cash Equivalents	\$ 5,612	\$ 31,340	\$ 34,802	\$ 71,754
Prepaid Expenses	25,000	-	-	25,000
Total Assets	<u>30,612</u>	<u>31,340</u>	<u>34,802</u>	<u>96,754</u>
Net Position				
Net Position Restricted for Other Organizations	30,612	31,340	34,802	96,754
Total Net Position	<u>\$ 30,612</u>	<u>\$ 31,340</u>	<u>\$ 34,802</u>	<u>\$ 96,754</u>

City of Dover, Delaware
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	<u>4th of July Celebration</u>	<u>Dover Day's Celebration</u>	<u>Dover Strong</u>	<u>Total Custodial Funds</u>
Additions:				
Gifts/Donations	\$ 27,516	\$ 67,959	\$ 25,000	\$ 120,475
General Fund Contributions	-	-	-	-
Interest Income	175	-	2	177
Total Additions	<u>27,691</u>	<u>67,959</u>	<u>25,002</u>	<u>120,652</u>
Deductions:				
Supplies/Materials	240	2,538	25	2,803
Bank Fees	413	-	-	413
Contractual Services	25,000	49,940	-	74,940
Transfer to Governmental Capital Project Fund	-	-	-	-
Total Deductions	<u>25,653</u>	<u>52,478</u>	<u>25</u>	<u>78,156</u>
Change in Net Position	2,038	15,481	24,977	42,496
Net Position - Beginning	28,574	15,859	9,825	54,258
Net Position - Ending	<u>\$ 30,612</u>	<u>\$ 31,340</u>	<u>\$ 34,802</u>	<u>\$ 96,754</u>

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STATISTICAL SECTION



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

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Statistical Section

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

OPERATING INFORMATION

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

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

2023 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net investment in capital assets	\$ 53,181,986	\$ 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
Restricted	2,963,235	4,675,182	431,347	346,826	342,285	961,101	306,474	932,728	556,553	612,054
Unrestricted	10,965,599	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)
Total governmental activities net position	67,110,820	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
Business-type activities										
Net investment in capital assets	102,200,187	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
Restricted	71,233,623	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
Unrestricted	42,149,510	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
Total business-type activities net position	215,583,320	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
Primary government										
Net investment in capital assets	155,382,173	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
Restricted	74,196,858	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
Unrestricted	53,115,109	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
Total primary government net position	\$ 282,694,139	\$ 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

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.

2023 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 4,047,738	\$ 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
Public safety	26,216,543	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
Public works	8,346,488	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
Library and recreation	4,190,920	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
Community and economic development	685,258	607,606	1,023,086	531,306	461,983	513,857	449,356	551,879	444,474	676,554
Central services	879,258	457,123	641,781	626,259	521,020	589,846	473,498	483,426	443,072	512,586
Financial administration	1,007,555	817,314	911,780	886,495	894,670	964,051	746,714	1,249,012	1,247,976	1,368,048
Other post-employment benefits	-	-	-	-	-	-	-	-	-	3,348,267
Interest on long-term debt	135,450	185,468	180,781	132,711	178,514	129,723	118,275	118,565	174,912	122,812
Total governmental activities expenses	45,509,210	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
Business-type activities										
Water *	5,714,926	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
Wastewater *	7,600,140	7,398,502	8,183,518	7,326,224						
Electric	67,575,216	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
Total business-type activities	80,890,282	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
Total primary government expenses	126,399,492	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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	3,032,285	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
Public safety	5,040,699	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
Public works	4,837,779	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
Library and recreation	781,916	414,787	146,402	457,674	612,737	640,061	602,873	667,996	696,179	699,622
Operating grants and contributions	7,041,142	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
Capital grants and contributions	263,942	619,475	191,367	571,817	372,136	344,561	360,538	675,784	166,379	1,226,559
Total governmental activities program revenues	20,997,763	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
(Continued)										

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

(Table 2 Continued - Changes in Net Position)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
Business-type activities:										
Charges for services:										
Water *	8,479,187	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
Wastewater *	11,077,784	9,783,269	9,507,205	8,754,314						
Electric	78,414,197	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
Capital contributions	-	-	-	1,409,145	-	-	1,201,963	44,955	1,516,932	401,947
Total business-type activities program revenues	97,971,168	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
Total primary government program revenues	118,968,931	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
Net (expense)/revenue:										
Governmental activities	(24,511,447)	(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)
Business-type activities	17,080,886	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
Total primary government net revenue (expense)	(7,430,561)	702,355	1,675,355	1,218,419	(156,912)	(3,290,609)	9,538,835	89,135	(4,224,063)	(15,299,366)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	16,087,623	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
Transfer taxes	2,795,475	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
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Investment earnings	614,026	(351,255)	15,803	551,771	809,345	100,903	132,228	263,667	92,479	142,390
Transfers	8,417,278	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
Total governmental activities	27,914,401	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
Business-type activities:										
Investment earnings	2,666,725	(3,430,291)	399,058	4,179,682	3,752,939	208,800	379,160	1,058,028	544,624	832,919
Loss on Sale of Assets	-	-	(480,219)	-	-	-	-	-	-	-
Transfers	(9,975,000)	(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)
Prior Period Adj. Net Pension Liability	-	-	-	-	-	-	-	-	-	-
Total business-type activities	(7,308,275)	(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)
Total primary government	20,606,126	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
Change in Net Position										
Government activities	3,402,954	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)
Business-type activities	9,772,611	(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)
Total primary government	\$ 13,175,565	\$ 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)

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.

