

TOWN OF BRIDGEVILLE, DELAWARE
FINANCIAL STATEMENTS WITH
SUPPLEMENTAL INFORMATION
JUNE 30, 2023

TOWN OF BRIDGEVILLE, DELAWARE
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INDEPENDENT AUDITOR'S REPORT

To the Town Commissioners and Town Manager
 Town of Bridgeville, Delaware

Report on the Audit of the Financial Statements

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, Delaware as of and for the year ended June 30, 2023, 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, Delaware, as of June 30, 2023, 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, Delaware 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, Delaware'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, Delaware'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, Delaware'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 Management's Discussion and Analysis, the Town's Proportionate Share of the Net Pension Liability (Asset) (Schedule A), and the Schedule of the Town's Contributions (Schedule 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, Delaware's basic financial statements. The Schedule of Revenues - Budget and Actual - All Funds (Schedule C), Expenditures/Expenses - Budget and Actual - All Funds (Schedule D), and 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. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 8, 2023, on our consideration of the Town of Bridgeville, Delaware'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, Delaware's internal control over financial reporting and compliance.

Lank, Johnson + Tull

Seaford, Delaware
December 8, 2023

TOWN OF BRIDGEVILLE, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

This section of The Town of Bridgeville, Delaware's annual financial report presents the discussion and analysis of the Town's financial performance during the fiscal year that ended on June 30, 2023. 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, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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 increased by 14% from 2023 to 2022 (See table below). General Fund net position increased by 26%, while the business-type net position increased by 3%. The increase in the general fund is mainly attributed to significant increases in property taxes, building permits and operating grants over and above increases in expenditures. The Town's governmental cash reserves have increased substantially.

Town of Bridgeville, Delaware
Net Position

	Governmental		Business-Type		Total		Total Percentage
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Change</u>
Current Assets	7,424,903	5,680,096	1,416,243	1,647,632	8,841,146	7,327,728	21%
Capital Assets	2,852,270	2,773,540	6,505,019	6,619,778	9,357,289	9,393,318	-
Other Assets	49,141	576,396	-	-	49,141	576,396	(91%)
Total Assets	10,326,314	9,030,032	7,921,262	8,267,410	18,247,576	17,297,442	5%
Deferred Outflows of Resources	174,218	-	-	-	174,218	-	100%
Total Assets and Deferrals	10,500,532	9,030,032	7,921,262	8,267,410	18,421,794	17,297,442	7%
Current Liabilities	464,313	347,938	88,879	117,651	553,192	465,589	19%
Non-Current Liabilities	1,256,936	1,307,676	650,109	1,168,041	1,907,045	2,475,717	(23%)
Deferred Inflows of Resources	-	402,813	-	-	-	402,813	(100%)
Total Liabilities and Deferrals	1,721,249	2,058,427	738,988	1,285,692	2,460,237	3,344,119	(26%)
Net Investment in Capital Assets	2,852,270	2,773,540	5,803,029	5,375,861	8,655,299	8,149,401	6%
Restricted	286,942	326,967	-	-	286,942	326,967	(12%)
Unrestricted	5,640,071	3,871,098	1,379,245	1,605,857	7,019,316	5,476,955	28%
Total Net Position	8,779,283	6,971,605	7,182,274	6,981,718	15,961,557	13,953,323	14%

TOWN OF BRIDGEVILLE, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (CONTINUED)

The Town's total revenues (excluding transfers) increased by 12% to \$5.11 million (See table below). Revenue from business-type activities decreased by 12% to \$0.97 million. Governmental revenues increased by 20% to \$4.14 million, which is mainly attributable to increased property taxes, building permits and operating grant proceeds.

The total cost of all programs and services increased by 21% to \$3.10 million (see table below). The costs of business-type activities increased by 11%, due to increased repair and replacement expenditures. The cost of governmental-type activities increased by 27% to \$2.09 million, due to increased wage, administrative and capital outlay expenditures.

