

TOWN OF BRIDGEVILLE, DELAWARE
FINANCIAL STATEMENTS WITH
SUPPLEMENTAL INFORMATION
JUNE 30, 2022

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RICHARD L. TULL, CPA
MARK A. JOHNSON, CPA/ABV
GARY W. TUTTLE, CPA
ROBERT B. LANK JR., CPA/PFS



LJT SEAFORD
(302) 629-9543
FAX: (302) 629-3501

LJT MILFORD
(302) 422-3308
FAX: (302) 422-4782
SUPPORT@DELAWARECPAS.ORG

P.O. BOX 418 • 521 N. MARKET ST. EXT. • SEAFORD, DE 19973
P.O. BOX 253 • 268 MILFORD-HARRINGTON HWY. • MILFORD, DE 19963

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Town of Bridgeville, Delaware

Opinions

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

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, 2022, 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.

Basis for Opinions

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. 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 Town of Bridgeville 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 opinions.

Responsibilities of Management for the Financial Statements

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 control 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 Town of Bridgeville's ability to continue as a going concern for twelve months beyond the financial statement date, 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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 control. 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 generally accepted auditing standards and *Government Auditing Standards*, 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 control 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 Town of Bridgeville's internal control. 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 Town of Bridgeville'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 control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.

Supplemental 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 Budgetary Comparison Schedule - Water Fund Revenue and Expense Analysis (Schedule E) are presented for the purpose 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 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 December 23, 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.

Lank, Johnson & Tull

Seaford, Delaware

December 23, 2022

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022. 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 operations are reported here. Fees are charged to customers to help cover the costs of providing the service.

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 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.

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FUND FINANCIAL STATEMENTS (CONTINUED)

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 operations.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's combined net position decreased by 30% from 2022 to 2021 (See table below). General Fund net position increased by 26%, while the business-type net position decreased by 51%, due to the sale of the Town's sewer operations to Sussex County. The increase in the general fund is mainly attributed to additional grants received, like the State of Delaware Bond Bill proceeds, along with the ability to meet current operating expenses and capital outlay without incurring any new debt.

Town of Bridgeville
Net Position

	Governmental		Business-Type		Total		Total Percentage
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current Assets	5,680,096	3,420,322	1,647,632	1,750,322	7,327,728	5,170,644	42%
Capital Assets	2,773,540	2,962,436	6,619,778	17,233,178	9,393,318	20,195,614	(53%)
Other Assets	576,396	(63,295)	-	-	576,396	(63,295)	(1,011%)
Total Assets	9,030,032	6,319,463	8,267,410	18,983,500	17,297,442	25,302,963	(32%)
Current Liabilities	347,938	194,196	117,651	502,690	465,589	696,886	(33%)
Non-Current							
Liabilities	1,307,676	702,025	1,168,041	3,690,069	2,475,717	4,392,094	(44%)
Deferred Inflows							
of Resources	402,813	(92,298)	-	504,000	402,813	411,702	(2%)
Total Liabilities							
and Deferrals	2,058,427	803,923	1,285,692	4,696,759	3,344,119	5,500,682	(39%)
Net Investment in							
Capital Assets	2,773,540	2,962,436	5,375,861	12,708,679	8,149,401	15,671,115	(48%)
Restricted	326,967	965,576	-	-	326,967	965,576	(66%)
Unrestricted	3,871,098	1,587,528	1,605,857	1,578,062	5,476,955	3,165,590	73%
Total Net Position	6,971,605	5,515,540	6,981,718	14,286,741	13,953,323	19,802,281	(30%)

The Town's total revenues (excluding transfers) increased by 6% to \$4.56 million (See table below). Revenue from business-type activities decreased by 45% to \$1.10 million, which is mainly attributable to the aforementioned sale of sewer operations. Governmental revenues increased by 49% to \$3.46 million, which is mainly attributable to increased grant proceeds.

Disregarding the Town's loss on the sale of its sewer operations, the total cost of all programs and services decreased by 16%. The costs of business-type activities decreased by 39%, due to the reduced operating expenses. The cost of governmental-type activities increased by 6% to \$1.65 million.

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (CONTINUED)

Town of Bridgeville
Change in Net Position

	Governmental		Business-Type		Total		Total Percentage
	2022	2021	2022	2021	2022	2021	Change
Program Revenue:							
Fees, Fines, Services	851,030	488,801	1,102,695	1,996,053	1,953,725	2,484,854	(21%)
Operating Grants	721,697	158,207	-	-	721,697	158,207	356%
Capital Grants	-	36,047	-	-	-	36,047	(100%)
General Revenue							
Property Taxes	1,034,902	931,925	-	-	1,034,902	931,925	11%
Transfer Taxes	848,778	697,735	-	-	848,778	697,735	22%
Investment Income	719	1,354	548	1,056	1,267	2,410	(47%)
Total Revenue	3,457,126	2,314,069	1,103,243	1,997,109	4,560,369	4,311,178	6%
Program Expenses:							
General Government	439,290	312,785	-	-	439,290	312,785	40%
Public Safety	873,582	916,827	-	-	873,582	916,827	(5%)
Streets	333,021	319,214	-	-	333,021	319,214	4%
Water	-	-	912,577	1,505,202	912,577	1,505,202	(39%)
Total Expenses	1,645,893	1,548,826	912,577	1,505,202	2,558,470	3,054,028	(16%)
Change in Net Position	1,811,233	765,243	190,666	491,907	2,001,899	1,257,150	(59%)
Transfers	(355,168)	236,742	355,168	(236,742)	-	-	-
Loss on Sale of Sewer	-	-	(7,850,857)	-	(7,850,857)	-	-
Net Position Beginning	5,515,540	4,513,555	14,286,741	14,031,576	19,802,281	18,545,131	7%
Net Position Ending	6,971,605	5,515,540	6,981,718	14,286,741	13,953,323	19,802,281	(30%)

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund actual revenues of \$3.46 million exceeded budgeted revenues of \$1.60 million by \$1.86 million (116%). This favorable variance was primarily the result of unbudgeted grant revenues received.

General fund actual expenditures of \$1.65 million were less than the budgeted expenditures of \$1.89 million by \$0.24 million (13%).

ENTERPRISE FUND BUDGETARY HIGHLIGHTS

Enterprise fund actual revenues of \$1.10 million were greater than budgeted revenues of \$0.58 million by \$0.52 million (90%). This favorable variance was the result of deferred impact fees recognized as revenue as a result of the Town's sale of its sewer operations to Sussex County.

Enterprise fund actual expenditures of \$0.91 million were over budgeted expenditures of \$0.87 million by \$0.04 million (5%).

TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the Town had \$9.39 million invested in capital assets, including police equipment, buildings, land, vehicles and water system improvements. This amount represents a net decrease (additions, deductions, and depreciation) of \$10.80 million from the prior year.

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

	Governmental		Business-Type		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	266,220	266,220	173,466	4,111,614	439,686	4,377,834
Buildings	1,525,340	1,694,203	4,194	5,934	1,529,534	1,700,137
Equipment	95,281	112,875	264,887	1,049,766	360,168	1,162,641
Improvements	671,790	731,052	6,177,231	12,058,628	6,849,021	12,789,680
Vehicles	214,909	158,086	-	7,236	214,909	165,322
Total Capital Assets	2,773,540	2,962,436	6,619,778	17,233,178	9,393,318	20,195,614

Note 4 of the Notes to the Basic Financial Statements gives further details of the Town's capital asset activity. Note 12 gives more information on the sale of its sewer operations.

Debt

At year-end, the Town had \$1.24 million in bonds and notes outstanding, versus \$4.02 million last year, a decrease of \$2.78 million.

Town of Bridgeville
Debt
(in millions)

	Governmental		Business-Type		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Rural Development - Water Bonds	-	-	462,219	485,566	462,219	485,566
State of Delaware	-	-	-	727,982	-	727,982
State of Delaware	-	-	-	243,066	-	243,066
State of Delaware	-	-	781,698	838,152	781,698	838,152
State of Delaware	-	-	-	676,381	-	676,381
State of Delaware	-	-	-	1,049,352	-	1,049,352
Total Debt	-	-	1,243,917	4,020,499	1,243,917	4,020,499

Note 5 of the Notes to the Basic Financial Statements gives further details of the Town's debt activity. Note 12 gives more information on the sale of its sewer operations.

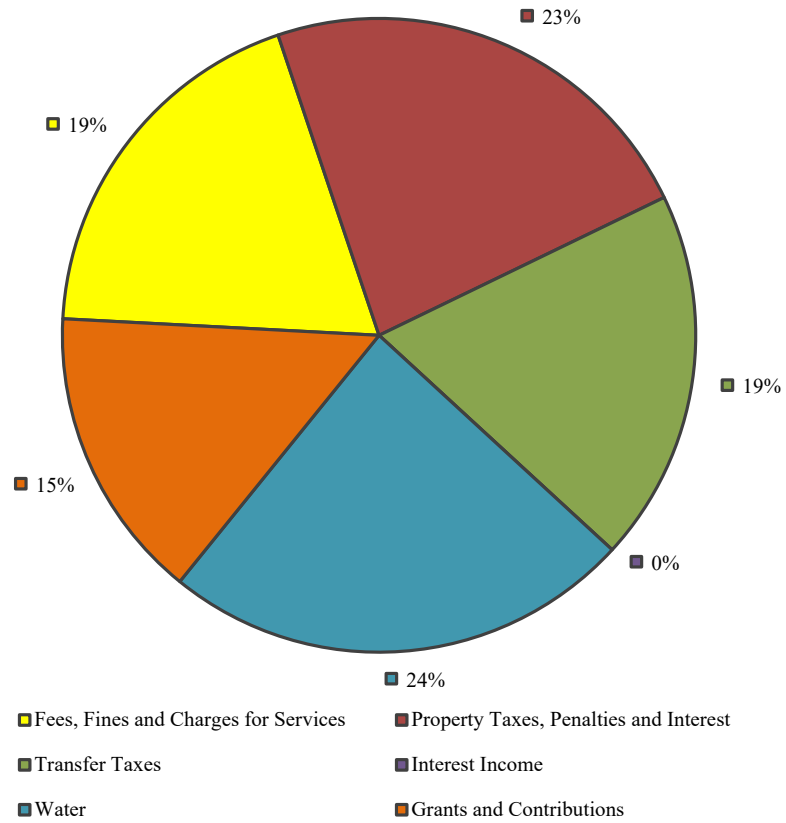
TOWN OF BRIDGEVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL CONTACT

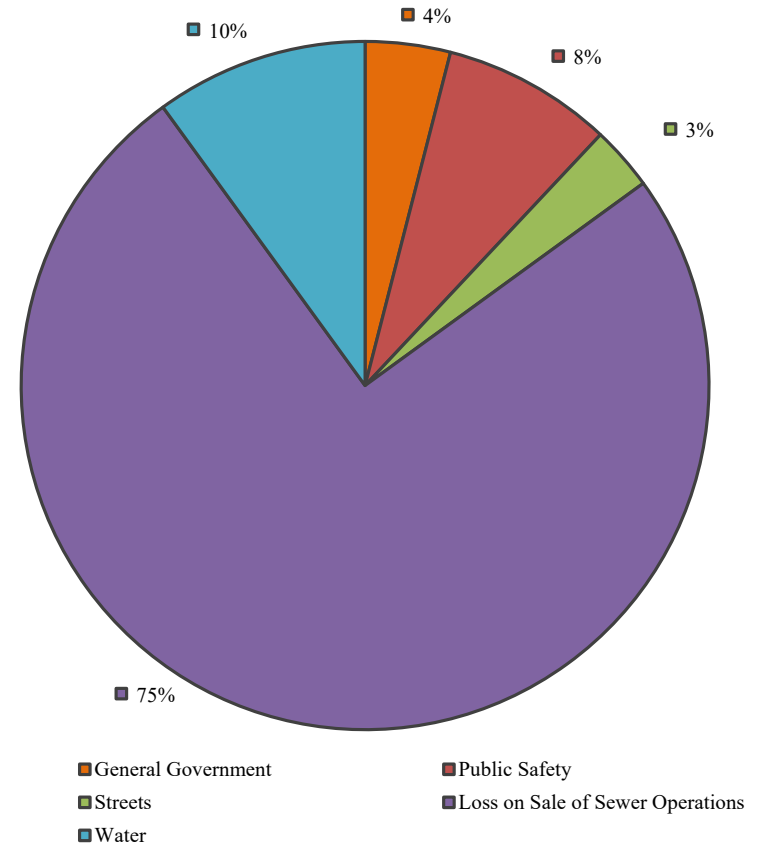
The Town's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the 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, 2022

