

TOWN OF BRIDGEVILLE, DELAWARE
FINANCIAL STATEMENTS WITH
SUPPLEMENTAL INFORMATION
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
 Town of Bridgeville, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Bridgeville, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Bridgeville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Bridgeville, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Members of the American Institute of Certified Public Accountants and the Delaware Society of Certified Public Accountants

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Town's Proportionate Share of the Net Pension Liability and the Schedule of the Town's Contributions (Schedules A and B) 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bridgeville's basic financial statements. The Schedules of Revenues and Expenditures/Expenses - Budget and Actual - All Funds (Schedules C and D), and the Schedule of Operating Revenues and Expenses - Enterprise Fund (Schedule E) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules referred to in the previous paragraph 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, those schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, on our consideration of the Town of Bridgeville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bridgeville's internal control over financial reporting and compliance.



Seaford, Delaware
April 22, 2022

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

This section of The Town of Bridgeville's annual financial report presents the discussion and analysis of the Town's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the Town's financial statements, which follow this section.

BASIC FINANCIAL STATEMENTS

The financial statements are presented to focus on the Town as a whole (government-wide) as well as the major individual funds. The government-wide financial statements provide both long-term and short-term information about the Town's overall financial status. The fund financial statements, which have been provided in the past, focus on the individual parts of the Town government, reporting the operations of the Town in more detail than the government-wide statements. Both perspectives (government-wide and individual fund) allow the user to address relevant questions, broaden the basis for comparison (year to year or government to government) and enhance the Town's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the Town as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, reported using the full accrual basis of accounting. The statement of activities accounts for all of the current year's revenues and expenses, regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. Net position, the difference between the Town's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the financial health of the Town. Over time, increases or decreases in the Town's net position is an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the Town, one needs to consider other non-financial factors such as changes in the Town's property tax base and condition of the Town's infrastructure.

The government-wide financial statements of the Town are divided into two categories:

Governmental Activities - Most of the Town's basic services are included here, such as police and other public safety services, public works, and general administration. Property and transfer taxes, charges for services, and state grants finance most of these activities.

Business-type Activities - The Town's water and sewer operations are reported here. Fees are charged to customers to help cover the costs of providing these services.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's most significant funds and will be more familiar to traditional users of government financial statements. The focus is now on major funds rather than fund types.

The Town has two types of funds:

Governmental Fund - The General Fund is the Town's only governmental fund, which focuses 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 fund statements provide a short

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

FUND FINANCIAL STATEMENTS (CONTINUED)

term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the governmental fund statements, or schedules immediately following the governmental fund statements, that explain the relationship (or differences) between them.

Proprietary Funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The Town's enterprise fund (one type of proprietary fund) is the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The Town utilizes enterprise funds to account for its water and sewer operations.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's combined net position increased by 7% from 2021 to 2020 (See table below). General Fund net position increased by 22%, while the business-type net position increased by 2%. The increase in the general fund is mainly attributed to additional tax revenues and grants, along with the ability to meet current operating expenses and capital outlay without incurring any new debt.

Town of Bridgeville
Net Position
(in millions)

	Governmental		Business-Type		Total		Total
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>Percentage Change</u>
Current and Other Assets	3.42	1.61	1.75	1.64	5.17	3.25	59%
Capital Assets	2.96	3.05	17.23	17.68	20.19	20.73	(3%)
Deferred Outflows	0.15	0.11	-	-	0.15	0.11	36%
Total Assets and Deferrals	6.53	4.77	18.98	19.32	25.51	24.09	6%
Long-Term Debt	-	-	4.02	4.36	4.02	4.36	(8%)
Other Liabilities	0.96	0.25	0.17	0.06	1.13	0.31	265%
Deferred Inflows	0.05	-	0.51	0.88	0.56	0.88	(36%)
Total Liabilities and Deferrals	1.01	0.25	4.70	5.30	5.71	5.55	3%
Net Position							
Capital Assets Net of Debt	2.96	3.05	12.70	12.44	15.66	15.49	1%
Restricted	0.97	0.27	-	-	0.97	0.27	259%
Unrestricted	1.59	1.20	1.58	1.58	3.17	2.78	14%
Total Net Position	5.52	4.52	14.28	14.02	19.80	18.54	7%

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (CONTINUED)

The Town's total revenues (excluding transfers) increased by 19% to \$4.31 million (See table below). Revenue from business-type activities increased by 23% to \$2.00 million, which is mainly attributable to an increase in impact fees and other charges. Governmental revenues increased by 16% to \$2.31 million, which is mainly attributable to increased tax revenues.

The total cost of all programs and services increased by 3% to \$3.05 million. The costs of business-type activities decreased by 3% to \$1.50 million. The cost of governmental-type activities increased by 9% to \$1.55 million.

Town of Bridgeville
Change in Net Position
(in millions)

	Governmental		Business-Type		Total		Total
	2021	2020	2021	2020	2021	2020	Percentage Change
Program Revenue							
Fees, Fines, Services	0.48	0.34	2.00	1.60	2.48	1.94	27%
Operating Grants	0.16	0.36	-	-	0.16	0.36	(56%)
Capital Grants	0.04	-	-	-	0.04	-	100%
General Revenue							
Taxes	1.63	1.28	-	-	1.63	1.28	27%
Investment Income	-	0.01	-	0.02	-	0.03	(100%)
Total Revenue	2.31	1.99	2.00	1.62	4.31	3.61	19%
Program Expenses							
General	0.31	0.29	-	-	0.31	0.29	7%
Police	0.92	0.89	-	-	0.92	0.89	3%
Streets	0.32	0.24	-	-	0.32	0.24	33%
Water and Sewer	-	-	1.50	1.54	1.50	1.54	(3%)
Total Expenses	1.55	1.42	1.50	1.54	3.05	2.96	3%
Excess (Deficiency)	0.76	0.57	0.50	0.08	1.26	.65	94%
Transfers In/(Out)	0.24	0.18	(0.24)	(0.18)	-	-	-
Change in Net Position	1.00	0.75	0.26	(0.10)	1.26	.65	94%
Net Position – Beginning-Restated	4.52	3.77	14.02	14.12	18.54	17.89	4%
Net Position - Ending	5.52	4.52	14.28	14.02	19.80	18.54	7%

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund actual revenues of \$2.31 million exceeded budgeted revenues of \$1.57 million by \$0.74 million (47%). This favorable variance was primarily the result of unbudgeted transfer tax revenue and building permits.

General fund actual expenditures of \$1.55 million were less than the budgeted expenditures of \$1.52 million by \$0.02 million (1%).

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

ENTERPRISE FUND BUDGETARY HIGHLIGHTS

Enterprise fund actual revenues of \$2.00 million were greater than budgeted revenues of \$1.48 million by \$0.52 million (35%). This favorable variance was the result of increased impact fees and other charges.

Enterprise fund actual expenditures of \$1.50 million were under budgeted expenditures of \$1.54 million by \$0.04 million (3%).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the Town had \$20.19 million invested in capital assets, including police equipment, buildings, land, vehicles and water and sewer system improvements. This amount represents a net decrease (additions, deductions, and depreciation) of \$0.54 million from the prior year.

Town of Bridgeville
Capital Assets Net of Depreciation
(in millions)

	Governmental		Business-Type		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	0.27	0.27	4.11	4.11	4.38	4.38
Buildings	1.69	1.76	0.01	-	1.70	1.76
Equipment	0.11	0.15	1.05	1.07	1.16	1.22
Improvements	0.73	0.74	-	-	0.73	0.74
Vehicles	0.16	0.13	0.01	0.02	0.17	0.15
Water and Sewer	-	-	12.05	12.48	12.05	12.48
Total Capital Assets	2.96	3.05	17.23	17.68	20.19	20.73

Note 4 of the Notes to the Basic Financial Statements gives further details of the Town's capital asset activity.