Town of Bridgeville, Delaware
Change in Net Position

	Governmental		Business-Type		Total		Total Percentage
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Change</u>
Program Revenue:							
Fees, Fines, Services	655,748	851,030	971,960	1,102,695	1,627,708	1,953,725	(17%)
Operating Grants	1,307,732	721,697	-	-	1,307,732	721,697	81%
Capital Grants	-	-	-	-	-	-	-
General Revenue							
Property Taxes	1,275,373	1,034,902	-	-	1,275,373	1,034,902	23%
Transfer Taxes	811,482	848,778	-	-	811,482	848,778	(4%)
Investment Income	90,448	719	-	548	90,448	1,267	7,039%
Total Revenue	4,140,783	3,457,126	971,960	1,103,243	5,112,743	4,560,369	12%
Program Expenses:							
General Government	551,724	439,290	-	-	551,724	439,290	26%
Public Safety	1,129,689	873,582	-	-	1,129,689	873,582	29%
Streets	408,163	333,021	-	-	408,163	333,021	23%
Water	-	-	1,014,933	912,577	1,014,933	912,577	11%
Total Expenses	2,089,576	1,645,893	1,014,933	912,577	3,104,509	2,558,470	21%
Change in Net Position	2,051,207	1,811,233	(42,973)	190,666	2,008,234	2,001,899	-
Transfers	(243,529)	(355,168)	243,529	355,168	-	-	-
Loss on Sale of Sewer	-	-	-	(7,850,857)	-	(7,850,857)	(100%)
Net Position Beginning	6,971,605	5,515,540	6,981,718	14,286,741	13,953,323	19,802,281	(30%)
Net Position Ending	8,779,283	6,971,605	7,182,274	6,981,718	15,961,557	13,953,323	14%

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund actual revenues of \$4.14 million exceeded budgeted revenues of \$2.96 million by \$1.18 million (40%). This favorable variance was primarily the result of unbudgeted building permits, transfer taxes and various other revenues received.

General fund actual expenditures of \$2.23 million were more than the budgeted expenditures of \$2.10 million by \$0.13 million (6%).

TOWN OF BRIDGEVILLE, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

ENTERPRISE FUND BUDGETARY HIGHLIGHTS

Enterprise fund actual revenues of \$0.97 million exceeded budgeted revenues of \$0.78 million by \$0.19 million (25%). This favorable variance was primarily the result of rate increases.

Enterprise fund actual expenditures of \$1.01 million were over budgeted expenditures of \$0.92 million by \$0.09 million (10%). This unfavorable variance was the result of unbudgeted depreciation expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the Town had \$9.36 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 \$0.03 million from the prior year.

Town of Bridgeville, Delaware
Capital Assets Net of Depreciation

	Governmental		Business-Type		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	266,220	266,220	173,466	173,466	439,686	439,686
Buildings	1,517,857	1,525,340	505	4,194	1,518,362	1,529,534
Equipment	155,061	95,281	371,810	264,887	526,871	360,168
Improvements	238,121	671,790	5,959,238	6,177,231	6,197,359	6,849,021
Vehicles	675,011	214,909	-	-	675,011	214,909
Total Capital Assets	2,852,270	2,773,540	6,505,019	6,619,778	9,357,289	9,393,318

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

Debt

At year-end, the Town had \$0.70 million in bonds and notes outstanding, versus \$1.24 million last year, a decrease of \$0.54 million.