TOTAL REVENUES



TOTAL EXPENSES



TOWN OF BRIDGEVILLE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT A

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets:			
Cash	\$ 5,549,175	\$ 1,467,806	\$ 7,016,981
Accounts Receivable	<u>130,921</u>	<u>179,826</u>	<u>310,747</u>
Total Current Assets	<u>5,680,096</u>	<u>1,647,632</u>	<u>7,327,728</u>
Capital Assets:			
Land	266,220	173,466	439,686
Buildings	1,724,549	27,798	1,752,347
Equipment	526,868	338,232	865,100
Improvements	1,113,786	9,710,878	10,824,664
Vehicles	559,981	109,123	669,104
Accumulated Depreciation	<u>(1,417,864)</u>	<u>(3,739,719)</u>	<u>(5,157,583)</u>
Total Capital Assets	<u>2,773,540</u>	<u>6,619,778</u>	<u>9,393,318</u>
Other Assets:			
Net Pension Asset	<u>576,396</u>	<u>-</u>	<u>576,396</u>
Total Assets	\$ <u>9,030,032</u>	\$ <u>8,267,410</u>	\$ <u>17,297,442</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT A

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Current Liabilities:			
Accounts Payable	\$ 313,736	\$ 31,317	\$ 345,053
Accrued Wages	34,202	4,619	38,821
Bonds Payable - Current Portion	<u>-</u>	<u>81,715</u>	<u>81,715</u>
Total Current Liabilities	<u>347,938</u>	<u>117,651</u>	<u>465,589</u>
Non-Current Liabilities:			
Accrued Vacation Leave	29,152	5,839	34,991
Accrued Sick Leave	6,144	-	6,144
Unearned Revenue	1,272,380	-	1,272,380
Bonds Payable - Net of Current Portion	<u>-</u>	<u>1,162,202</u>	<u>1,162,202</u>
Total Non-Current Liabilities	<u>1,307,676</u>	<u>1,168,041</u>	<u>2,475,717</u>
Total Liabilities	<u>1,655,614</u>	<u>1,285,692</u>	<u>2,941,306</u>
Deferred Inflow of Resources	<u>402,813</u>	<u>-</u>	<u>402,813</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	2,773,540	5,375,861	8,149,401
Restricted	326,967	-	326,967
Unrestricted	<u>3,871,098</u>	<u>1,605,857</u>	<u>5,476,955</u>
Total Net Position	<u>\$ 6,971,605</u>	<u>\$ 6,981,718</u>	<u>\$ 13,953,323</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, 2022

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	\$ 439,290	\$ 706,706	\$ 579,000	\$ -	\$ 846,416	\$ -	\$ 846,416
Public Safety	873,582	81,441	71,785	-	(720,356)	-	(720,356)
Streets	333,021	62,883	70,912	-	(199,226)	-	(199,226)
<u>Total Governmental Activities</u>	1,645,893	851,030	721,697	-	(73,166)	-	(73,166)
<u>Business-Type Activities:</u>							
Water	912,577	1,102,695	-	-	-	190,118	190,118
<u>Total Government</u>	<u>\$ 2,558,470</u>	<u>\$ 1,953,725</u>	<u>\$ 721,697</u>	<u>\$ -</u>	<u>(73,166)</u>	<u>190,118</u>	<u>116,952</u>
<u>General Revenues:</u>							
Taxes							
Property Taxes, Penalties, and Interest					1,034,902	-	1,034,902
Transfer Tax					848,778	-	848,778
Investment Income					719	548	1,267
Loss on Sale of Sewer Operations					-	(7,850,857)	(7,850,857)
Transfer In/(Out)					(355,168)	355,168	-
Total General Revenues					<u>1,529,231</u>	<u>(7,495,141)</u>	<u>(5,965,910)</u>
Change in Net Position					1,456,065	(7,305,023)	(5,848,958)
Net Position - Beginning					5,515,540	14,286,741	19,802,281
Net Position - Ending					<u>\$ 6,971,605</u>	<u>\$ 6,981,718</u>	<u>\$ 13,953,323</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022

EXHIBIT C

General
Fund

ASSETS

Cash	\$ 5,549,175
Accounts Receivable	<u>130,921</u>
Total Assets	<u>\$ 5,680,096</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities:	
Accounts Payable	\$ 313,736
Accrued Wages	34,202
Unearned Revenue	<u>1,272,380</u>
Total Liabilities	<u>1,620,318</u>
Deferred Inflow of Resources	<u>36,235</u>
Fund Balance:	
Restricted	326,967
Assigned	2,562,239
Unassigned	<u>1,134,337</u>
Total Fund Balance	<u>4,023,543</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 5,680,096</u>

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

Total Fund Balance	\$ 4,023,543
Capital assets and related accumulated depreciation used in governmental activities are not current financial resources and therefore are not reported in the governmental fund's balance sheet.	2,773,540
Governmental funds recognize revenues if they are received within sixty days of year end. The Statement of Activities reports revenues when earned. This is the amount of deferred inflows which was earned, but not received within the specified time period.	36,235
The net pension liability (asset) is not due and payable in the current period and therefore is not reported in the governmental fund's balance sheet.	576,396
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund's balance sheet	(35,296)
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>(402,813)</u>
Net Position of Governmental Activities	<u>\$ 6,971,605</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, 2022

EXHIBIT D

	General Fund
Revenues:	
Property Taxes	\$ 998,667
Transfer Tax	848,778
Charges for Services	414,421
Intergovernmental	989,931
Licenses and Permits	98,761
Interest Income	719
Police Pension Fund	50,103
Fines	10,789
Miscellaneous Revenue	<u>8,722</u>
Total Revenues	<u>3,420,891</u>
Expenditures:	
Current:	
General Government	325,821
Public Safety	896,787
Streets	283,211
Capital Outlay	<u>123,807</u>
Total Expenditures	<u>1,629,626</u>
Excess of Revenues over (under) Expenditures	1,791,265
Other Financing Sources:	
Operating Transfers	<u>(355,168)</u>
Net Change in Fund Balance	1,436,097
Fund Balance - Beginning	<u>2,587,446</u>
Fund Balance - Ending	<u>\$ 4,023,543</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, 2022

EXHIBIT E

Net Change in Fund Balance - Total Governmental Fund	\$ 1,436,097
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.	144,580
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.	123,807
Book value of assets disposed is not a use of current financial resources	(107,881)
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.	28,049
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.	(204,822)
Governmental funds recognize revenues if they are received within sixty days of year end. The Statement of Activities reports revenues when earned. This is the net change in deferred inflows which was earned, but not received within the specified time period.	<u>36,235</u>
Change in Net Position of Governmental Activities	<u>\$ 1,456,065</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, 2022