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Debt

At year-end, the Town had \$4.02 million in bonds and notes outstanding, versus \$4.36 million last year, a decrease of \$0.34 million.

Town of Bridgeville
Debt
(in millions)

	Governmental		Business-Type		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Rural Development - Sewer Bonds	-	-	0.49	0.51	0.49	0.51
State of Delaware	-	-	0.24	0.28	0.24	0.28
State of Delaware	-	-	0.73	0.89	0.73	0.89
State of Delaware	-	-	0.84	0.89	0.84	0.89
State of Delaware	-	-	0.68	0.71	0.68	0.71
State of Delaware	-	-	1.04	1.08	1.04	1.08
Total Debt	-	-	4.02	4.36	4.02	4.36

Note 5 of the Notes to the Basic Financial Statements gives further details of the Town's debt activity.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

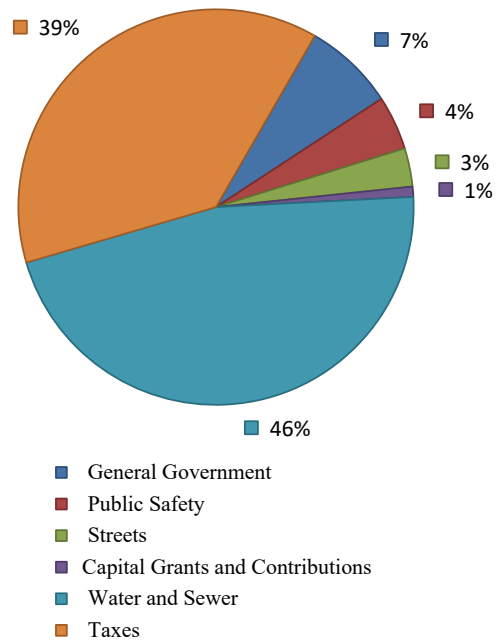
FY21 proved to be another year of continued growth and development. Since the beginning of the COVID-19 pandemic, in March 2020, the Town has seen a significant increase in construction in the Heritage Shores Community and elsewhere. While some delays have been experienced as a direct result of the pandemic, commercial development is still flourishing as demand for retail, restaurant, and hotels increase along the Route 13 corridor and new interest in redeveloping properties within central areas of the Town has emerged. At the end of FY21, the Town had multiple plans temporarily on hold and more under review. Because of the increase in construction and the current housing market boom, the Town continues to see an influx of realty transfer tax funds. The Western Sussex Sanitary Sewer District is officially complete as of July 1, 2021. The only remaining item is the demolition of the existing wastewater plant, which is to be completed by Sussex County. With the switchover, we are adjusting to the financial impact - and carefully reviewing our enterprise funds. While utility rates are unchanged for FY22, we are actively performing rate studies to ensure that our remaining departments are self-sufficient heading into future fiscal years. We are also now in the third year of the approved 25% tax increase to assist in recovering the lost revenue from wastewater operations. The operating and capital improvement budgets for FY22 are structured a little differently from FY21 - merging once shared expenses from the Wastewater Department into the remaining Public Works departments. The capital improvement budget was designed to shift focus to essential Water and Street Department infrastructure and improvements, including new buildings to replace the storage lost with the Wastewater Plant. The Town is looking forward to economic development in FY22 by continuing to revive downtown development initiatives and exploring other community development and engagement opportunities in the continued wake of COVID-19, including a Municipal Park project and repurposing of the now vacant Police Station building. The additional challenge of grant programs provided by the American Rescue Plan Act and state Community Redevelopment Funding is guiding many financial planning and infrastructure improvement decisions in the coming fiscal years.

FINANCIAL CONTACT

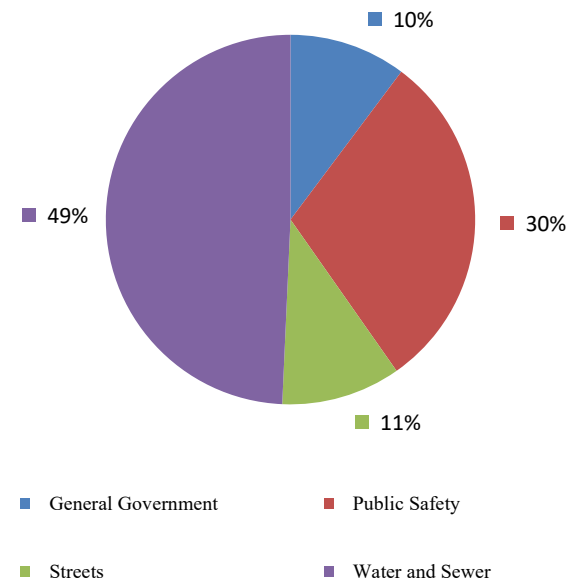
The Town's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the Town's management at 101 Main Street, Bridgeville, Delaware 19933.

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
TOTAL REVENUES AND EXPENSES
GOVERNMENT-WIDE
JUNE 30, 2021

Total Revenues



Total Expenses



TOWN OF BRIDGEVILLE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT A

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 3,257,402	\$ 1,467,491	\$ 4,724,893
Accounts Receivable	162,920	282,831	445,751
Capital Assets:			
Land	266,220	4,111,614	4,377,834
Buildings	1,880,963	27,798	1,908,761
Equipment	505,600	1,852,499	2,358,099
Improvements	1,113,786	18,731,549	19,845,335
Vehicles	445,270	109,123	554,393
Accumulated Depreciation	<u>(1,249,403)</u>	<u>(7,599,405)</u>	<u>(8,848,808)</u>
Total Assets	<u>6,382,758</u>	<u>18,983,500</u>	<u>25,366,258</u>
Deferred Outflow of Resources	<u>146,924</u>	<u>-</u>	<u>146,924</u>
Total Assets and Deferred Outflows	<u>6,529,682</u>	<u>18,983,500</u>	<u>25,513,182</u>
<u>LIABILITIES</u>			
Accounts Payable	168,811	122,782	291,593
Accrued Wages	25,385	16,362	41,747
Unearned Revenue	638,680	-	638,680
Non-Current Liabilities:			
Net Pension Liability	63,295	-	63,295
Accrued Vacation Leave	57,701	12,784	70,485
Accrued Sick Leave	5,644	20,332	25,976
Due within one year	-	363,546	363,546
Due in more than one year	<u>-</u>	<u>3,656,953</u>	<u>3,656,953</u>
Total Liabilities	<u>959,516</u>	<u>4,192,759</u>	<u>5,152,275</u>
Deferred Inflow of Resources	<u>54,626</u>	<u>504,000</u>	<u>558,626</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	2,962,436	12,708,679	15,671,115
Restricted	965,576	-	965,576
Unrestricted	<u>1,587,528</u>	<u>1,578,062</u>	<u>3,165,590</u>
Total Net Position	<u>\$ 5,515,540</u>	<u>\$ 14,286,741</u>	<u>\$ 19,802,281</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 312,785	\$ 312,549	\$ 8,565	\$ -	\$ 8,329	\$ -	\$ 8,329
Public Safety	916,827	112,408	78,277	36,047	(690,095)	-	(690,095)
Streets	319,214	63,844	71,365	-	(184,005)	-	(184,005)
<u>Total Governmental Activities</u>	1,548,826	488,801	158,207	36,047	(865,771)	-	(865,771)
<u>Business-Type Activities:</u>							
Water and Sewer	1,505,202	1,996,053	-	-	-	490,851	490,851
<u>Total Government</u>	<u>\$ 3,054,028</u>	<u>\$ 2,484,854</u>	<u>\$ 158,207</u>	<u>\$ 36,047</u>	<u>(865,771)</u>	<u>490,851</u>	<u>(374,920)</u>
		General Revenues:					
		Taxes					
		Property Taxes, Penalties, and Interest				931,925	- 931,925
		Transfer Tax				697,735	- 697,735
		Investment Income				1,354	1,056 2,410
		Transfer In/(Out)				236,742	(236,742) -
		Total General Revenues				1,867,756	(235,686) 1,632,070
		Change in Net Position				1,001,985	255,165 1,257,150
		Net Position - Beginning - Restated				4,513,555	14,031,576 18,545,131
		Net Position - Ending				<u>\$ 5,515,540</u>	<u>\$ 14,286,741</u> <u>\$ 19,802,281</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2021