2023 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Non-spendable	\$ 1,050,629	\$ 375,393	\$ 117,139	\$ 212,467	\$ 234,974	\$ 259,258	\$ 187,294	\$ 195,134	\$ 202,620	\$ 207,884
Restricted	76,707	67,418	53,896	38,989	27,070	10,572	7,979	173,769	127,706	129,476
Committed	2,198,569	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
Assigned	8,316,979	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
Unassigned	10,686,853	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
Total general fund	22,329,737	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
All other governmental funds										
Special revenue funds										
Non-spendable	5,481	4,692	-	-	-	9,990	3,993	350	181	2,447
Restricted	2,881,046	4,603,072	377,451	307,837	315,215	950,529	298,495	758,959	428,847	482,578
Assigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	2,886,527	4,607,764	377,451	307,837	315,215	960,519	302,488	759,309	429,028	485,025
Total fund balances	\$25,216,264	\$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

2023 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Fines	\$ 705,975	\$ 706,674	\$ 709,808	\$ 901,197	\$ 1,020,920	\$ 1,121,135	\$ 1,142,722	\$ 1,128,211	\$ 1,161,876	\$ 1,011,156
Library revenue	579,309	260,589	78,996	329,501	410,154	392,108	380,561	419,677	480,823	498,553
Licenses and permits	3,906,092	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
Sanitation fees and rebates	3,652,779	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
Recreation	54,430	25,593	20,915	43,203	61,147	87,125	53,301	65,145	66,038	49,144
Miscellaneous services	2,618,168	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
Taxes	18,900,937	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
Grants	7,305,084	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
Court of chancery fees	2,219,660	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
Investment income	544,147	(296,506)	7,794	475,051	730,797	93,751	123,234	234,885	77,769	122,490
Total revenues	40,486,580	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
Expenditures										
General government	1,705,827	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
Library services	2,326,358	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
Public safety	28,940,740	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
Public works	5,054,953	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
Recreational services	1,593,656	1,157,441	1,126,313	1,754,771	1,087,393	821,613	733,961	783,976	865,938	683,363
Streets and sanitation services	3,714,386	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
Engineering services	231,173	191,358	204,843	209,197	266,332	263,930	219,198	166,579	26,996	-
Financial administration	956,125	783,575	791,540	815,956	754,400	762,860	764,622	919,086	979,112	1,002,539
Garage and stores	895,309	853,904	771,974	742,353	492,111	499,289	501,559	465,843	419,597	415,593
Insurance	403,680	388,361	343,044	376,584	276,689	302,258	295,923	280,901	278,682	272,895
Retiree health care lump sum	2,328,500	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
Employee pension unfunded liability	1,000,000	1,234,300	-	-	-	619,000	-	594,300	543,000	121,000
Street lights	832,139	826,038	815,961	807,794	805,185	803,924	811,992	804,246	775,197	774,533
Community and economic development	685,258	607,606	1,023,086	531,306	461,983	513,857	449,356	551,879	444,474	676,554

(Continued)

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenditures										
Debt service										
Principal	\$ 629,441	\$ 487,315	\$ 335,760	\$ 328,716	\$ 322,745	\$ 332,355	\$ 573,497	\$ 553,824	\$ 848,069	\$ 429,239
Interest	-	144,822	156,154	135,352	34,773	128,455	118,771	118,565	114,243	122,812
Other charges (issuance of debt)	-	-	-	-	-	-	-	-	60,668	-
Total expenditures	51,297,544	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
Excess of revenues over(under) expenditures	(10,810,963)	(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)
Other financing sources (uses)										
Bond proceeds	-	-	1,563,000	-	5,700,000	-	-	-	4,135,000	-
Transfers in	14,451,603	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
Transfers out	(4,476,604)	(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)
Payments to refunded bond escrow agent	-	-	-	-	(5,700,000)	-	-	-	-	-
Total other financing sources (uses)	9,974,999	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
Net change in fund balances	\$ (835,965)	\$ 8,092,566	\$ 5,606,099	\$ 995,995	\$ 134,692	\$ 2,505,341	\$ 505,535	\$ 287,036	\$ 1,487,302	\$ (775,918)
Debt service as a percentage of noncapital expenditures	1.36%	1.57%	1.30%	1.34%	0.99%	0.94%	1.30%	2.14%	2.06%	2.76%
Capital outlay included in total expenditures (1)	\$ 5,037,510	\$ 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