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	\$ 1,030,591	\$ 1,030,591	\$ 998,667	\$ (31,924)
Transfer Tax	-	-	848,778	848,778
Charges for Services	125,000	125,000	414,421	289,421
Intergovernmental	227,665	227,665	989,931	762,266
Licenses and Permits	115,600	115,600	98,761	(16,839)
Interest Income	2,691	2,691	719	(1,972)
Police Pension Fund	36,000	36,000	50,103	14,103
Fines	50,000	50,000	10,789	(39,211)
Miscellaneous Revenue	20,641	20,641	8,722	(11,919)
Total Revenues	<u>1,608,188</u>	<u>1,608,188</u>	<u>3,420,891</u>	<u>1,812,703</u>
Expenditures:				
Current:				
General Government	292,800	292,800	325,821	(33,021)
Public Safety	952,400	952,400	896,787	55,613
Streets	256,710	256,710	283,211	(26,501)
Capital Outlay	394,920	394,920	123,807	271,113
Total Expenditures	<u>1,896,830</u>	<u>1,896,830</u>	<u>1,629,626</u>	<u>267,204</u>
Excess (Deficiency) of Revenues over/(under) Expenditures	(288,642)	(288,642)	1,791,265	2,079,907
Other Financing Sources (Uses):				
Operating Transfers	<u>(355,168)</u>	<u>(355,168)</u>	<u>(355,168)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over/(under) Expenditures	(643,810)	(643,810)	1,436,097	2,079,907
Fund Balance - Beginning	<u>2,587,446</u>	<u>2,587,446</u>	<u>2,587,446</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,943,636</u>	<u>\$ 1,943,636</u>	<u>\$ 4,023,543</u>	<u>\$ 2,079,907</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2022

EXHIBIT G

ASSETS

Current Assets:	
Cash	\$ 1,467,806
Accounts Receivable	<u>179,826</u>
Total Current Assets	<u>1,647,632</u>
Capital Assets:	
Land	173,466
Building	27,798
Equipment	338,232
Improvements	9,710,878
Vehicles	109,123
Accumulated Depreciation	<u>(3,739,719)</u>
Total Capital Assets	<u>6,619,778</u>
Total Assets	<u><u>\$ 8,267,410</u></u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 31,317
Accrued Wages	4,619
Current Portion of Long-Term Debt	<u>81,715</u>
Total Current Liabilities	<u>117,651</u>
Non-Current Liabilities:	
Accrued Vacation Leave	5,839
Long-Term Debt - Net of Current Portion	<u>1,162,202</u>
Total Non-Current Liabilities	<u>1,168,041</u>
Total Liabilities	<u>1,285,692</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	5,375,861
Unrestricted	<u>1,605,857</u>
Total Net Position	<u>6,981,718</u>
Total Liabilities and Net Position	<u><u>\$ 8,267,410</u></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, 2022

EXHIBIT H

Operating Revenues:	
Charges for Services	\$ 597,034
Impact Fees	504,000
Miscellaneous Revenue	1,661
Interest	548
	<hr/>
Total Operating Revenues	1,103,243
	<hr/>
Operating Expenses:	
Advertising Expense	359
Health and Ancillary Insurance	19,860
Chemicals	27,873
Continuing Education	800
Debt Service Interest	34,527
Dues	966
Equipment - Purchase and Rental	98,633
Testing Fees	217
Insurance	16,997
Leases and Maintenance Agreements	46,150
Legal and Auditing	2,750
Miscellaneous	3,305
Maintenance Building Grounds and Tools	26,550
Office Supplies	525
Postage	7,050
Payroll Taxes	30,390
Pension Costs	6,532
Repairs and Replacement	179,000
Salary Expense	96,072
Salary Expense Overtime	5,042
Supplies	9,889
Uniform Expense	4,304
Utilities - Electric	31,573
Utilities - Gas	693
Utilities - Telephone	4,374
Miss Utility Locates	1,000
Vehicle Expense	8,649
Vehicle Fuel	4,439
Depreciation	244,058
	<hr/>
Total Operating Expenses	912,577
	<hr/>
Operating Income (Loss)	190,666
Other Income (Loss):	
Loss on Sale of Sewer Operations	(7,850,857)
Operating Transfers	355,168
	<hr/>
Total Other Income (Loss)	(7,495,689)
Net Income (Loss)	(7,305,023)
Net Position - Beginning	14,286,741
	<hr/>
Net Position - Ending	\$ <u>6,981,718</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, 2022

EXHIBIT I

Water Fund

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 701,934
Interest	314
Cash Payments for Interest	(34,527)
Cash Payments to Employees for Services	(128,391)
Cash Payments to Suppliers for Goods and Services	<u>(636,086)</u>
Net Cash Flows from Operating Activities	<u>(96,756)</u>
Cash Flows from Non-Capital Financing Activities:	
Operating Transfers	<u>355,168</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(179,000)
Retirement of Debt	<u>(79,097)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(258,097)</u>
Net Increase in Cash	315
Cash - Beginning	<u>1,467,491</u>
Cash - Ending	<u><u>\$ 1,467,806</u></u>
Non-Cash Financing and Investing Activities	
Bonds Payable Assumed by Sussex County	<u><u>\$ (2,697,485)</u></u>
Net Book Value of Fixed Assets Sold	<u><u>\$ 10,548,342</u></u>
Loss on Sale of Sewer Operations to Sussex County	<u><u>\$ (7,850,857)</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ 190,666
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	244,058
Change in Accounts Receivable	103,005
Change in Accounts Payable	(103,208)
Change in Deferred Inflows	(504,000)
Change in Accrued Payroll, Vacation, and Taxes	<u>(27,277)</u>
Net Cash Flows from Operating Activities	<u><u>\$ (96,756)</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 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, 2022

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 Fund

The Water Fund is used to account for the provision of water services to the residents of the Town. Activities of the fund include administration, operations and maintenance of the water 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 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, 2022

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. 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, 2022

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 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, 2022

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, 2022

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 December 23, 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	\$ 2,604,993
General Fund Savings	<u>1,751,828</u>
<u>TOTAL GENERAL FUND</u>	4,356,821
Water Savings	<u>1,467,806</u>
<u>TOTAL CASH IN BANK (Per Bank Statements)</u>	<u>\$ 5,824,627</u>

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

Amount insured by the FDIC	\$ 500,000
Uncollateralized	2,350,193
Collateralized	<u>2,974,434</u>
<u>TOTAL CASH</u>	<u>\$ 5,824,627</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 3 - RECEIVABLES:

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

Water Charges	\$ 52,819
Franchise Fees	14,129
Demolition/Code Enforcement	36,235
Transfer Tax	71,764
Town of Greenwood - Final Sewer Billing	127,344
Property Tax	<u>8,456</u>
 <u>TOTAL</u>	 <u>\$ 310,747</u>

NOTE 4 - CAPITAL ASSETS:

Capital Assets of the Governmental Activities are summarized as follows:

	Balance Beginning of Year	Additions	Adjustments	Balance End of Year
Capital Assets not being Depreciated:				
Land	\$ 266,220	\$ -	\$ -	\$ 266,220
Capital Assets being Depreciated:				
Buildings	1,868,790	-	(144,241)	1,724,549
Equipment	517,773	9,095	-	526,868
Improvements	1,113,786	-	-	1,113,786
Vehicles	<u>445,270</u>	<u>114,711</u>	<u>-</u>	<u>559,981</u>
Total Capital Assets	4,211,839	123,806	(144,241)	4,191,404
Less: Accumulated Depreciation	<u>(1,249,403)</u>	<u>(204,822)</u>	<u>36,361</u>	<u>(1,417,864)</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,962,436</u>	<u>\$ (81,016)</u>	<u>\$ (107,880)</u>	<u>\$ 2,773,540</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital Assets of the Business-Type Activities are summarized as follows:

	Balance Beginning of Year		Additions		Adjustments		Balance End of Year
Capital Assets not being Depreciated:							
Land	\$ 4,111,614	\$ -		\$ (3,938,148)		\$ 173,466	
Capital Assets being Depreciated:							
Water	<u>20,720,969</u>		<u>179,000</u>		<u>(10,713,938)</u>		<u>10,186,031</u>
Total Capital Assets	24,832,583		179,000		(14,652,086)		10,359,497
Less: Accumulated Depreciation	<u>(7,599,405)</u>		<u>(244,058)</u>		<u>4,103,744</u>		<u>(3,739,719)</u>
Business-Type Activities							
Capital Assets - Net	\$ 17,233,178	\$ (65,058)		\$ (10,548,342)		\$ 6,619,778	

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

Governmental Activities:	
General Government	\$ 5,588
Police	149,424
Streets	49,810
Water	<u>244,058</u>
Total Depreciation Expense	<u>\$ 448,880</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

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 \$ 462,219

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 781,698

TOTAL DEBT 1,243,917

Less: Current Portion (81,715)

TOTAL LONG-TERM DEBT \$ 1,162,202

Maturities of debt subsequent to year end are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ -	\$ -	\$ 81,715	\$ 31,909
2024	-	-	83,695	29,929
2025	-	-	85,739	27,885
2026	-	-	87,849	25,774
2027	-	-	90,030	23,594
2028 - 2032	-	-	485,474	82,643
2033 - 2037	-	-	329,415	69,919
<u>TOTALS</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,243,917</u>	\$ <u>291,653</u>

Below summarizes the changes in long-term liabilities:

	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30</u>	<u>Due within</u> <u>One year</u>
<u>Governmental Activities:</u>					
Unearned Revenue	\$ 638,680	\$ 633,700	\$ -	\$ 1,272,380	\$ -
Accrued Time	63,345	-	(28,049)	35,296	-
<u>Business-Type Activities:</u>					
Accrued Time	33,116	-	(27,277)	5,839	-
Bonds Payable	<u>4,020,499</u>	<u>-</u>	<u>(2,776,582)</u>	<u>1,243,917</u>	<u>81,715</u>
<u>Total Debt</u>	\$ <u>4,755,640</u>	\$ <u>633,700</u>	\$ <u>(2,831,908)</u>	\$ <u>2,557,432</u>	\$ <u>81,715</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 6 - 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.

NOTE 7 - RESTRICTED/ASSIGNED FUND BALANCE:

Assigned Fund Balance is available for the following purposes:

	<u>General</u>
Emergency Fund	\$ 207,950
Property Tax for Future Operations	345,528
Savings - Police Pension	2,995
Charity Golf Tournament	500
Transfer Tax for Capital Improvements	1,994,235
Savings - Library	<u>11,031</u>
<u>TOTALS</u>	<u>\$ 2,562,239</u>

Restricted Fund Balance consists of the following:

Department of Justice Eshare Funds	\$ <u>326,967</u>
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NOTE 8 - 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, 2022, the Town contributed \$31,272 to the plan.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

A. Plan Descriptions and Contribution Information (Continued)

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.

The Town received a grant in the amount of \$50,103 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, 2022, the Town contributed \$31,272 to the plan.

There are 5 inactive employees who are either receiving, or who are entitled to receive benefit payments, and 13 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, 2021, 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.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

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

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, 2020 through June 30, 2021, 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 16.59% of earnings for the fiscal year 2021 for the Police and Firefighter Plan.

C. Collective Net Pension Liability (Asset) and Actuarial Information

Employers' Total Pension Liability	\$ 2,045,020
Plan Net Position	<u>(2,621,416)</u>
Total Net Pension Liability (Asset)	<u>\$ (576,396)</u>

The Town's proportionate percentage of the collective net pension liability for The Police and Firefighter Plan is 0.4189%.

Actuarial Assumptions - The collective total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The actuarial valuation used the following actuarial assumptions:

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

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.

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%	32.3%
International Equity	5.7%	18.1%
Fixed Income	2.0%	20.6%
Alternative Investments	7.8%	24.2%
Cash and Equivalents	-	4.8%

Discount Rate - The discount rate 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.

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

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)	\$ (266,115)	\$ (576,396)	\$ (829,623)

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:

Years Ending June 30

2023	\$ (47,506)
2024	(116,203)
2025	(123,032)
2026	(113,446)
2027	4,943
2028	2,799
2029	(5,404)
2030	(4,964)
Total Deferred Inflows	\$ <u>(402,813)</u>

E. Pension Expense

The components of pension expense are as follows:

Service Cost	\$ 77,505
Interest on Total Pension Liability	135,707
Member Contributions	(28,498)
Administrative Expense	637
Change in Benefit Terms	-
Projected Earnings on Plan Investments	(132,184)
Recognition of Deferred Outflows and Inflows of Resources:	
Differences Between Projected and Actual Earnings on Plan Investments	(137,630)
Differences Between Expected and Actual Experiences with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	5,366
Changes in Assumption with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	(2,258)
Total Pension Expense	\$ <u>(81,355)</u>

TOWN OF BRIDGEVILLE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

EXHIBIT J

NOTE 9 - SALE OF SEWER OPERATIONS TO SUSSEX COUNTY:

On July 1, 2021, the Town sold its sewer operations to Sussex County. Ownership of its wastewater treatment plant and all of the associated improvements and equipment exclusively used in providing the Town's wastewater services were transferred at that time. Sussex County also assumed the Town's wastewater bonds payable to DNREC. A summary of this transaction is as follows:

Wastewater Bonds Payable Assumed by Sussex County	\$ (2,697,485)
Net Book Value of Fixed Assets Sold	<u>10,548,342</u>
 Loss on Sale of Sewer Operations to Sussex County	 \$ <u>(7,850,857)</u>

While a loss was recognized on the sale, the sale will also help to significantly reduce the Town's operating expenses and outstanding debt, along with mandates from the Federal and State Governments, in this and future periods.