EXHIBIT C

<u>ASSETS</u>	<u>General Fund</u>
Cash	\$ 3,257,402
Accounts Receivable	<u>162,920</u>
Total Assets	<u>\$ 3,420,322</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts Payable	\$ 168,811
Accrued Wages	25,385
Unearned Revenue	<u>638,680</u>
Total Liabilities	<u>832,876</u>
Fund Balance:	
Restricted	965,576
Assigned	1,383,752
Unassigned	<u>238,118</u>
Total Fund Balance	<u>2,587,446</u>
Total Liabilities and Fund Balance	<u>\$ 3,420,322</u>

Amounts Reported For Governmental Activities in the Statement of Net Position Are Different Because:

Total Fund Balance	\$ 2,587,446
Capital assets and related accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the governmental fund's balance sheet.	2,962,436
The deferred outflow of resources is not a current financial resource and therefore is not reported in the governmental fund's balance sheet	146,924
The net pension liability is not due and payable in the current period and therefore is not reported in the governmental fund's balance sheet.	(63,295)
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund's balance sheet	(63,345)
The deferred inflow of resources is not a use of current financial resources and therefore is not reported in the governmental fund's balance sheet	<u>(54,626)</u>
Net Position of Governmental Activities	<u>\$ 5,515,540</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT D

	<u>General Fund</u>
Revenues:	
Property Taxes	\$ 931,925
Transfer Tax	697,735
Charges for Services	240,819
Intergovernmental	216,109
Licenses and Permits	111,635
Interest Income	1,354
Police Pension Fund	39,796
Fines	46,931
Miscellaneous Revenue	<u>27,765</u>
Total Revenues	<u>2,314,069</u>
Expenditures:	
Current:	
General Government	297,495
Public Safety	809,487
Streets	250,487
Capital Outlay	<u>142,400</u>
Total Expenditures	<u>1,499,869</u>
Excess of Revenues over (under) Expenditures	814,200
Other Financing Sources:	
Operating Transfers	<u>236,742</u>
Net Change in Fund Balance	1,050,942
Fund Balance - Beginning	<u>1,536,504</u>
Fund Balance - Ending	\$ <u><u>2,587,446</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT E

Net Change in Fund Balance - Total Governmental Fund	\$ 1,050,942
Amounts reported for governmental activities in the statement of activities are different because:	
Pension plan adjustment related to GASB 68 affects the amount of pension expense reflected in the statement of activities.	38,050
Net Book Value of Assets Disposed	-
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	142,400
Book value of assets disposed is not a use of current financial resources	(14,664)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is the change in the compensated absences for the year.	(4,312)
Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	<u>(210,431)</u>
Change in Net Position of Governmental Activities	\$ <u><u>1,001,985</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT F

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Unfavorable)</u>
				<u>Variance</u>
Revenues:				
Property Taxes	\$ 900,800	\$ 900,800	\$ 931,925	\$ 31,125
Transfer Tax	-	-	697,735	697,735
Charges for Services	55,000	55,000	240,819	185,819
Intergovernmental	373,400	373,400	216,109	(157,291)
Licenses and Permits	106,500	106,500	111,635	5,135
Interest Income	5,000	5,000	1,354	(3,646)
Police Pension Fund	36,000	36,000	39,796	3,796
Fines	65,000	65,000	46,931	(18,069)
Miscellaneous Revenue	31,950	31,950	27,765	(4,185)
Total Revenues	<u>1,573,650</u>	<u>1,573,650</u>	<u>2,314,069</u>	<u>740,419</u>
Expenditures:				
Current:				
General Government	204,750	204,750	297,495	(92,745)
Public Safety	886,850	886,850	809,487	77,363
Streets	255,450	255,450	250,487	4,963
Capital Outlay	174,900	174,900	142,400	32,500
Total Expenditures	<u>1,521,950</u>	<u>1,521,950</u>	<u>1,499,869</u>	<u>22,081</u>
Excess (Deficiency) of Revenues over/(under) Expenditures	51,700	51,700	814,200	762,500
Other Financing Sources (Uses):				
Operating Transfers	236,742	236,742	236,742	-
Excess (Deficiency) of Revenues and Other Sources over/(under) Expenditures	288,442	288,442	1,050,942	762,500
Fund Balance - Beginning - Restated	<u>1,536,504</u>	<u>1,536,504</u>	<u>1,536,504</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,824,946</u>	<u>\$ 1,824,946</u>	<u>\$ 2,587,446</u>	<u>\$ 762,500</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2021

EXHIBIT G

ASSETS

Current Assets:	
Cash	\$ 1,467,491
Accounts Receivable	<u>282,831</u>
Total Current Assets	<u>1,750,322</u>
Capital Assets:	
Land	4,111,614
Building	27,798
Equipment	1,852,499
Improvements	18,731,549
Vehicles	109,123
Accumulated Depreciation	<u>(7,599,405)</u>
Total Capital Assets	<u>17,233,178</u>
Total Assets	<u>\$ 18,983,500</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 122,782
Accrued Wages	16,362
Current Portion of Long-Term Debt	<u>363,546</u>
Total Current Liabilities	<u>502,690</u>
Non-Current Liabilities:	
Accrued Sick Leave	20,332
Accrued Vacation Leave	12,784
Long-Term Debt - Net of Current Portion	<u>3,656,953</u>
Total Non-Current Liabilities	<u>3,690,069</u>
Total Liabilities	<u>4,192,759</u>
Deferred Inflows of Resources	<u>504,000</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	12,708,679
Unrestricted	<u>1,578,062</u>
Total Net Position	<u>14,286,741</u>
Total Liabilities and Net Position	<u>\$ 18,983,500</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT H

Operating Revenues:	
Charges for Services	\$ 1,995,335
Miscellaneous Revenue	718
Interest	<u>1,056</u>
Total Operating Revenues	<u>1,997,109</u>
Operating Expenses:	
Advertising	480
Grass Cutting	47
Health and Ancillary Insurance	27,677
Chemicals	37,643
Continuing Education	1,075
Debt Service Interest	103,956
Dues	810
Engineering and Consulting Fees	4,930
Equipment - Purchase and Rental	85,928
Testing Fees	17,333
Sludge Disposal	32,792
Insurance	45,450
Leases and Maintenance Agreements	228,216
Legal and Auditing	3,960
Maintenance Building Grounds and Tools	6,281
Office Supplies	1,576
Postage	6,000
Payroll Taxes	18,465
Pension Costs	27,037
Ditch Tax - Annual	3,305
Repairs and Replacement	57,326
Salaries	175,494
Overtime	15,286
Supplies	12,621
Uniforms	5,773
Utilities - Electric	59,085
Utilities - Gas	3,106
Utilities - Telephone	7,862
Miss Utility Locates	790
Vehicle Expense	3,098
Vehicle Fuel	3,008
Depreciation	<u>508,792</u>
Total Operating Expenses	<u>1,505,202</u>
Operating Income (Loss)	491,907
Other Income:	
Operating Transfers	<u>(236,742)</u>
Net Income (Loss)	255,165
Net Position - Beginning - Restated	<u>14,031,576</u>
Net Position - Ending	<u>\$ 14,286,741</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT I

	Water and Sewer <u>Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,520,445
Interest	1,056
Cash Payments for Interest	(103,956)
Cash Payments to Employees for Services	(245,541)
Cash Payments to Suppliers for Goods and Services	<u>(531,921)</u>
Net Cash Flows from Operating Activities	<u>640,083</u>
Cash Flows from Non-Capital Financing Activities:	
Operating Transfers	<u>(236,742)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(58,280)
Retirement of Debt	<u>(337,961)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(396,241)</u>
Net Increase in Cash	7,100
Cash - Beginning	<u>1,460,391</u>
Cash - Ending	<u><u>\$ 1,467,491</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ 491,907
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	508,792
Change in Accounts Receivable	(100,608)
Change in Accounts Payable	96,574
Change in Deferred Inflow	(375,000)
Change in Accrued Payroll, Vacation, and Taxes	<u>18,418</u>
Net Cash Flows from Operating Activities	<u><u>\$ 640,083</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

The Town of Bridgeville is located in western Sussex County in the State of Delaware and has a population of approximately 2,568 people. Some of the major services provided by the Town include water and sewer, planning and zoning, improvements, and public safety.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable).