Town of Bridgeville, Delaware
Debt

	Governmental		Business-Type		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Rural Development - Water Bonds	-	-	-	462,219	-	462,219
State of Delaware	-	-	701,990	781,698	701,990	781,698
Total Debt	-	-	701,990	1,243,917	701,990	1,243,917

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

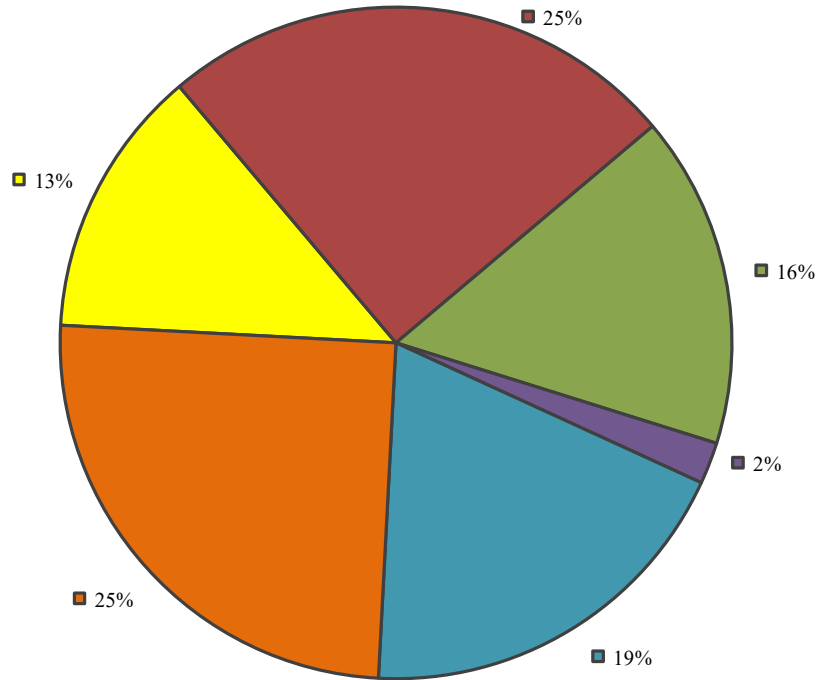
TOWN OF BRIDGEVILLE, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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.

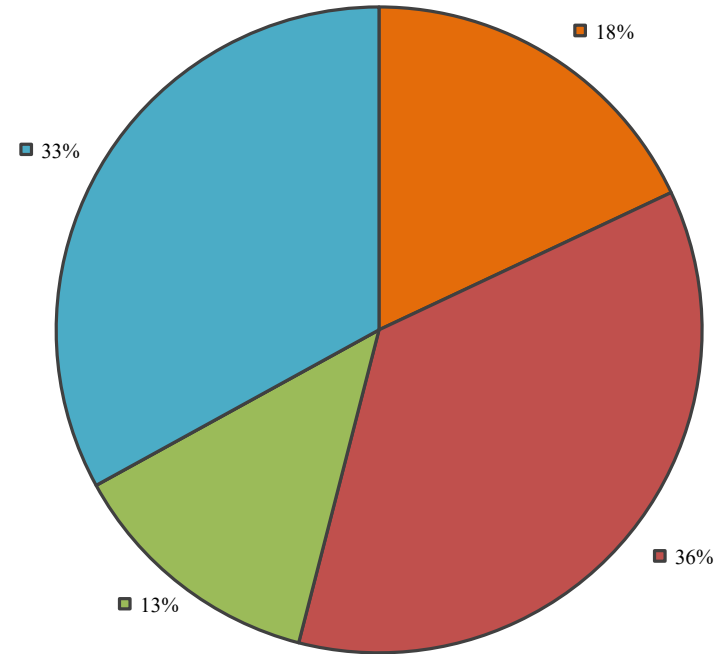
TOWN OF BRIDGEVILLE, DELAWARE
MANAGEMENT'S DISCUSSION AND ANALYSIS
TOTAL REVENUES AND EXPENSES
GOVERNMENT-WIDE
JUNE 30, 2023

TOTAL REVENUES



- Fees, Fines and Charges for Services
- Property Taxes, Penalties and Interest
- Transfer Taxes
- Interest Income
- Water
- Grants and Contributions