NOTE 10 - UNEARNED REVENUE:

The Town reports unearned revenue on its government-wide and fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the Town and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Unearned Revenues consist of the following:

ARPA Funds	\$ <u>1,272,380</u>
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To date, the Town has received \$1,272,380 in grant funds from the American Rescue Plan Act of 2021 (ARPA). During 2022, the Town made no eligible expenditures of these funds. The Town has elected the standard deduction available in the Plan's final guidance. A standard deduction allows an awardee to spend up to \$10,000,000 in grant funds received on any government services.

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
JUNE 30, 2022

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>2022</u>	<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	0.4189%	0.4119%	0.4233%	0.4085%	0.3446%	0.4375%	0.5050%	0.4907%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ (576,396)	\$ 63,295	\$ 121,582	\$ 94,069	\$ 34,740	\$ 69,540	\$ (26,616)	\$ (53,082)
Town's Covered-Employee Payroll	\$ 438,866	\$ 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	-131.34%	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	128.19%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 77,986	\$ 69,576	\$ 63,238	\$ 62,415	\$ 38,738	\$ 38,987	\$ 44,143	\$ 50,843
Contributions in Relation to the Contractually Required Contribution	<u>(77,986)</u>	<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>	\$ <u>-</u>
Town's Covered-Employee Payroll	\$ <u>438,866</u>	\$ <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	17.77%	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, 2022

SCHEDULE C

	2022				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Restated Prior Year 6/30/21
	Original	Final			
GOVERNMENTAL ACTIVITIES:					
Building Permits	\$ 125,000	\$ 125,000	\$ 414,421	\$ 289,421	\$ 240,819
Newsletter Ads	840	840	900	60	325
Property Tax	1,018,591	1,018,591	982,395	(36,196)	865,941
Supplemental Taxes	10,000	10,000	12,761	2,761	16,680
Property Tax Penalties	2,000	2,000	1,505	(495)	4,648
Transfer Tax	-	-	848,778	848,778	697,735
Payments in Lieu of Taxes	-	-	2,006	2,006	44,656
Miscellaneous Income	3,500	3,500	6,800	3,300	11,345
Sussex County Council - Grant	30,000	30,000	34,000	4,000	38,000
Interest Income	2,691	2,691	719	(1,972)	1,354
Miscellaneous Fees	16,301	16,301	1,022	(15,279)	16,095
Fines	50,000	50,000	10,789	(39,211)	46,931
Federal and State Grants	157,665	157,665	940,841	783,176	156,254
Police Pension Fund	36,000	36,000	50,103	14,103	39,796
Special Duty Overtime	40,000	40,000	15,090	(24,910)	21,855
Franchise Fees	60,600	60,600	58,881	(1,719)	61,980
Plan Review Fees	3,000	3,000	3,000	-	4,000
Business License Fees	25,000	25,000	12,931	(12,069)	24,679
Rental Licenses	22,000	22,000	23,450	1,450	20,176
Vacant Building Registration Fees	5,000	5,000	499	(4,501)	800
TOTAL GOVERNMENTAL ACTIVITIES	1,608,188	1,608,188	3,420,891	1,812,703	2,314,069
BUSINESS-TYPE ACTIVITIES:					
Fats, Oils, Grease Fees	-	-	-	-	1,600
Fire Lines	13,300	13,300	13,300	-	13,300
Water and Sewer Inspection Fees	500	500	-	(500)	4,850
Sewer Fee	-	-	1,544	1,544	668,071
Sewer Fee and EDU Penalties	-	-	-	-	75,712
Sewer Fees - Industrial	-	-	3,693	3,693	135,129
Town of Greenwood	-	-	-	-	169,857
Water Fee	350,000	350,000	339,446	(10,554)	293,482
Water Service Fee	162,000	162,000	161,454	(546)	165,672
Water Meter Pit Fees	44,375	44,375	50,055	5,680	68,970
Water Fee Penalties	2,000	2,000	3,180	1,180	3,274
Tapping Fees	1,550	1,550	12,900	11,350	9,450
Connection Fees	3,500	3,500	11,148	7,648	10,968
Impact Fees	-	-	504,000	504,000	375,000
Interest Income	2,000	2,000	314	(1,686)	1,056
Miscellaneous Fees	1,500	1,500	2,209	709	718
TOTAL BUSINESS-TYPE ACTIVITIES	580,725	580,725	1,103,243	522,518	1,997,109
TOTAL REVENUE	\$ 2,188,913	\$ 2,188,913	\$ 4,524,134	\$ 2,335,221	\$ 4,311,178