The more significant accounting policies of the Town are described below.

B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity is set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 61.

Based on this criteria, the Town has no component units.

C. Basis of Presentation

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements:

The statement of net position and the statement of activities report information on all of the activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation (Continued)

Fund Financial Statements:

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements would normally be presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major funds:

General Fund

The General Fund is the primary operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the Town. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. Measurement Focus/Basis of Accounting (Continued)

The government-wide statements and fund financial statements for proprietary funds are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers revenue as available if it is collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are licenses, charges for services, and intergovernmental revenues. All other Governmental Fund revenues are recognized when received.

E. Budgetary Control

The Department Heads submit an annual budget to the Commissioners in accordance with the Town Charter. In June, the Commissioners adopt the annual fiscal year appropriated budget for Town operating funds. These include General, Police, Streets, and Water and Sewer. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the Commissioners.

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund presents a comparison of budgetary data to actual results. The General Fund is presented using the same basis of accounting for both budgetary purposes and actual results.

F. Cash and Investments

The Town follows the practice of segregating cash as to fund purpose or type.

Statutes authorize the Town to invest in bonds or in other obligations of which the full faith and credit of the United States of America is pledged, obligations of federal governmental agencies issued pursuant to Acts of Congress, repurchase agreements that are secured by any bond or other obligation for the payment of which the full faith and credit of the United States are pledged, and any bank in the State of Delaware. At times during the year there were amounts invested at banks which exceeded the FDIC insurance limit.

The Town considers all cash or investments with an initial maturity of one year or less to be cash.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G. Accounts Receivable

Management of the Town considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations in the period the receivable is deemed uncollectible.

H. Property Taxes

Property taxes are billed each July 1 for the fiscal year. Full payment is due by September 30. Amounts received after September 30 are subject to a monthly penalty of 2%.

I. Transactions Between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of the funds. Since the Enterprise Fund maintains no checking account, all transactions are run through the general accounts.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The Town has elected not to retroactively report general infrastructure assets, as allowed by GASB 34. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Classification</u>	<u>Life</u>
Buildings	20 - 50 Years
Equipment	5 - 15 Years
Vehicles	5 - 10 Years
Water and Sewer Assets	10 - 50 Years

In accordance with Accounting Standards Codification (ASC), No. 360, "Accounting for the Impairment or Disposal of Long-Lived Assets," management reviews property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recovered. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment losses have been recognized during the year presented.

K. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

K. Net Position (Continued)

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at 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.

M. Accumulated Unpaid Vacation and Sick Leave

Employees are granted vacation and sick leave in varying amounts. Vacation leave is only accrued as earned on the basis of services already performed by the employee and that it is probable to be paid in a future period. Sick pay is only accrued for employees with twenty years or more of service, but only up to ninety days can be paid upon retirement or termination. For vacation days, an employee is allowed to carry a maximum of thirty-five days (with twenty years service) from one year to the next. Full-time employees accumulate vacation leave based on the number of years of service.

N. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town currently has no non-spendable fund balance.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

N. Fund Balance Classification (Continued)

that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town currently has no committed resources.

- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to the Town manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding, if any. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

O. Subsequent Events

Events and transactions subsequent to year-end have been evaluated for potential recognition in the financial statements or disclosure in the notes to the financial statements. All events and transactions have been evaluated through April 22, 2022, the date the report was available for issuance. As a result of the spread of COVID-19 (Coronavirus) and its variants, economic uncertainties have arisen which are likely to negatively impact the Town's revenue. Other financial impact could occur, though such potential impact is unknown at this time.

NOTE 2 - CASH:

The balance of cash is categorized as follows:

General Fund Checking	\$ 69,164
General Fund Savings	<u>688,921</u>
<u>TOTAL GENERAL FUND</u>	758,085
Water and Sewer Savings	<u>679,797</u>
<u>TOTAL CASH IN BANK (Per Bank Statements)</u>	<u>\$ 1,437,882</u>

Cash is maintained at PNC and Fulton Bank and is insured by the FDIC or collateralized, as follows:

Amount insured by the FDIC	\$ 400,243
Uncollateralized	-
Collateralized	<u>2,572,357</u>
<u>TOTAL CASH</u>	<u>\$ 2,972,600</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 3 - RECEIVABLES:

The following is a list, by the type of charge, of outstanding receivables:

Water and Sewer Charges	\$ 282,831
State Grants	70,363
Demolition/Code Enforcement	23,128
Transfer Tax	31,295
Property Tax	4,607
Miscellaneous	<u>33,527</u>
 <u>TOTAL</u>	 <u>\$ 445,751</u>

NOTE 4 - CAPITAL ASSETS:

The following is a summary of Capital Asset changes for the current year:

<u>ASSETS</u>				
	Balance Beginning of Year	Additions During Year	Disposals During Year	Balance End of Year
Land - Governmental	\$ 266,220	\$ -	\$ -	\$ 266,220
Land - Water and Sewer	4,111,614	-	-	4,111,614
Buildings	1,880,963	-	-	1,880,963
Equipment	515,569	-	(9,969)	505,600
Improvements	1,067,461	46,325	-	1,113,786
Vehicles	420,592	96,076	(71,398)	445,270
Water and Sewer Improvements	<u>20,662,689</u>	<u>58,280</u>	<u>-</u>	<u>20,720,969</u>
 <u>TOTALS</u>	 <u>\$ 28,925,108</u>	 <u>\$ 200,681</u>	 <u>\$ (81,367)</u>	 <u>\$ 29,044,422</u>

<u>ACCUMULATED DEPRECIATION</u>				
	Balance Beginning of Year	Depreciation for the Year	Disposals During Year	Balance End of Year
Buildings	\$ 123,774	\$ 61,694	\$ -	\$ 185,468
Equipment	441,558	114,832	(9,970)	546,420
Improvements	325,714	57,018	-	382,732
Vehicles	297,289	62,416	(56,733)	302,972
Water and Sewer Improvements	<u>7,007,953</u>	<u>423,263</u>	<u>-</u>	<u>7,431,216</u>
 <u>TOTALS</u>	 <u>\$ 8,196,288</u>	 <u>\$ 719,223</u>	 <u>\$ (66,703)</u>	 <u>\$ 8,848,808</u>

NET CAPITAL ASSETS \$ 20,195,614

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 4 - CAPITAL ASSETS (CONTINUED):

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

Governmental Activities:	
General Government	\$ 10,978
Police	145,390
Streets	54,063
Water and Sewer	<u>508,792</u>
 Total Depreciation Expense	 \$ <u>719,223</u>

NOTE 5 - DEBT:

Debt consists of the following:

General Obligation Bond payable to USDA Rural Development in the total amount of \$829,100. Paid in quarterly installments of \$11,202 including interest of 4.5%. Loan matures on June 25, 2036. Water system upgrades	\$ 485,566
General Obligation Bond payable to DNREC in the total amount of \$1,156,162. Paid in semi-annual installments of \$25,165 including interest of 1%. Loan matures on September 1, 2047. Sewer system upgrades	1,049,352
General Obligation Bond payable to DNREC in the total amount of \$807,039. Paid in semi-annual installments of \$24,165 including interest of 1%. Loan matures on September 1, 2037. Sewer system upgrades	676,381
General Obligation Bond payable to DNREC in the total amount of \$750,000. Paid in semi-annual installments of \$21,188 including interest of 3.672%. Loan matures on November 11, 2027. Sewer system equipment	243,066
General Obligation Bond payable to DNREC in the total amount of \$2,700,000. Paid in semi-annual installments of \$93,190 including interest of 2.7%. Loan matures on December 20, 2025. Sewer system upgrades	727,982
General Obligation Bond payable to DNREC in the total amount of \$1,194,300. Paid in semi-annual installments of \$34,408 including interest of 1.5%. Loan matures on November 1, 2034. Water system upgrades	<u>838,152</u>
 <u>TOTAL DEBT</u>	 4,020,499
 Less: Current Portion	 <u>(363,546)</u>
 <u>TOTAL LONG-TERM DEBT</u>	 \$ <u>3,656,953</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 5 - DEBT (CONTINUED):

Maturities of debt subsequent to year end are as follows:

	Governmental Activities		Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ -	\$ 363,546	\$ 77,494
2023	-	-	372,102	68,939
2024	-	-	380,897	60,144
2025	-	-	389,941	51,488
2026 - 2030	-	-	1,026,917	169,149
2031 - 2035	-	-	948,077	78,938
2036 - 2040	-	-	320,196	16,758
2041 - 2045	-	-	201,560	3,806
<u>TOTALS</u>	\$ -	\$ -	\$ 4,003,236	\$ 526,716

Below summarizes the changes in debt:

	Balance Beginning of Year	<u>Additions</u>	<u>Retirements</u>	Balance End of Year
Rural Development	\$ 507,891	\$ -	\$ (22,325)	\$ 485,566
State of Delaware	1,079,125	-	(29,773)	1,049,352
State of Delaware	710,669	-	(34,288)	676,381
State of Delaware	275,616	-	(32,550)	243,066
State of Delaware	891,390	-	(163,408)	727,982
State of Delaware	893,769	-	(55,617)	838,152
<u>TOTALS</u>	\$ 4,358,460	\$ -	\$ (337,961)	\$ 4,020,499

NOTE 6 - CONDUIT DEBT:

On July 1, 2005, the Town issued bonds to provide financial assistance to the Heritage Shores Development for the cost of infrastructure improvements, which is deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from tax revenues from the Heritage Shores Development. The Town is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, the bond issue had a balance of \$12,191,000.

NOTE 7 - RISK AND INSURANCE COVERAGE:

The Town has exposure to various kinds of risk. As a vehicle to reduce this exposure the Town has purchased insurance policies from commercial insurance agents. The insurance policies from commercial agents cover general liability, public officials' legal liability for errors and omissions, police legal liability for wrongful acts, workman's compensation claims, bonding for employees and the Commissioners, and property and automobile liability and damage claims.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 8 - RESTRICTED/ASSIGNED FUND BALANCE:

Assigned Fund Balance is available for the following purposes:

	<u>General</u>
Emergency Fund	\$ 102,887
Property Tax for Future Operations	83,572
Savings - Police Pension	3,156
Charity Golf Tournament	459
Transfer Tax for Capital Improvements	1,193,672
Savings - Library	<u>6</u>
 <u>TOTALS</u>	 \$ <u>1,383,752</u>

Restricted Fund Balance consists of the following:

Department of Justice Eshare Funds	\$ <u>326,896</u>
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NOTE 9 - COMMITMENT:

The Town of Bridgeville and the Town of Greenwood, a nearby community, have previously entered into an agreement to allow the Town of Greenwood to pump its sewage to the Town of Bridgeville where a wastewater treatment plant is located. The Town of Greenwood has paid \$167,000 in tapping and impact fees and has an allocation of 86,000 gallons per day of treatment capacity. Fixed and variable operational costs, as well as managerial cost of running the plant, are charged to Greenwood based on their share of the treatment plant's total treated flow. Also charged to Greenwood (in proportion to capacity) are costs of servicing debt and funding a sinking fund for repairs and maintenance. Currently, Greenwood's share of plant capacity is 18%.

The Town has also entered into an agreement with Sussex County to provide a wastewater treatment plant operator to take charge of the Town's plant. The County has finished constructing a Western Sussex regional wastewater facility that would include the Town of Bridgeville and surrounding communities. The Town's wastewater operations were taken over by the county on July 1, 2021.

NOTE 10 - DEVELOPMENT IMPROVEMENTS AND SERVICES AGREEMENT:

The Town entered into an agreement with a developer relating to costs incurred to develop 2,000 residential homes. All direct and indirect costs of building the development and connecting to existing Town facilities are the responsibility of the developer. At various stages of completion, the developer will dedicate infrastructure to the Town.

Under an amendment to this agreement, the developer agreed to prepay sewer impact fees on 914 residential units, for a total prepayment of \$2,742,000. These funds were used to help purchase the land on which spray irrigation of treated waste water is taking place. The prepaid fees are shown as Deferred Inflows on the financial statements. Current year activity was as follows:

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 10 - DEVELOPMENT IMPROVEMENTS AND SERVICES AGREEMENT (CONTINUED):

Prepaid Fees - Beginning	\$ 879,000
Fees Used	<u>(375,000)</u>
Prepaid Fees - Ending	<u>\$ 504,000</u>

NOTE 11 - PENSION PLAN:

A. Plan Descriptions and Contribution Information

The Town contributes to two pension plans. The first is the Town of Bridgeville, Inc. Money Purchase Pension Plan, which is a defined contribution pension plan operated and administered by the Town.

A defined contribution pension plan provides benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined, instead of specifying the amount of benefits the individual is to receive. Under a defined contribution plan, the benefit a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. All full-time employees of the Town, other than police officers, are eligible to participate in the plan after completion of one year of service and having attained the age of 21. Town employees are prohibited from making contributions to the plan. For participants hired prior to January 1, 2003, the Town contributes 18.50% of participants' current compensation. Participants hired after December 31, 2002, are eligible for contributions in the range of 8 to 10%, as determined annually by the Commissioners. Contributions to the plan vest over a seven-year period at 20% intervals starting the third year of participation.

During the year ended June 30, 2021, the Town contributed \$64,137 to the plan.

The second plan is the County and Municipal Police and Firefighters' Pension Plan (Police and Firefighter Plan), which is a cost sharing multiple employer defined benefit plan established in the Delaware Code (collectively the Plan). The Plan is administered by the Delaware Public Employees' Retirement System (DPERS).

The Delaware General Assembly is responsible for setting benefits and 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 State of Delaware 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.

Employee pension contributions of 3% of total gross pay begin after employee earnings exceed \$6,000 in a calendar year.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 11 - PENSION PLAN (CONTINUED):

A. Plan Descriptions and Contribution Information (Continued)

The Town received a grant in the amount of \$39,796 from the State of Delaware to be used to fund the Town's share of the Police and Firefighter Plan.

During the year ended June 30, 2021, the Town contributed \$69,576 to the plan.

There are 3 inactive employees who are either receiving, or who are entitled to receive benefit payments, and 8 active, covered employees.

Separately issued financial statements from DPERS are available from the pension office at McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904-2402, or via the internet at <https://open.omb.delaware.gov/Financials.shtml>.

The following is a brief description of the Plan in effect as of June 30, 2020, the latest report available for the Plan. For a more complete description, please refer to the DPERS Comprehensive Annual Financial Report.

Plan Description and Eligibility

The plan covers police officers and firefighters employed by a Delaware county or municipality that joined the Plan.

Service Benefits

2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this Plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation (excluding overtime and special pay).

Vesting - Five years of credited service.