TOTAL EXPENSES



- General Government
- Public Safety
- Streets
- Water

TOWN OF BRIDGEVILLE, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A

<u>ASSETS AND DEFERRED OUTFLOWS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets:			
Cash	\$ 7,335,379	\$ 1,321,921	\$ 8,657,300
Accounts Receivable	<u>89,524</u>	<u>94,322</u>	<u>183,846</u>
Total Current Assets	<u>7,424,903</u>	<u>1,416,243</u>	<u>8,841,146</u>
Capital Assets:			
Land	266,220	173,466	439,686
Buildings	1,785,348	27,798	1,813,146
Equipment	609,705	473,838	1,083,543
Improvements	1,113,786	9,710,878	10,824,664
Vehicles	737,551	109,123	846,674
Accumulated Depreciation	<u>(1,660,340)</u>	<u>(3,990,084)</u>	<u>(5,650,424)</u>
Total Capital Assets	<u>2,852,270</u>	<u>6,505,019</u>	<u>9,357,289</u>
Other Assets:			
Net Pension Asset	<u>49,141</u>	<u>-</u>	<u>49,141</u>
Total Assets	10,326,314	7,921,262	18,247,576
Deferred Outflows of Resources	<u>174,218</u>	<u>-</u>	<u>174,218</u>
Total Assets and Deferred Outflows	<u>\$ 10,500,532</u>	<u>\$ 7,921,262</u>	<u>\$ 18,421,794</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A

<u>LIABILITIES AND NET POSITION</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Liabilities:			
Accounts Payable	\$ 424,219	\$ 30,513	\$ 454,732
Accrued Wages	40,094	199	40,293
Bonds Payable - Current Portion	<u>-</u>	<u>58,167</u>	<u>58,167</u>
Total Current Liabilities	<u>464,313</u>	<u>88,879</u>	<u>553,192</u>
Non-Current Liabilities:			
Accrued Vacation Leave	31,336	6,286	37,622
Accrued Sick Leave	7,045	-	7,045
Unearned Revenue	1,218,555	-	1,218,555
Bonds Payable - Net of Current Portion	<u>-</u>	<u>643,823</u>	<u>643,823</u>
Total Non-Current Liabilities	<u>1,256,936</u>	<u>650,109</u>	<u>1,907,045</u>
Total Liabilities	<u>1,721,249</u>	<u>738,988</u>	<u>2,460,237</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	2,852,270	5,803,029	8,655,299
Restricted	286,942	-	286,942
Unrestricted	<u>5,640,071</u>	<u>1,379,245</u>	<u>7,019,316</u>
Total Net Position	<u>\$ 8,779,283</u>	<u>\$ 7,182,274</u>	<u>\$ 15,961,557</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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	\$ 551,724	\$ 517,624	\$ 1,175,000	\$ -	\$ 1,140,900	\$ -	\$ 1,140,900
Public Safety	1,129,689	79,845	61,051	-	(988,793)	-	(988,793)
Streets	408,163	58,279	71,681	-	(278,203)	-	(278,203)
<u>Total Governmental Activities</u>	2,089,576	655,748	1,307,732	-	(126,096)	-	(126,096)
<u>Business-Type Activities:</u>							
Water	1,014,933	971,960	-	-	-	(42,973)	(42,973)
<u>Total Government</u>	\$ <u>3,104,509</u>	\$ <u>1,627,708</u>	\$ <u>1,307,732</u>	\$ <u>-</u>	<u>(126,096)</u>	<u>(42,973)</u>	<u>(169,069)</u>
<u>General Revenues:</u>							
Taxes							
Property Taxes, Penalties, and Interest							
					1,275,373	-	1,275,373
Transfer Tax							
					811,482	-	811,482
Investment Income							
					90,448	-	90,448
Transfer In/(Out)							
					(243,529)	243,529	-
Total General Revenues							
					1,933,774	243,529	2,177,303
Change in Net Position							
					1,807,678	200,556	2,008,234
Net Position - Beginning							
					6,971,605	6,981,718	13,953,323
Net Position - Ending							
					\$ <u>8,779,283</u>	\$ <u>7,182,274</u>	\$ <u>15,961,557</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2023