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022				
	Budgeted Amounts			Favorable (Unfavorable) Variance	Prior Year 6/30/21
	Original	Final	Actual Amounts		
<u>GOVERNMENTAL FUNDS</u>					
<u>GENERAL GOVERNMENT:</u>					
Advertising Expense	\$ 2,500	\$ 2,500	\$ 3,893	\$ (1,393)	\$ 2,547
Travel	300	300	-	300	-
SCAT and DLLG	2,000	2,000	4,769	(2,769)	301
Code Update	3,000	3,000	1,195	1,805	1,195
Health and Ancillary Insurance	27,000	27,000	18,324	8,676	15,274
Capital Outlay	115,120	115,120	28,565	86,555	5,133
Service Charge	3,000	3,000	3,989	(989)	2,473
Continuing Education	3,000	3,000	405	2,595	2,562
Bad Debts	-	-	-	-	2,307
Donations and Grant in Aid	5,000	5,000	5,000	-	5,000
Dues	3,000	3,000	3,387	(387)	4,579
Economic Development	15,000	15,000	1,442	13,558	10,112
Engineering and Consulting Fees	-	-	6,317	(6,317)	5,364
Equipment - Purchase and Rental	2,000	2,000	17,486	(15,486)	162
Insurance	13,000	13,000	958	12,042	10,350
Leases and Maintenance Agreements	15,000	15,000	16,674	(1,674)	14,915
Legal and Auditing	15,000	15,000	12,418	2,582	19,550
Maintenance Building Grounds and Tools	12,000	12,000	10,727	1,273	4,624
Miscellaneous Expense	-	-	2,286	(2,286)	4,367
Office Supplies	4,000	4,000	7,491	(3,491)	7,186
Postage	1,000	1,000	2,008	(1,008)	1,057
Payroll Taxes	15,000	15,000	19,794	(4,794)	11,926
Pension Costs	12,000	12,000	18,277	(6,277)	13,550
Repairs and Replacement	-	-	8,930	(8,930)	7,094
Salary Expense	120,000	120,000	120,350	(350)	128,656
Special Recognition and Outreach	1,000	1,000	2,083	(1,083)	872
Supplies	2,000	2,000	2,102	(102)	2,168
Employment Expense	500	500	53	447	779
Utilities - Sewer	-	-	1,212	(1,212)	-
Utilities - Electric	6,000	6,000	4,340	1,660	3,423
Utilities - Gas	1,000	1,000	1,466	(466)	881
Utilities - Telephone and Internet	6,500	6,500	6,654	(154)	6,454
Vehicle Expense	1,500	1,500	2,124	(624)	1,682
Vehicle Fuel	1,500	1,500	197	1,303	951
<u>TOTAL GENERAL GOVERNMENT</u>	<u>407,920</u>	<u>407,920</u>	<u>334,916</u>	<u>73,004</u>	<u>297,495</u>
<u>PUBLIC SAFETY:</u>					
Advertising Expense	500	500	678	(178)	123
Health and Ancillary Insurance	78,600	78,600	82,701	(4,101)	71,174
Capital Outlay	10,000	10,000	114,712	(104,712)	80,777
Continuing Education	1,000	1,000	290	710	390
Donations and Grant in Aid	400	400	275	125	275
Dues	500	500	350	150	-
Engineering and Consulting Fees	1,000	1,000	-	1,000	3,962
Equipment - Purchase and Rental	8,000	8,000	3,162	4,838	1,847
Insurance	32,000	32,000	22,863	9,137	29,108
SALLE Expense	5,000	5,000	4,494	506	-
Leases and Maintenance Agreements	5,000	5,000	4,500	500	5,544
Legal and Auditing	3,000	3,000	3,190	(190)	1,980
Maintenance Building Grounds and Tools	10,000	10,000	8,497	1,503	13,660
Office Supplies	1,500	1,500	65	1,435	177
Postage	1,500	1,500	1,021	479	968
Payroll Taxes	55,900	55,900	66,125	(10,225)	42,003
Pension Costs	60,000	60,000	77,985	(17,985)	68,906
Salary Expense	490,500	490,500	472,169	18,331	447,406
Salary Expense Overtime	88,000	88,000	61,964	26,036	79,405
EIDE Expense	5,000	5,000	218	4,782	415
Supplies	20,000	20,000	3,998	16,002	6,905
Uniform Expense	5,000	5,000	1,958	3,042	7,176
Employment Expense	2,000	2,000	99	1,901	2,047
Utilities - Sewer	-	-	1,632	(1,632)	-
Utilities - Electric	9,500	9,500	8,491	1,009	7,587
Utilities - Gas	2,500	2,500	1,229	1,271	1,663
Utilities - Telephone	14,000	14,000	18,200	(4,200)	14,436
Vehicle Expense	22,000	22,000	13,019	8,981	-
Vehicle Fuel	30,000	30,000	37,614	(7,614)	1,828
<u>TOTAL PUBLIC SAFETY</u>	<u>962,400</u>	<u>962,400</u>	<u>1,011,499</u>	<u>(49,099)</u>	<u>889,762</u>

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	2022				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/21
	Original	Final			
<u>STREETS:</u>					
Advertising Expense	\$ 500	\$ 500	\$ -	\$ 500	\$ 275
Grass Cutting Expense	2,000	2,000	1,071	929	1,082
Health and Ancillary Insurance	10,400	10,400	10,599	(199)	11,185
Capital Outlay	269,800	269,800	29,218	240,582	28,470
Continuing Education	-	-	-	-	105
Engineering and Consulting Fees	1,000	1,000	-	1,000	408
Permits	50	50	-	50	-
Equipment - Purchase and Rental	2,000	2,000	1,790	210	4,339
Insurance	4,500	4,500	6,156	(1,656)	4,435
Leases and Maintenance Agreements	5,350	5,350	11,832	(6,482)	7,660
Legal and Auditing	2,000	2,000	2,750	(750)	1,980
Maintenance Building Grounds and Tools	7,000	7,000	16,176	(9,176)	6,836
Office Supplies	1,000	1,000	650	350	651
Payroll Taxes	6,500	6,500	8,055	(1,555)	6,676
Pension Costs	12,760	12,760	12,064	696	23,550
Repairs and Replacement	6,900	6,900	691	6,209	30,207
Salary Expense	65,000	65,000	61,934	3,066	71,782
Salary Expense Overtime	5,000	5,000	6,518	(1,518)	6,864
Snow Removal	7,000	7,000	2,269	4,731	1,716
Supplies	5,000	5,000	4,075	925	2,437
Tree Planting and Removal	5,000	5,000	-	5,000	1,866
Uniform Expense	1,950	1,950	2,705	(755)	2,117
Utilities - Electric	90,000	90,000	89,171	829	82,558
Utilities - Gas	800	800	590	210	625
Utilities - Telephone	2,000	2,000	1,888	112	1,801
Vehicle Expense	10,000	10,000	10,095	(95)	11,436
Vehicle Fuel	3,000	3,000	2,914	86	1,551
<u>TOTAL STREETS</u>	<u>526,510</u>	<u>526,510</u>	<u>283,211</u>	<u>243,299</u>	<u>312,612</u>
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>1,896,830</u>	<u>1,896,830</u>	<u>1,629,626</u>	<u>267,204</u>	<u>1,499,869</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
<u>WASTEWATER:</u>					
Advertising Expense	-	-	-	-	241
Health and Ancillary Insurance	-	-	-	-	12,791
Chemicals	-	-	-	-	15,450
Continuing Education	-	-	-	-	115
Debt Service - Interest	-	-	-	-	68,274
Engineering and Consulting Fees	-	-	-	-	4,430
Equipment - Purchase and Rental	-	-	-	-	18,789
Testing Fees	-	-	-	-	16,452
Sludge Disposal	-	-	-	-	32,792
Insurance	-	-	-	-	27,673
Leases and Maintenance Agreements	-	-	-	-	187,692
Legal and Auditing	-	-	-	-	1,980
Maintenance Building Grounds and Tools	-	-	-	-	3,439
Office Supplies	-	-	-	-	759
Postage	-	-	-	-	3,000
Payroll Taxes	-	-	-	-	10,267
Pension Costs	-	-	-	-	23,348
Ditch Tax - Annual	-	-	-	-	3,305
Repairs and Replacement	-	-	-	-	46,441
Salary Expense	-	-	-	-	81,741
Salary Expense Overtime	-	-	-	-	6,675
Supplies	-	-	-	-	1,825
Uniform Expense	-	-	-	-	2,110
Utilities - Electric	-	-	-	-	34,105
Utilities - Gas	-	-	-	-	2,481
Utilities - Telephone	-	-	-	-	5,548
Miss Utility Locates	-	-	-	-	395
Vehicle Expense	-	-	-	-	557
Vehicle Fuel	-	-	-	-	824
Depreciation	-	-	-	-	254,396
<u>TOTAL WASTEWATER</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>867,895</u>