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 to a minimum of 30% of final average monthly compensation

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 11 - PENSION PLAN (CONTINUED):

Survivor Benefits

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

B. Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net pension liability, collective deferred inflows of resources, collective deferred outflows of resources and collective pension expense. The allocation percentages used are based on the ratio of each employer's contribution over the total employer contributions during the measurement period July 1, 2019 through June 30, 2020, adjusted to remove contributions to separately finance specific liabilities of an individual employer. Employer contributions to the plan are recognized when due pursuant to legal requirements. The Board of Pension Trustees determines employer contributions. Employer contributions were 16.84% of earnings for the fiscal year 2020 for the Police and Firefighter Plan.

C. Collective Net Pension Liability and Actuarial Information (in thousands)

Employers' Total Pension Liability	\$ 1,901,951
Plan Net Position	<u>(1,838,656)</u>
Total Net Pension Liability	<u>\$ 63,295</u>

The Town's proportionate percentage of the collective net pension liability for The Police and Firefighter Plan is 0.4119%.

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

Investment rate of return/discount rate	7.0%
Projected salary increases	2.5% + Merit
Cost of living adjustments	-
Inflation (included in above percentages)	0.0%

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

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

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 11 - PENSION PLAN (CONTINUED):

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 class included in the Plan's current and expected asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Asset Allocation</u>
Domestic Equity	5.7%	28.5%
International Equity	5.7%	15.2%
Fixed Income	2.0%	28.8%
Alternative Investments	7.8%	23.0%
Cash and Equivalents	-	4.5%

Discount Rate - The discount rate 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 of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability, calculated using the discount rate of 7.0% as well as what the collective net pension liability 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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability (Asset)	\$ 352,343	\$ 63,295	\$ (172,611)

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT J

NOTE 11 - PENSION PLAN (CONTINUED):

D. Deferred Outflows of Resources, Deferred Inflows of Resources and Net Pension Liability

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

<u>Years Ending June 30</u>	
2022	\$ 65,178
2023	4,661
2024	(2,238)
2025	8,497
2026	9,210
Thereafter	<u>6,990</u>
Total	<u>\$ 92,298</u>

E. Pension Expense

The components of pension expense are as follows:

Service Cost	\$ 71,621
Interest on Total Pension Liability	126,033
Member Contributions	(26,930)
Administrative Expense	643
Change in Benefit Terms	-
Projected Earnings on Plan Investments	(115,830)
Recognition of Deferred Outflows and Inflows of Resources:	
Differences Between Projected and Actual Earnings on Plan Investments	(1,083)
Differences Between Expected and Actual Experiences with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	5,968
Changes in Assumption with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	<u>1,981</u>
Total Pension Expense	<u>\$ 62,403</u>

NOTE 12 - PRIOR PERIOD ADJUSTMENT:

The Water and Sewer Fund receivables for June 30, 2020, were understated by \$121,049. The effect of this adjustment increased beginning receivables by \$121,049 and increased beginning net position by \$121,049.

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
JUNE 30, 2021

TOWN OF BRIDGEVILLE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)
DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM-POLICE
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Proportion of the Net Pension Liability	0.4119%	0.4233%	0.4085%	0.3446%	0.4375%	0.5050%	0.4907%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 63,295	\$ 121,582	\$ 94,069	\$ 34,740	\$ 69,540	\$ (26,616)	\$ (53,082)
Town's Covered-Employee Payroll	\$ 360,219	\$ 354,890	\$ 374,189	\$ 352,057	\$ 339,617	\$ 341,231	\$ 363,668
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	17.57%	34.26%	25.14%	9.87%	20.48%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.67%	93.25%	94.10%	97.00%	95.00%	102.00%	104.00%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is completed, pension plans should present information for those years for which information is available.

TOWN OF BRIDGEVILLE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM-POLICE
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 69,576	\$ 63,238	\$ 62,415	\$ 38,738	\$ 38,987	\$ 44,143	\$ 50,843
Contributions in Relation to the Contractually Required Contribution	<u>(69,576)</u>	<u>(63,238)</u>	<u>(62,415)</u>	<u>(38,738)</u>	<u>(38,987)</u>	<u>(44,143)</u>	<u>(50,843)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Town's Covered-Employee Payroll	\$ <u>360,219</u>	\$ <u>354,890</u>	\$ <u>374,189</u>	\$ <u>352,057</u>	\$ <u>339,617</u>	\$ <u>341,231</u>	\$ <u>363,668</u>
Contributions as a Percentage of Covered-Employee Payroll	19.31%	17.82%	16.68%	11.00%	11.48%	12.94%	13.98%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is completed, pension plans should present information for those years for which information is available.

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
REVENUES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE C

	2021				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Restated Prior Year 6/30/20
	Original	Final			
GOVERNMENTAL ACTIVITIES:					
Building Permits	\$ 55,000	\$ 55,000	\$ 240,819	\$ 185,819	\$ 73,132
Newsletter Ads	1,200	1,200	325	(875)	700
Property Tax	848,800	848,800	865,941	17,141	804,963
Supplemental Taxes	10,000	10,000	16,680	6,680	11,388
Property Tax Penalties	2,000	2,000	4,648	2,648	2,432
Transfer Tax	-	-	697,735	697,735	427,296
Payments in Lieu of Taxes	40,000	40,000	44,656	4,656	36,070
Miscellaneous Income	3,000	3,000	11,345	8,345	65,184
Sussex County Council - Grant	30,000	30,000	38,000	8,000	30,000
Interest Income	5,000	5,000	1,354	(3,646)	11,081
Miscellaneous Fees	27,750	27,750	16,095	(11,655)	26,598
Fines	65,000	65,000	46,931	(18,069)	34,748
Federal and State Grants	305,400	305,400	156,254	(149,146)	310,874
Police Pension Fund	36,000	36,000	39,796	3,796	36,888
Special Duty Overtime	38,000	38,000	21,855	(16,145)	19,133
Franchise Fees	54,000	54,000	61,980	7,980	55,915
Plan Review Fees	3,000	3,000	4,000	1,000	5,000
Business License Fees	25,000	25,000	24,679	(321)	22,644
Rental Licenses	17,000	17,000	20,176	3,176	16,950
Vacant Building Registration Fees	7,500	7,500	800	(6,700)	-
TOTAL GOVERNMENTAL ACTIVITIES	1,573,650	1,573,650	2,314,069	740,419	1,990,996
BUSINESS-TYPE ACTIVITIES:					
Fats, Oils, Grease Fees	1,600	1,600	1,600	-	1,600
Fire Lines	13,300	13,300	13,300	-	13,300
Water and Sewer Inspection Fees	2,000	2,000	4,850	2,850	1,850
Sewer Fee	655,000	655,000	668,071	13,071	660,095
Sewer Fee and EDU Penalties	33,000	33,000	75,712	42,712	30,930
Sewer Fees - Industrial	95,000	95,000	135,129	40,129	90,532
Town of Greenwood	175,000	175,000	169,857	(5,143)	181,885
Water Fee	299,500	299,500	293,482	(6,018)	315,958
Water Service Fee	162,000	162,000	165,672	3,672	168,348
Water Meter Pit Fees	20,000	20,000	68,970	48,970	29,604
Water Fee Penalties	4,000	4,000	3,274	(726)	2,726
Tapping Fees	5,000	5,000	9,450	4,450	5,200
Connection Fees	3,500	3,500	10,968	7,468	3,900
Impact Fees	-	-	375,000	375,000	89,990
Interest Income	6,500	6,500	1,056	(5,444)	19,767
Grass Cutting	1,500	1,500	-	(1,500)	-
Spray Farm Lease	-	-	-	-	8,587
Miscellaneous Fees	1,500	1,500	718	(782)	1,330
TOTAL BUSINESS-TYPE ACTIVITIES	1,478,400	1,478,400	1,997,109	518,709	1,625,602
TOTAL REVENUE	\$ 3,052,050	\$ 3,052,050	\$ 4,311,178	\$ 1,259,128	\$ 3,616,598