EXHIBIT C

General
FundASSETS

Cash	\$ 7,335,379
Accounts Receivable	<u>89,524</u>
Total Assets	<u>\$ 7,424,903</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities:	
Accounts Payable	\$ 424,219
Accrued Wages	40,094
Unearned Revenue	<u>1,218,555</u>
Total Liabilities	<u>1,682,868</u>
Deferred Inflow of Resources	<u>38,644</u>
Fund Balance:	
Restricted	286,942
Assigned	3,024,301
Unassigned	<u>2,392,148</u>
Total Fund Balance	<u>5,703,391</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 7,424,903</u>

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

Total Fund Balance	\$ 5,703,391
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.	2,852,270
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.	38,644
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.	49,141
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund's balance sheet	(38,381)
The deferred outflow of resources is not current financial resources and therefore is not reported in the governmental fund's balance sheet	<u>174,218</u>
Net Position of Governmental Activities	<u>\$ 8,779,283</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE EXHIBIT D
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>
Revenues:	
Property Taxes	\$ 1,285,016
Transfer Tax	811,482
Charges for Services	509,003
Intergovernmental	1,161,318
Licenses and Permits	106,840
Interest Income	90,448
Police Pension Fund	59,154
Fines	71,861
Miscellaneous Revenue	<u>55,304</u>
Total Revenues	<u>4,150,426</u>
Expenditures:	
Current:	
General Government	513,183
Public Safety	1,035,702
Streets	356,958
Capital Outlay	<u>321,206</u>
Total Expenditures	<u>2,227,049</u>
Excess of Revenues over (under) Expenditures	1,923,377
Other Financing Sources:	
Operating Transfers	<u>(243,529)</u>
Net Change in Fund Balance	1,679,848
Fund Balance - Beginning	<u>4,023,543</u>
Fund Balance - Ending	<u>\$ 5,703,391</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
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, 2023

EXHIBIT E

Net Change in Fund Balance - Total Governmental Fund	\$ 1,679,848
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.	49,766
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.	321,206
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.	8,977
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.	(242,476)
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>(9,643)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,807,678</u>

TOWN OF BRIDGEVILLE, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT F

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,132,958	\$ 1,250,308	\$ 1,285,016	\$ 34,708
Transfer Tax	-	-	811,482	811,482
Charges for Services	162,500	162,500	509,003	346,503
Intergovernmental	136,000	1,344,700	1,161,318	(183,382)
Licenses and Permits	106,250	106,250	106,840	590
Interest Income	432	432	90,448	90,016
Police Pension Fund	25,000	25,000	59,154	34,154
Fines	50,000	50,000	71,861	21,861
Miscellaneous Revenue	18,733	24,778	55,304	30,526
Total Revenues	<u>1,631,873</u>	<u>2,963,968</u>	<u>4,150,426</u>	<u>1,186,458</u>
Expenditures:				
Current:				
General Government	397,211	397,211	513,183	(115,972)
Public Safety	1,011,920	1,032,075	1,035,702	(3,627)
Streets	335,691	335,691	356,958	(21,267)
Capital Outlay	-	341,670	321,206	20,464
Total Expenditures	<u>1,744,822</u>	<u>2,106,647</u>	<u>2,227,049</u>	<u>(120,402)</u>
Excess (Deficiency) of Revenues over/(under) Expenditures	(112,949)	857,321	1,923,377	1,066,056
Other Financing Sources (Uses):				
Operating Transfers	(243,529)	(243,529)	(243,529)	-
Excess (Deficiency) of Revenues and Other Sources over/(under) Expenditures	(356,478)	613,792	1,679,848	1,066,056
Fund Balance - Beginning	<u>4,023,543</u>	<u>4,023,543</u>	<u>4,023,543</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,667,065</u>	<u>\$ 4,637,335</u>	<u>\$ 5,703,391</u>	<u>\$ 1,066,056</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2023