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
2023	\$ 16,105,462	\$ 2,795,475	\$ 18,900,937
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

NOTES

1. Property Tax rate of \$.4350 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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
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Table 6

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

REAL PROPERTY

Fiscal Year	Total Assessed Value	Less: Exempt Properties	Total Taxable Assessed Value	Estimated Actual Value	Ratio of Total Taxable Value to Total Assessed Value	Direct Tax Rate Per \$100
2023	\$ 5,013,967,241	\$ 1,382,080,900	\$ 3,631,886,341	\$ 5,013,967,241	72.44%	0.4350
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

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.
6. In 2023, the City property tax rate was increased from \$0.4150 to \$0.4350 per \$100. The revised rate represents a \$0.02 increase.

Table 7

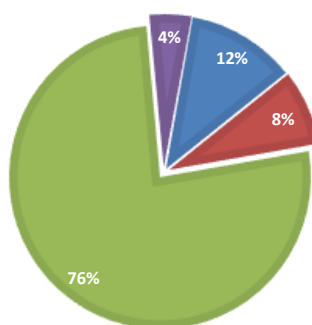
City of Dover, Delaware
Property Tax Rates - All Direct and Overlapping
Governments with the Capital School District
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

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.
7.	In 2023, the City Tax rate increased to \$.4350.

Fiscal Year	Direct	Overlapping			Total Direct & Overlapping
	City of Dover	Kent County	Capital School District	Vo-Tech School District	
2023	0.4350	0.3000	2.8790	0.1591	3.7731
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

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

PROPERTY TAX RATES - FY 2023
ALL DIRECT & OVERLAPPING GOVERNMENTS



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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 8

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

TAX PAYERS	2023 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	2014 ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
GLP Capital LP	82,417,900	1	1.65%	82,025,600	1	2.60%
Dover International Speedway Inc	67,897,900	2	1.36%	64,822,000	1	2.05%
Dover Mall/Commons	61,564,100	3	1.23%	87,751,600	2	2.78%
Blue Hen Apt LLC	35,842,700	4	0.72%	10,837,300	-	0.34%
Multiresidential-M LLC	31,493,100	5	0.63%	19,563,300	6	0.62%
Leander Lakes Apartments LLC	24,571,900	6	0.49%	0	-	0.00%
Medcore Realty Eden Hill LLC	24,018,100	7	0.48%	27,270,100	3	0.86%
General Foods	23,505,400	8	0.47%	19,565,300	5	0.62%
North Dover Commons LLC	21,140,300	9	0.42%	25,035,100	4	0.79%
Four M Investments	18,742,200	10	0.37%	0	-	0.00%
TOTAL	\$391,193,600		7.82%	\$336,870,300		10.66%

Source: Tax Assessor's Office, City of Dover

Total taxable assessed valuation for current year is 5,005,220,900

Total taxable assessed valuation for nine years ago is 3,159,893,860

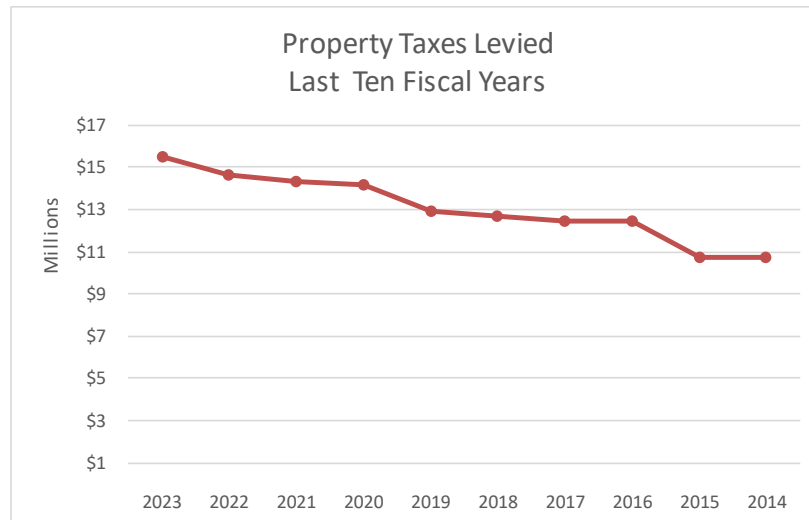
*In 2014, Dover Downs race track and hotel properties were reported as one entity. As of 2021 they are reported separately.

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
2023	\$ 15,502,127	\$ 15,709,628	101.3%	\$ -	\$ 15,709,628	101.3%
2022	14,646,665	14,655,663	100.1%	39,203	14,694,866	100.3%
2021	14,286,063	14,248,670	99.7%	57,401	14,306,071	100.1%
2020	14,136,787	13,799,173	97.6%	29,105	13,828,278	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%

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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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				
2023	\$ 5,614,421	\$ 6,607,991	\$ 5,493,138	\$ 13,404,823	\$ 31,120,373	2.8%	787	39,554
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

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.