TOWN OF BRIDGEVILLE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE D

	2022				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/21
	Original	Final			
<u>WATER:</u>					
Advertising Expense	\$ 500	\$ 500	\$ 359	\$ 141	\$ 239
Grass Cutting Expense	-	-	-	-	47
Health and Ancillary Insurance	24,000	24,000	19,860	4,140	14,886
Chemicals	25,000	25,000	27,873	(2,873)	22,193
Continuing Education	1,500	1,500	800	700	960
Debt Service - Interest	103,650	103,650	34,527	69,123	35,682
Dues	510	510	966	(456)	810
Engineering and Consulting Fees	2,000	2,000	-	2,000	500
Equipment - Purchase and Rental	60,000	60,000	98,633	(38,633)	67,139
Testing Fees	500	500	217	283	881
Permits	500	500	-	500	-
Insurance	18,000	18,000	16,997	1,003	17,777
Leases and Maintenance Agreements	61,000	61,000	46,150	14,850	40,524
Legal and Auditing	2,000	2,000	2,750	(750)	1,980
Miscellaneous	-	-	3,305	(3,305)	-
Maintenance Building Grounds and Tools	11,800	11,800	26,550	(14,750)	2,842
Newsletter Expense	500	500	-	500	-
Office Supplies	2,000	2,000	525	1,475	817
Postage	7,000	7,000	7,050	(50)	3,000
Payroll Taxes	15,000	15,000	30,390	(15,390)	8,198
Pension Costs	13,000	13,000	6,532	6,468	3,689
Repairs and Replacement	315,000	315,000	179,000	136,000	10,885
Salary Expense	150,000	150,000	96,072	53,928	93,753
Salary Expense Overtime	11,500	11,500	5,042	6,458	8,611
Supplies	9,000	9,000	9,889	(889)	10,796
Uniforms	3,600	3,600	4,304	(704)	3,663
Utilities - Electric	27,000	27,000	31,573	(4,573)	24,980
Utilities - Gas	1,000	1,000	693	307	625
Utilities - Telephone	2,500	2,500	4,374	(1,874)	2,314
Miss Utility Locates	500	500	1,000	(500)	395
Vehicle Expense	3,500	3,500	8,649	(5,149)	2,541
Vehicle Fuel	3,000	3,000	4,439	(1,439)	2,184
Depreciation	-	-	244,058	(244,058)	254,396
<u>TOTAL WATER</u>	<u>875,060</u>	<u>875,060</u>	<u>912,577</u>	<u>(37,517)</u>	<u>637,307</u>
<u>TOTAL BUSINESS-TYPE ACTIVITIES</u>	<u>875,060</u>	<u>875,060</u>	<u>912,577</u>	<u>(37,517)</u>	<u>1,505,202</u>
<u>TOTAL EXPENDITURES/EXPENSES</u>	<u>\$ 2,771,890</u>	<u>\$ 2,771,890</u>	<u>\$ 2,542,203</u>	<u>\$ 229,687</u>	<u>\$ 3,005,071</u>

TOWN OF BRIDGEVILLE
BUDGETARY COMPARISON SCHEDULE - WATER FUND REVENUE AND EXPENSE DETAIL
FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE E

	Budgeted Amounts	Actual Amounts	Favorable (Unfavorable) Variance
Operating Revenues:			
Charges for Services	\$ 577,225	\$ 597,034	\$ 19,809
Impact Fees	-	504,000	504,000
Miscellaneous	1,500	1,661	161
Interest	2,000	548	(1,452)
Total Operating Revenues	<u>580,725</u>	<u>1,103,243</u>	<u>522,518</u>
Operating Expenses:			
Advertising Expense	500	359	141
Health and Ancillary Insurance	24,000	19,860	4,140
Chemicals	25,000	27,873	(2,873)
Continuing Education	1,500	800	700
Debt Service Interest	103,650	34,527	69,123
Dues	510	966	(456)
Engineering and Consulting Fees	2,000	-	2,000
Equipment - Purchase and Rental	60,000	98,633	(38,633)
Testing Fees	500	217	283
Permits	500	-	500
Insurance	18,000	16,997	1,003
Leases and Maintenance Agreements	61,000	46,150	14,850
Legal and Auditing	2,000	2,750	(750)
Miscellaneous	-	3,305	(3,305)
Maintenance Building Grounds and Tools	11,800	26,550	(14,750)
Newsletter Expense	500	-	500
Office Supplies	2,000	525	1,475
Postage	7,000	7,050	(50)
Payroll Taxes	15,000	30,390	(15,390)
Pension Costs	13,000	6,532	6,468
Repairs and Replacement	315,000	179,000	136,000
Salary Expense	150,000	96,072	53,928
Salary Expense Overtime	11,500	5,042	6,458
Supplies	9,000	9,889	(889)
Uniform Expense	3,600	4,304	(704)
Utilities - Electric	27,000	31,573	(4,573)
Utilities - Gas	1,000	693	307
Utilities - Telephone	2,500	4,374	(1,874)
Miss Utility Locates	500	1,000	(500)
Vehicle Expense	3,500	8,649	(5,149)
Vehicle Fuel	3,000	4,439	(1,439)
Depreciation	-	244,058	(244,058)
Total Operating Expenses	<u>875,060</u>	<u>912,577</u>	<u>(37,517)</u>
Net Operating Income (Loss)	<u>\$ (294,335)</u>	<u>\$ 190,666</u>	<u>\$ 485,001</u>

RICHARD L. TULL, CPA
 MARK A. JOHNSON, CPA/ABV
 GARY W. TUTTLE, CPA
 ROBERT B. LANK JR., CPA/PFS



LJT SEAFORD
 (302) 629-9543
 FAX: (302) 629-3501

LJT MILFORD
 (302) 422-3308
 FAX: (302) 422-4782
 SUPPORT@DELAWARECPAS.ORG

P.O. BOX 418 • 521 N. MARKET ST. EXT. • SEAFORD, DE 19973
 P.O. BOX 253 • 268 MILFORD-HARRINGTON HWY. • MILFORD, DE 19963

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, Delaware

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, 2022, 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 December 23, 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 opinions 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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*.

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 signature is written in a cursive, flowing style.

Seaford, Delaware

December 23, 2022