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	2021				
	Budgeted Amounts			Favorable (Unfavorable)	Prior Year
	Original	Final	Actual Amounts	Variance	6/30/20
<u>GOVERNMENTAL FUNDS</u>					
<u>GENERAL GOVERNMENT:</u>					
Advertising Expense	\$ 2,500	\$ 2,500	\$ 2,547	\$ (47)	\$ 2,978
Travel	300	300	-	300	35
SCAT and DLLG	2,000	2,000	301	1,699	959
Code Update	3,000	3,000	1,195	1,805	1,914
Health and Ancillary Insurance	9,450	9,450	15,274	(5,824)	12,229
Capital Outlay	49,900	49,900	5,134	44,766	26,019
Service Charge	3,000	3,000	2,473	527	2,380
Continuing Education	2,000	2,000	2,562	(562)	1,520
Bad Debts	-	-	2,307	(2,307)	18,236
Donations and Grant in Aid	5,000	5,000	5,000	-	4,000
Dues	3,000	3,000	4,579	(1,579)	4,173
Economic Development	15,000	15,000	10,112	4,888	6,084
Engineering and Consulting Fees	5,000	5,000	5,364	(364)	4,917
Equipment - Purchase and Rental	2,000	2,000	162	1,838	-
Insurance	8,850	8,850	10,350	(1,500)	8,624
Leases and Maintenance Agreements	12,500	12,500	14,915	(2,415)	13,612
Legal and Auditing	15,000	15,000	19,550	(4,550)	14,259
Maintenance Building Grounds and Tools	12,000	12,000	4,624	7,376	9,816
Miscellaneous Expense	-	-	4,367	(4,367)	-
Office Supplies	3,500	3,500	7,186	(3,686)	3,704
Postage	1,500	1,500	1,057	443	1,280
Payroll Taxes	4,350	4,350	11,926	(7,576)	5,212
Pension Costs	12,000	12,000	13,550	(1,550)	12,778
Repairs and Replacement	-	-	7,094	(7,094)	4,979
Salary Expense	61,300	61,300	128,656	(67,356)	55,484
Special Recognition and Outreach	1,500	1,500	872	628	1,007
Supplies	2,000	2,000	2,168	(168)	2,313
Employment Expense	1,000	1,000	779	221	431
Utilities - Electric	6,000	6,000	3,423	2,577	5,556
Utilities - Gas	1,500	1,500	881	619	881
Utilities - Telephone and Internet	6,500	6,500	6,454	46	5,706
Vehicle Expense	1,500	1,500	1,682	(182)	1,057
Vehicle Fuel	1,500	1,500	951	549	605
<u>TOTAL GENERAL GOVERNMENT</u>	<u>254,650</u>	<u>254,650</u>	<u>297,495</u>	<u>(42,845)</u>	<u>232,748</u>
<u>PUBLIC SAFETY:</u>					
Advertising Expense	500	500	123	377	221
Health and Ancillary Insurance	78,600	78,600	71,174	7,426	74,533
Capital Outlay	60,000	60,000	80,777	(20,777)	238,154
Continuing Education	1,000	1,000	390	610	-
Donations and Grant in Aid	400	400	275	125	-
Dues	500	500	-	500	200
Engineering and Consulting Fees	1,000	1,000	3,962	(2,962)	-
Equipment - Purchase and Rental	8,000	8,000	1,847	6,153	6,987
Insurance	41,250	41,250	29,108	12,142	40,663
SALLE Expense	5,000	5,000	-	5,000	6,428
Leases and Maintenance Agreements	15,000	15,000	5,544	9,456	2,704
Legal and Auditing	3,000	3,000	1,980	1,020	1,876
Maintenance Building Grounds and Tools	6,000	6,000	13,660	(7,660)	13,636
Office Supplies	1,500	1,500	177	1,323	1,285
Postage	1,500	1,500	968	532	1,197
Payroll Taxes	40,250	40,250	42,003	(1,753)	35,818
Pension Costs	66,500	66,500	68,906	(2,406)	63,238
Repairs and Replacement	-	-	-	-	552
Salary Expense	450,350	450,350	447,406	2,944	402,913
Salary Expense Overtime	76,000	76,000	79,405	(3,405)	69,483
EIDE Expense	4,000	4,000	415	3,585	2,009
Supplies	23,000	23,000	6,905	16,095	15,745
Uniform Expense	6,000	6,000	7,176	(1,176)	2,213
Employment Expense	2,000	2,000	2,047	(47)	-
Utilities - Electric	8,500	8,500	7,587	913	9,620
Utilities - Gas	2,000	2,000	1,663	337	1,926
Utilities - Telephone	-	-	14,436	(14,436)	13,856
Vehicle Expense	20,000	20,000	-	20,000	14,338
Vehicle Fuel	25,000	25,000	1,828	23,172	22,606
<u>TOTAL PUBLIC SAFETY</u>	<u>946,850</u>	<u>946,850</u>	<u>889,762</u>	<u>57,088</u>	<u>1,042,201</u>

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE D

	2021				
	Budgeted Amounts			Favorable (Unfavorable) Variance	Prior Year 6/30/20
	Original	Final	Actual Amounts		
<u>STREETS:</u>					
Advertising Expense	\$ -	\$ -	\$ 275	\$ (275)	\$ 85
Grass Cutting Expense	2,000	2,000	1,082	918	1,428
Health and Ancillary Insurance	10,400	10,400	11,185	(785)	11,266
Capital Outlay	65,000	65,000	28,470	36,530	165,616
Continuing Education	-	-	105	(105)	
Engineering and Consulting Fees	1,000	1,000	408	592	
Permits	50	50	-	50	-
Equipment - Purchase and Rental	3,200	3,200	4,339	(1,139)	264
Insurance	5,900	5,900	4,435	1,465	5,742
Leases and Maintenance Agreements	-	-	7,660	(7,660)	7,220
Legal and Auditing	2,000	2,000	1,980	20	1,900
Maintenance Building Grounds and Tools	7,000	7,000	6,836	164	7,231
Office Supplies	800	800	651	149	457
Payroll Taxes	5,500	5,500	6,676	(1,176)	5,734
Pension Costs	11,650	11,650	23,550	(11,900)	11,121
Repairs and Replacement	-	-	30,207	(30,207)	10,330
Salary Expense	66,250	66,250	71,782	(5,532)	61,356
Salary Expense Overtime	4,500	4,500	6,864	(2,364)	500
Snow Removal	7,000	7,000	1,716	5,284	1,300
Supplies	14,000	14,000	2,437	11,563	2,201
Tree Planting and Removal	5,000	5,000	1,866	3,134	4,490
Uniform Expense	1,800	1,800	2,117	(317)	1,514
Utilities - Electric	90,000	90,000	82,558	7,442	86,629
Utilities - Gas	800	800	625	175	588
Utilities - Telephone	2,600	2,600	1,801	799	1,698
Vehicle Expense	11,000	11,000	11,436	(436)	3,532
Vehicle Fuel	3,000	3,000	1,551	1,449	1,716
<u>TOTAL STREETS</u>	<u>320,450</u>	<u>320,450</u>	<u>312,612</u>	<u>7,838</u>	<u>393,918</u>
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>1,521,950</u>	<u>1,521,950</u>	<u>1,499,869</u>	<u>22,081</u>	<u>1,668,867</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
<u>WASTEWATER:</u>					
Advertising Expense	500	500	241	259	-
Health and Ancillary Insurance	19,900	19,900	12,791	7,109	20,158
Chemicals	25,000	25,000	15,450	9,550	20,418
Continuing Education	250	250	115	135	109
Debt Service - Interest	328,300	328,300	68,274	260,026	75,023
Dues	150	150	-	150	-
Engineering and Consulting Fees	3,000	3,000	4,430	(1,430)	783
Equipment - Purchase and Rental	6,500	6,500	18,789	(12,289)	1,372
Testing Fees	22,000	22,000	16,452	5,548	21,607
Permits	150	150	-	150	-
Sludge Disposal	65,000	65,000	32,792	32,208	33,389
Insurance	18,500	18,500	27,673	(9,173)	19,889
Leases and Maintenance Agreements	70,000	70,000	187,692	(117,692)	60,759
Legal and Auditing	5,000	5,000	1,980	3,020	1,880
Maintenance Building Grounds and Tools	10,000	10,000	3,439	6,561	5,803
Maintenance - Collector System	2,000	2,000	-	2,000	475
Office Supplies	2,500	2,500	759	1,741	2,245
Postage	3,000	3,000	3,000	-	3,687
Payroll Taxes	10,200	10,200	10,267	(67)	10,167
Pension Costs	17,800	17,800	23,348	(5,548)	17,333
Ditch Tax - Annual	3,500	3,500	3,305	195	3,305
Repairs and Replacement	100,000	100,000	46,441	53,559	78,051
Salary Expense	123,300	123,300	81,741	41,559	121,555
Salary Expense Overtime	11,500	11,500	6,675	4,825	8,062
Supplies	5,500	5,500	1,825	3,675	1,544
Uniform Expense	1,400	1,400	2,110	(710)	1,556
Utilities - Electric	45,000	45,000	34,105	10,895	33,321
Utilities - Gas	15,000	15,000	2,481	12,519	11,860
Utilities - Telephone	5,000	5,000	5,548	(548)	5,331
Miss Utility Locates	500	500	395	105	407
Vehicle Expense	3,000	3,000	557	2,443	3,055
Vehicle Fuel	2,500	2,500	824	1,676	961
Depreciation	-	-	254,396	(254,396)	252,961
<u>TOTAL WASTEWATER</u>	<u>925,950</u>	<u>925,950</u>	<u>867,895</u>	<u>58,055</u>	<u>817,066</u>