Fiscal Year 2023 Electric Revenue Bonds includes a premium of \$824,823.

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
2023	39,554	\$3,631,886,341	\$5,614,421	\$5,614,421	0.15%	141.94
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

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
2023	\$ 496,788	\$ 132,653	\$ 629,441	\$ 55,696,847	1.13%
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%

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, 2023**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Dover	Amount Applicable to City of Dover
City of Dover	\$ 5,614,421	100%	\$ 5,614,421
Kent County ⁽¹⁾	59,028,186	0%	N/A
Capital School District ⁽²⁾	72,702,986	0%	N/A
TOTAL	<u>\$ 137,345,593</u>		<u>\$ 5,614,421</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 \$59,028,186 as of June 30, 2023. Although Kent County's bonds are general obligation bonds, \$56,322,542 is payable from the Kent County Sewer Fund(s) or other committed sources.
2. Capital School District: As of June 30, 2023, the net outstanding debt was \$72,702,986. Percentage and amount is not applicable to the City of Dover.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 14

**Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)**

	2023	2022	2021	2020	Fiscal Year 2019	2018	2017	2016	2015	2014
Debt Limit	\$ 181,594	\$ 179,226	\$ 179,004	\$ 163,700	\$ 162,904	\$ 160,737	\$ 157,816	\$ 155,396	\$ 158,485	\$ 157,995
Net (Taxable) Assessed Value on Books	3,631,886	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
Total net debt applicable to limit	5,614	6,111	6,599	5,371	5,700	5,877	6,209	6,783	7,337	4,050
Legal Debt Margin	\$ 175,980	\$ 173,115	\$ 172,406	\$ 158,328	\$ 157,204	\$ 154,860	\$ 148,613	\$ 151,149	\$ 153,945	\$ 154,596
Total Net Debt applicable to limit as a percentage of debt limit	3.09%	3.41%	3.69%	3.28%	3.50%	3.59%	4.36%	4.63%	2.56%	2.82%

Legal Debt Margin Calculation for the current fiscal year

Net (Taxable) Assessed Value on Books	<u>\$ 3,631,886</u>
Debt Limit - 5 Percent of Total Assessed Value	\$ 181,594
DEBT (For which the City's full faith and credit has been pledged)	
Gross Bonded Debt	<u>5,614</u>
LEGAL DEBT MARGIN	<u>\$ 175,980</u>

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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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
2023	\$ 79,821,625	\$ 62,025,785	\$ 17,795,840	\$ 865,000	\$ 489,700	\$ 1,354,700	13.14
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

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 2023 is as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td colspan="2">Gross Revenue:</td> </tr> <tr> <td>Operating Revenues</td> <td style="text-align: right;">\$ 78,414,197</td> </tr> <tr> <td>Interest Earned-Operating Funds</td> <td style="text-align: right;">1,407,428</td> </tr> <tr> <td>Total Gross Revenue</td> <td style="text-align: right; border-top: 1px solid black;">\$ 79,821,625</td> </tr> </table> <p>3. Direct operating expenses do not include depreciation expense.</p> | Gross Revenue: | | Operating Revenues | \$ 78,414,197 | Interest Earned-Operating Funds | 1,407,428 | Total Gross Revenue | \$ 79,821,625 | <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 | \$ 78,414,197 | | | | | | | | |
| Interest Earned-Operating Funds | 1,407,428 | | | | | | | | |
| Total Gross Revenue | \$ 79,821,625 | | | | | | | | |

Table 16

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

Fiscal Year				Net Revenue Available For Debt Service	Maximum Requirements	
	Gross Revenue	Direct Operating Expenses			Maximum Debt Service Requirement	Actual Coverage
2023	\$ 8,905,925	\$ 2,241,310	\$	6,664,615	\$ 777,563	8.57
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

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
2023	\$	11,322,523	\$	5,941,531	\$	5,380,992	\$ 661,936 8.13
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

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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 18

**City of Dover, Delaware
Top 10 Water and Wastewater Utility Customers
Fiscal Year Ended June 30, 2023**

Customer	Water Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Garrison Energy Center	279,361	15.71%	\$ 1,183,703	17.64%
Procter and Gamble	90,545	5.09%	382,228	5.70%
Delaware State University	56,209	3.16%	233,153	3.47%
Dover Downs Inc	44,990	2.53%	189,071	2.82%
Tidewater Utilities	39,778	2.24%	166,137	2.48%
Kraft Foods Global	24,395	1.37%	101,749	1.52%
Kent General Hospital	22,895	1.29%	95,378	1.42%
Bayhealth Medical Center	22,045	1.24%	92,751	1.38%
Dover Housing Authority	20,150	1.13%	80,858	1.20%
Sovereign Property Management	19,007	1.07%	69,637	1.04%
Totals for Top 10 Customers	619,375	34.82%	2,594,664	38.66%
All Other	1,159,375	65.18%	4,116,705	61.34%
Total for System	1,778,750	100.00%	\$ 6,711,369	100.00%