EXHIBIT G

ASSETS

Current Assets:		
Cash		\$ 1,321,921
Accounts Receivable		<u>94,322</u>
Total Current Assets		<u>1,416,243</u>
Capital Assets:		
Land		173,466
Building		27,798
Equipment		473,838
Improvements		9,710,878
Vehicles		109,123
Accumulated Depreciation		<u>(3,990,084)</u>
Total Capital Assets		<u>6,505,019</u>
Total Assets		<u>\$ 7,921,262</u>

LIABILITIES

Current Liabilities:		
Accounts Payable		\$ 30,513
Accrued Wages		199
Current Portion of Long-Term Debt		<u>58,167</u>
Total Current Liabilities		<u>88,879</u>
Non-Current Liabilities:		
Accrued Vacation Leave		6,286
Long-Term Debt - Net of Current Portion		<u>643,823</u>
Total Non-Current Liabilities		<u>650,109</u>
Total Liabilities		<u>738,988</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt		5,803,029
Unrestricted		<u>1,379,245</u>
Total Net Position		<u>7,182,274</u>
Total Liabilities and Net Position		<u>\$ 7,921,262</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT H

Operating Revenues:	
Charges for Services	\$ 968,495
Impact Fees	3,000
Miscellaneous Revenue	<u>465</u>
Total Operating Revenues	<u>971,960</u>
Operating Expenses:	
Health and Ancillary Insurance	20,977
Chemicals	42,169
Continuing Education	1,915
Debt Service Interest	13,620
Dues	1,404
Engineering and Consulting Fees	495
Equipment - Purchase and Rental	61,202
Testing Fees	850
Insurance	24,966
Leases and Maintenance Agreements	39,695
Legal and Auditing	2,750
Miscellaneous	4,516
Maintenance Building Grounds and Tools	16,439
Office Supplies	687
Postage	8,420
Payroll Taxes	9,169
Pension Costs	12,209
Repairs and Replacement	340,319
Salary Expense	113,717
Salary Expense Overtime	4,926
Supplies	(1,240)
Uniform Expense	4,563
Utilities - Electric	26,547
Utilities - Gas	738
Utilities - Telephone	4,506
Miss Utility Locates	1,165
Vehicle Expense	4,332
Vehicle Fuel	3,511
Depreciation	<u>250,366</u>
Total Operating Expenses	<u>1,014,933</u>
Operating Income (Loss)	(42,973)
Other Income (Loss):	
Operating Transfers	<u>243,529</u>
Total Other Income (Loss)	243,529
Net Income (Loss)	200,556
Net Position - Beginning	<u>6,981,718</u>
Net Position - Ending	<u>\$ 7,182,274</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT I

Water Fund

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,047,427
Interest	10,036
Cash Payments for Interest	(13,620)
Cash Payments to Employees for Services	(118,196)
Cash Payments to Suppliers for Goods and Services	<u>(637,528)</u>
Net Cash Flows from Operating Activities	<u>288,119</u>
Cash Flows from Non-Capital Financing Activities:	
Operating Transfers	<u>243,529</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(135,606)
Retirement of Debt	<u>(541,927)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(677,533)</u>
Net Increase (Decrease) in Cash	(145,885)
Cash - Beginning	<u>1,467,806</u>
Cash - Ending	<u>\$ 1,321,921</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ (42,973)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	250,366
Change in Accounts Receivable	85,503
Change in Accounts Payable	(5,224)
Change in Accrued Payroll, Vacation, and Taxes	<u>447</u>
Net Cash Flows from Operating Activities	<u>\$ 288,119</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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 these 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.