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	2021				
	Budgeted Amounts			Favorable (Unfavorable) Variance	Prior Year 6/30/20
	Original	Final	Actual Amounts		
<u>WATER:</u>					
Advertising Expense	\$ 500	\$ 500	\$ 239	\$ 261	\$ 460
Grass Cutting Expense	-	-	47	(47)	-
Health and Ancillary Insurance	29,950	29,950	14,886	15,064	26,262
Chemicals	25,000	25,000	22,193	2,807	26,211
Continuing Education	1,050	1,050	960	90	197
Debt Service - Interest	113,650	113,650	35,682	77,968	37,483
Dues	510	510	810	(300)	654
Engineering and Consulting Fees	2,000	2,000	500	1,500	1,358
Equipment - Purchase and Rental	25,000	25,000	67,139	(42,139)	71,160
Testing Fees	500	500	881	(381)	850
Permits	500	500	-	500	-
Insurance	15,200	15,200	17,777	(2,577)	15,502
Leases and Maintenance Agreements	36,000	36,000	40,524	(4,524)	39,745
Legal and Auditing	2,000	2,000	1,980	20	1,800
Maintenance Building Grounds and Tools	3,000	3,000	2,842	158	2,489
Newsletter Expense	500	500	-	500	250
Office Supplies	2,300	2,300	817	1,483	1,601
Postage	4,000	4,000	3,000	1,000	3,675
Payroll Taxes	13,300	13,300	8,198	5,102	12,194
Pension Costs	16,050	16,050	3,689	12,361	12,341
Repairs and Replacement	100,000	100,000	10,885	89,115	14,219
Salary Expense	163,550	163,550	93,753	69,797	149,683
Salary Expense Overtime	11,500	11,500	8,611	2,889	7,634
Supplies	9,000	9,000	10,796	(1,796)	9,633
Uniforms	3,600	3,600	3,663	(63)	2,736
Utilities - Electric	27,000	27,000	24,980	2,020	28,110
Utilities - Gas	1,000	1,000	625	375	588
Utilities - Telephone	2,500	2,500	2,314	186	2,193
Miss Utility Locates	500	500	395	105	407
Vehicle Expense	2,000	2,000	2,541	(541)	1,916
Vehicle Fuel	3,000	3,000	2,184	816	2,439
Depreciation	-	-	254,396	(254,396)	252,962
<u>TOTAL WATER</u>	<u>614,660</u>	<u>614,660</u>	<u>637,307</u>	<u>(22,647)</u>	<u>726,752</u>
<u>TOTAL BUSINESS-TYPE ACTIVITIES</u>	<u>1,540,610</u>	<u>1,540,610</u>	<u>1,505,202</u>	<u>35,408</u>	<u>1,543,818</u>
<u>TOTAL EXPENDITURES/EXPENSES</u>	<u>\$ 3,062,560</u>	<u>\$ 3,062,560</u>	<u>\$ 3,005,071</u>	<u>\$ 57,489</u>	<u>\$ 3,212,685</u>

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
SCHEDULE OF OPERATING REVENUES AND EXPENSES
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE E

	Wastewater Department	Water Department	Total
Operating Revenues:			
Charges for Services	\$ 1,380,087	\$ 615,248	\$ 1,995,335
Miscellaneous	100	618	718
Interest	-	1,056	1,056
Total Operating Revenues	<u>1,380,187</u>	<u>616,922</u>	<u>1,997,109</u>
Operating Expenses:			
Advertising Expense	241	239	480
Grass Cutting Expense	-	47	47
Health and Ancillary Insurance	12,791	14,886	27,677
Chemicals	15,450	22,193	37,643
Continuing Education	115	960	1,075
Debt Service Interest	68,274	35,682	103,956
Dues	-	810	810
Engineering and Consulting Fees	4,430	500	4,930
Equipment - Purchase and Rental	18,789	67,139	85,928
Testing Fees	16,452	881	17,333
Sludge Disposal	32,792	-	32,792
Insurance	27,673	17,777	45,450
Leases and Maintenance Agreements	187,692	40,524	228,216
Legal and Auditing	1,980	1,980	3,960
Maintenance Building Grounds and Tools	3,439	2,842	6,281
Office Supplies	759	817	1,576
Postage	3,000	3,000	6,000
Payroll Taxes	10,267	8,198	18,465
Pension Costs	23,348	3,689	27,037
Ditch Tax - Annual	3,305	-	3,305
Repairs and Replacement	46,441	10,885	57,326
Salary Expense	81,741	93,753	175,494
Salary Expense Overtime	6,675	8,611	15,286
Supplies	1,825	10,796	12,621
Uniform Expense	2,110	3,663	5,773
Utilities - Electric	34,105	24,980	59,085
Utilities - Gas	2,481	625	3,106
Utilities - Telephone	5,548	2,314	7,862
Miss Utility Locates	395	395	790
Vehicle Expense	557	2,541	3,098
Vehicle Fuel	824	2,184	3,008
Depreciation	<u>254,396</u>	<u>254,396</u>	<u>508,792</u>
Total Operating Expenses	<u>867,895</u>	<u>637,307</u>	<u>1,505,202</u>
Net Operating Income (Loss)	<u>\$ 512,292</u>	<u>\$ (20,385)</u>	<u>\$ 491,907</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners
 Town of Bridgeville

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Bridgeville, as of and for the year ended June 30, 2021, and related notes to the financial statements, which collectively comprise the Town of Bridgeville's basic financial statements, and have issued our report thereon dated April 22, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bridgeville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bridgeville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bridgeville's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

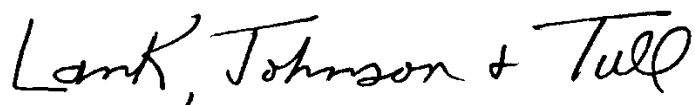
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bridgeville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Members of the American Institute of Certified Public Accountants and the Delaware Society of Certified Public Accountants

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lank, Johnson & Tull". The script is cursive and fluid, with the first name "Lank" being the most prominent.

Seaford, Delaware
April 22, 2022