Customer	Wastewater Consumption (Tgal)	% of Total Consumption	Revenue Billed	% of Total Revenue
Procter and Gamble	66,705	5.06%	\$ 508,472	5.21%
Dover Downs	44,990	3.41%	342,944	3.52%
Delaware State University	42,105	3.19%	322,440	3.31%
Kraft Foods Global	34,747	2.64%	264,832	2.71%
Kent General Hospital	22,895	1.74%	174,995	1.79%
Bayhealth Medical Center	22,045	1.67%	168,553	1.73%
Dover Housing Authority	20,124	1.53%	158,234	1.62%
Garrison Energy Center	20,070	1.52%	153,053	1.57%
Sovereign Property Management	19,007	1.44%	152,433	1.56%
Capitol Cleaners	15,116	1.15%	115,304	1.18%
Totals for Top 10 Customers	307,804	23.35%	2,361,260	24.20%
All Other	1,037,891	76.65%	7,394,166	75.80%
Total for System	1,318,227	100.00%	\$ 9,755,425	100.00%

NOTES:

- Both the Water and Wastewater revenue billed amounts for each top customer, do not include the monthly flat rate of \$5.00.
- The total Revenue amounts for both Water and Wastewater include the monthly flat rates.

Table 19

**City of Dover, Delaware
Top 10 Electric Utility Customers
Fiscal Year Ended June 30, 2023**

Customer	Kwh	% of Total Kwh	Revenue Billed	% of Total Revenue
Dover Air Force Base	59,643,883	11.9%	\$ 3,595,770	4.7%
Kraft Foods Global	46,693,855	9.3%	2,796,962	3.6%
Edgewell Personal Care Products	41,414,734	8.2%	2,617,576	3.4%
Delaware State University	32,470,909	6.5%	2,057,139	2.7%
Bay Health/Kent General	30,212,516	6.0%	1,951,290	2.5%
Bally's Dover Casino Resort	21,566,119	4.3%	1,363,142	1.8%
Procter & Gamble	15,790,011	3.1%	948,061	1.2%
State of Delaware	13,280,564	2.6%	836,348	1.1%
Capital School District	9,276,046	1.8%	591,084	0.8%
Delmarva Corrugated Packaging	7,275,800	1.4%	451,827	0.6%
Totals for Top 10 Customers	277,624,437	55.3%	17,209,200	22.4%
All Other	224,383,331	44.7%	59,708,051	77.6%
Total for System	502,007,768	100.0%	\$ 76,917,251	100.0%

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

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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
2023	39,554	\$	1,111,388,292	\$ 28,098	34.4	6,396	4.2%
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%

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: World Population Review

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	2022 4th Quarter			2013 4th Quarter		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Government	19,220	1	30.8%	18,981	1	32.2%
Retail trade	9,194	3	14.7%	9,559	2	16.2%
Health care & social assistance	9,932	2	15.9%	9,220	3	15.6%
Accommodation & food services	6,060	4	9.7%	5,308	4	9.0%
Manufacturing	5,301	5	8.5%	4,737	5	8.0%
Arts, entertainment, & recreation	1,279	10	2.0%	2,644	6	4.5%
Construction	2,655	8	4.3%	2,444	7	4.1%
Transportation & warehousing	2,879	7	4.6%	2,273	8	3.9%
Admin and waste services	3,735	6	6.0%	2,038	9	3.5%
Professional & technical services	2,208	9	3.5%	1,718	10	2.9%
	<u>62,463</u>		<u>100.0%</u>	<u>58,922</u>		<u>100.0%</u>
Total - All Industries	62,463			58,922		

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.

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 22

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Manager	5.0	6.0	6.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Customer Services	16.0	14.0	16.0	16.0	16.0	16.0	13.0	14.0	14.0	15.0
Facilities Management	6.0	6.0	4.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0
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	5.0	6.0	8.0
Fleet Maintenance	5.0	5.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Library	14.0	15.0	14.0	14.0	13.0	13.0	13.0	13.0	14.0	13.0
Mayor	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	9.0	9.0	6.0	9.0	9.0	5.0	5.0	5.0	5.0	5.0
Police Civilian	36.0	34.0	35.0	34.0	33.0	33.0	33.0	33.0	31.0	31.0
Police Law Enforcement	108.0	106.0	101.0	101.0	101.0	101.0	101.0	101.0	93.0	93.0
Procurement & Inventory	5.0	5.0	5.0	4.0	5.0	3.0	3.0	3.0	3.0	4.0
Public Works, Administration	5.0	5.0	5.0	7.0	6.0	6.0	6.0	6.0	5.0	5.0
Planning, Inspections	6.0	6.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Planning, Life Safety	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Economic Development	-	-	-	-	-	-	-	3.0	3.0	3.0
Public Works, Engineering	2.0	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	6.0	5.0	4.5
Planning, Code Enforcement	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Community Development	-	-	-	-	-	-	-	-	-	0.5
Public Works, Grounds Maintenance	14.0	14.0	17.0	14.0	13.0	13.0	13.0	13.0	13.0	14.0
Public Works, Sanitation	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0
Public Works, Streets	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Public Works, Stormwater	8.0	7.0	7.0	7.0	-	-	-	-	-	-
Tax Assessor	-	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
General Fund Total	301.0	298.0	293.0	294.0	281.0	275.0	271.0	277.0	269.0	270.0
Public Utilities, Electric Administration	3.0	3.0	3.0	2.0	3.0	5.0	5.0	4.0	3.0	3.0
Public Utilities, Electric Engineering	11.0	13.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Public Utilities, Electric System OPS	6.0	4.0	7.0	7.0	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	4.0	3.0	3.0
Public Utilities, Electric Transmission & Distribution	24.0	24.0	23.0	23.0	24.0	24.0	24.0	24.0	24.0	24.0
Electric Fund Total	48.0	48.0	47.0	46.0	46.0	48.0	48.0	47.0	45.0	45.0
Public Utilities, Construction	-	-	-	-	-	-	-	-	3.0	3.0
Public Utilities, Wastewater Engineering	2.5	2.5	2.5	2.0	2.0	-	-	-	-	-
Public Utilities, Wastewater Management	11.0	11.0	11.0	11.0	10.0	11.0	11.0	11.0	11.0	11.0
Public Utilities, Water Engineering	2.5	2.5	2.5	3.0	3.0	5.0	5.0	5.0	5.0	5.0
Public Utilities, Water Management	6.0	6.0	6.0	6.0	7.0	6.0	6.0	6.0	4.0	4.0
Public Utilities, Water Treatment Plant	14.0	14.0	14.0	14.0	13.0	13.0	13.0	13.0	11.0	11.0
Water/Wastewater Fund Total	36.0	36.0	36.0	36.0	35.0	35.0	35.0	35.0	34.0	34.0
Total Full-Time Equivalents	385.0	385.0	376.0	376.0	362.0	358.0	354.0	359.0	348.0	349.0

Source: City of Dover Budget

2023 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, 2023	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
Land area - Acres	15,351.70	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
Land area - Square Miles	23.98	23.91	23.87	23.87	23.74	23.74	23.74	23.74	23.30	23.29
Total Miles of Street	176.89	174.85	172.35	172.35	170.52	170.33	169.08	168.01	167.78	164.49
City Maintained Miles of Streets	115.50	115.50	113.00	113.00	111.17	110.98	109.73	108.66	108.43	105.14
State Maintained Miles of Streets	61.39	59.35	59.35	59.35	59.35	59.35	59.35	59.35	59.35	53.35
Dover Population - U. S. Census data	39,403	39,403	36,047	36,047	36,047	36,047	36,047	36,047	36,047	36,047
Dover Population - City Count	39,554	39,491	38,412	38,349	37,790	38,422	37,686	37,941	37,560	37,540
Registered Voters	26,748	31,064	26,827	25,535	25,131	24,513	23,942	24,170	22,837	22,779
Electric Utility:										
Generating Units	1	1	1	2	2	2	2	4	4	4
Co-Generating Unit	0	0	0	0	0	0	0	0	1	1
Total Units	1	1	1	2	2	2	2	4	5	5
Generating Capacity	42 mw	42 mw	43 mw	147 mw	147 mw	147 mw	147 mw	175 mw	175 mw	175 mw
Co-Generating Capacity	0 mw	0 mw	0 mw	0 mw	0 mw	0 mw	0 mw	0 mw	175 mw	175 mw
Area of Service	74.86 sq. mi.	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.
Substations	15	15	15	15	15	15	15	15	15	15
High Peak Load	157.3 mw	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
Customers:										
Residential	21,402	21,109	21,161	20,972	20,899	20,545	20,155	20,065	20,143	19,900
Commercial	3,451	3,441	3,411	3,319	3,541	3,577	3,424	3,310	3,343	3,412
Primary	35	35	36	36	36	36	37	37	36	37
69 KV Industrial	5	5	5	5	5	5	5	5	4	5
Total Customers Sales \$	\$74,163,166	\$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
Total Customers Sales kWh	709,990,620	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
Power Supply										
\$ (Including Plant Operations)	\$62,031,786	\$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
kWh	739,675,000	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
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	213	204	80	125	125	125	125	125	160
Equipment	16	14	15	16	14	14	10	10	16	15
Parks and Recreation:										
Major Parks	3	4	3	3	3	3	3	3	3	3
Small Parks	25	24	25	25	25	25	25	24	24	24
Police Department:										
Station	1	1	1	1	1	1	1	1	1	1
Uniformed Personnel	104	104	103	94	97	98	99	100	89	94
Automobiles	79	79	77	77	77	81	80	80	76	77
Motorcycles	7	7	7	7	7	7	7	7	7	7

(Continued)

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Table 23 (Continued)

	June 30, 2023	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
Police Department (continued):										
Bicycles	12	8	8	8	8	8	7	7	12	12
Specialty Vehicles	7	7	7	7	7	7	7	7	7	7
Trailers	4	4	4	4	5	4	3	2	2	2
Golf Carts	6	6	6	6	6	6	6	6	5	0
Rental Vehicles	5	5	5	5	0	0	0	0	0	0
Emergency Operations Training Vehicles	3	0	0	0	0	0	0	0	0	0
Public Library:										
Books	90,992	91,796	91,756	93,009	108,763	113,253	103,187	106,493	106,125	100,262
Audiovisual Materials (VCRs, DVDs, CDs, Cassettes, Recorded Books)	25,666	23,973	25,824	29,699	23,626	24,021	26,158	22,345	22,366	21,008
Computer Usage	18,949	4,182	2,611	38,003	49,591	0	0	0	0	0
Wireless Usage	17,956	12,355	3,014	13,785	19,355	0	0	0	0	0
Members	25,037	24,851	26,222	30,253	31,997	32,256	40,412	41,221	41,348	37,531
Magazine Subscriptions	103	109	126	129	138	140	147	161	174	191
Newspaper Subscriptions	9	9	11	11	11	11	11	12	10	10
Circulation of Materials	225,237	218,675	114,335	256,783	376,380	364,849	377,314	412,969	449,746	463,113
Electronic Downloads (E-Books)	53,231	43,013	43,414	41,892	38,467	32,856	28,397	30,811	24,801	17,219
Water Utility:										
Supply - Wells	21	21	21	21	21	21	21	21	22	22
Storage Tanks	7	7	7	7	7	7	7	7	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	5,250,000	3,750,000	3,750,000
Water Mains (miles)	233.00	233.00	229.79	229.79	228.85	226.41	225.15	225.15	224.50	223.15
Average Day (Gallons Pumped)	5,357,361	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
Peak Day (Gallons)	7,599,000	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
Total Water Production (Gallons Pumped)	1,955,437,000	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
Total Water Consumption (Gallons Billable)	1,778,750,000	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
Average Day (Gallons Billable)	4,873,287	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
Number of Metered Customers	13,211	13,106	12,991	12,952	12,904	12,729	12,556	12,376	12,365	12,341
Number of New Connections	105	115	39	48	175	173	180	11	24	0
Wastewater Utility:										
Pumping Stations	45	45	44	44	44	44	42	45	41	40
Sanitary Sewer Mains (Miles)	196.08	196.08	196.08	196.08	195.31	192.41	191.00	191.00	191.00	187.59
Average Day (Gallons Pumped)	4,389,619	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
Wastewater Discharge (Gallons Pumped)	1,602,211,000	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
Wastewater Discharge (Gallons Billable)	1,318,227,000	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
Average Day (Gallons Billable)	3,611,580	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
Number of New Connections	77	53	48	38	185	169	179	0	22	0
Water Treatment Plant:										
Capacity	3.0 MGD	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
Sales to Customers:										
Water Fees	\$6,711,369	\$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
Wastewater Fees	\$4,590,021	\$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
Wastewater Treatment Fees	\$3,029,834	\$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
Inflow & Infiltration Surcharge	\$2,135,571	\$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

Table 24

**City of Dover
Summary of Insurance
June 30, 2023**

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS	
<u>Property</u>		
Blanket Building & Contents (Special Form, RC, Agreed Amount)	\$172,119,726	\$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 Income & Extra 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	

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
Pollutant 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

Utility Services

Direct Damage-In any one Occurrence	\$50,000
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Electronic Vandalism

Aggregate in any 12 month period	\$50,000
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Inland Marine

Contractors Equipment – Replacement Cost - 80% Co-Insurance

Scheduled Equipment	\$33,527
Unlisted Items (not to exceed \$5,000 per item)	\$100,000
Leased/Rented/or Borrowed	\$100,000
Newly Acquired Contractors Equipment	\$250,000
Rental Cost	\$5,000 per item/\$25,000 any one occurrence
Loss to any One Replacement Item	\$100,000
Flood Limit per occurrence/agg	\$123,456
Earth Movement per occurrence/agg	\$123,456
Basic Deductible	\$1,000
Flood Deductible	\$25,000
Earth Movement Deductible	\$25,000

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

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 - \$500,000/\$500

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
Sewage Back Up	\$1,000,000 (resulting from negligence)
Failure to Supply	\$1,000,000
Each Abuse or Molestation Offense Limit	\$1,000,000
Abuse or Molestation Aggregate Limit	\$2,000,000

Statutory Cap Limits of Coverage Endorsement	
Delaware Each Occurrence Statutory Cap Limit	\$300,000

Employee Benefit Plans Administration Liability - Claims Made

Retroactive Date: None	
Aggregate Limit	\$3,000,000
Each Employee Limit	\$1,000,000
Deductible- Each Employee	\$1,000

Law Enforcement Liability - Occurrence

Aggregate Limit	\$3,000,000
Each Wrongful Act Limit	\$1,000,000
Each Wrongful Act Deductible	\$15,000
Statutory Cap Limits of Insurance Endorsement	
Delaware Statutory Cap Limit	\$300,000

2023 Annual Comprehensive Financial Report for the City of Dover, Delaware
Statistical Section

Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
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Public Entity Management Liability - Claims Made

Retroactive Date: 7/1/1996	
Aggregate Limit	\$3,000,000
Each Wrongful Act Limit	\$1,000,000
Deductible	\$25,000
Limited Special Expenses Agg Limit-Key Employees	\$50,000/10% Deductible

Employment Practices Liability - Claims Made

Retroactive Date: 7/1/1996	
Aggregate Limit	\$3,000,000
Each Wrongful Employment	
Practice Offense Limit	\$1,000,000
Workplace Violence Expenses Coverage	\$250,000
Deductible	\$25,000

**Business Auto Policy
Coverage:**

Automobile

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 on specified vehicles	
Comprehensive Deductible	\$250
Collision Deductible	\$250
Statutory Cap Limits of Coverage Endorsement	
Delaware Statutory Cap Limit	\$300,000

**Excess Crime Policy
Coverage:**

Excess Crime

Employee Theft per Loss (Over Policy# 6300B165227)	\$500,000 excess of \$500,000
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Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
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**Umbrella Excess Liability
Coverage:**

Umbrella

General Aggregate Limit	\$6,000,000
Each Occurrence Limit	\$6,000,000
Products & Completed Work	
Aggregate Limit	\$6,000,000
Crisis Management Services Expense Limit	\$50,000
Retained Limit Any One Occurrence or Event	\$10,000

Umbrella Underlying Policy Schedule:

General Liability	\$1,000,000
Employment Benefits Liability	\$1,000,000
Auto Liability	\$1,000,000
Law Enforcement Liability	\$1,000,000
Public Entity Management	\$1,000,000
Employment Practices Liability	
Employers Liability (Midwest)	\$1,000,000

**Cyber Liability
Coverage:**

Cyber Liability – Claims Made

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
Ransomware Event (50% coinsurance)	\$500,000
Retention	\$50,000

Excess Cyber Liability

Excess Network Security/Privacy Liability	\$1,000,000
Policy Aggregate	\$1,000,000
Retention per Claim EO	\$10,000

Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
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**Pollution Liability
Coverage – 3-year policy**

Pollution Liability

Each Pollution Event Limit	\$5,000,000
Aggregate Policy Limit	\$10,000,000
Environmental Crisis Management	\$250,000
Fungus/Legionella Deductible	\$100,000
Deductibles	\$100,000 Each Pollution Event

Claims Made
Retroactive Date 4/1/1997
Includes: VanSant Station & 710 Williams Street

**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
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Covered Positions: The Mayor, HR Director, Police Chief, Police Major, Police Captains, IT Director, PW Director, Waste/Wastewater Manager, PW Operations Manager, Electric Engineer, Engineering and Systems Operations, Line Crew Foreman, City Manager, Assistant City Manager, Planning Director, Principal Planner, Fire Marshall, City Clerk, Assistant City Clerk, Controller, Assistant Finance Director, Library Director, Assistant Library Director, Central Services Director and Council Members of the Policyholder.

Bond-Self Insured Worker's Compensation - State of Delaware

Limit:	\$750,000
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Bond- Public Officials Bond – Andria Bennett – City Clerk/Assistant Treasurer

Limit:	\$100,000
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Bond- Public Officials Bond – Lori Peddicord – Controller

Limit:	\$100,000
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Bond- Public Officials Bond – Melanie Patterson – Asst. Controller

Limit:	\$100,000
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Continued

TYPE OF COVERAGE	PROTECTION LIMIT IN DOLLARS
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Power Plant – Property & Boiler and Machinery

Locations: VanSant Station

Coverages:

	\$50,000,000 Per Occurrence
	Agreed Amount, Special
Extra Expense:	\$2,000,000
Errors & Omissions	\$2,000,000
Expediting Cost:	\$1,000,000
Property in the Course of Construction:	\$1,000,000
Earthquake:	\$10,000,000
Flood:	\$10,000,000
Debris Removal	\$2,500,000
Property in Transit	\$1,000,000
Demolition & Increase Cost of Construction	\$5,000,000
Unnamed Locations	\$500,000
Valuable Papers	\$100,000
Electronic Data Processing	\$1,000,000

Deductibles: \$750,000 per Occurrence, except;
 \$100,000 per Occurrence as respects Transit,
 In respect of Time Element loss (Extra Expense):
 45 days per Occurrence, except;
 72 hours per Occurrence in respect of Service Interruption

Volunteer Special Accident:

Accidental Medical Expense Benefits:		
Maximum Benefits	\$15,000	
Deductible		\$100
Maximum Dental Limit	\$250	