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:

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

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

C. Basis of Presentation (Continued)

- 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.

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.

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

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

A. Measurement Focus/Basis of Accounting (Continued)

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.

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.

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

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

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.

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.

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

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

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 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 8, 2023, 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.

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 2 - CASH:

The balance of cash is categorized as follows:

General Fund Checking	\$	53,864
Operating MMA		107,206
Charity Fund Golf		500
American Rescue Plan		1,239,639
DOJ Eshare Funds		286,942
EM Fund		385,313
VCG		22,887
Library Fund		20,887
Municipal Street Aid		5
General Reserves		752,207
Bond Bill Funds		1,752,547
Municipal Park		8,345
Grants		5,162
RTT		<u>2,699,875</u>
<u>TOTAL GENERAL FUND</u>		<u>7,335,379</u>
Water Checking – Enterprise Impact		205,202
Enterprise Reserves		<u>1,116,719</u>
<u>TOTAL ENTERPRISE FUND</u>		<u>1,321,921</u>
<u>TOTAL CASH IN BANK (Per Bank Statements)</u>	<u>\$</u>	<u>8,657,300</u>

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

Amount insured by the FDIC	\$	303,864
Uncollateralized		-
Collateralized by FHLB Letter of Credit on behalf of Community Bank		<u>8,353,436</u>
<u>TOTAL CASH</u>	<u>\$</u>	<u>8,657,300</u>

NOTE 3 - RECEIVABLES:

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

Water Charges	\$	94,322
Franchise Fees		15,074
Demolition/Code Enforcement		23,041
Transfer Tax		16,758
State Grants		30,378
Property Tax		<u>4,273</u>
<u>TOTAL</u>	<u>\$</u>	<u>183,846</u>

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 4 - CAPITAL ASSETS:

Capital Assets of the Governmental Activities are summarized as follows:

	Balance Beginning of Year	<u>Additions</u>	<u>Adjustments</u>	Balance End of Year
Capital Assets not being Depreciated:				
Land	\$ 266,220	\$ -	\$ -	\$ 266,220
Capital Assets being Depreciated:				
Buildings	1,724,549	60,799	-	1,785,348
Equipment	526,868	82,837	-	609,705
Improvements	1,113,786	-	-	1,113,786
Vehicles	559,981	177,570	-	737,551
Total Capital Assets	<u>4,191,404</u>	<u>321,206</u>	-	<u>4,512,610</u>
Less: Accumulated Depreciation	<u>(1,417,864)</u>	<u>(242,476)</u>	-	<u>(1,660,340)</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,773,540</u>	<u>\$ 78,730</u>	<u>\$ -</u>	<u>\$ 2,852,270</u>

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

	Balance Beginning of Year	<u>Additions</u>	<u>Adjustments</u>	Balance End of Year
Capital Assets not being Depreciated:				
Land	\$ 173,466	\$ -	\$ -	\$ 173,466
Capital Assets being Depreciated:				
Water	<u>10,186,031</u>	<u>135,606</u>	-	<u>10,321,637</u>
Total Capital Assets	10,359,497	135,606	-	10,495,103
Less: Accumulated Depreciation	<u>(3,739,718)</u>	<u>(250,366)</u>	-	<u>(3,990,084)</u>
Business-Type Activities Capital Assets - Net	<u>\$ 6,619,779</u>	<u>\$ (114,760)</u>	<u>\$ -</u>	<u>\$ 6,505,019</u>

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 38,541
Police	152,730
Streets	51,205
Water	<u>250,366</u>
 Total Depreciation Expense	 \$ <u>492,842</u>

NOTE 5 - DEBT:

Debt consists of the following:

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. \$ 701,990

TOTAL DEBT 701,990

Less: Current Portion 58,167

TOTAL LONG-TERM DEBT \$ 643,823

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>
2024	\$ -	\$ -	\$ 58,167	\$ 10,649
2025	-	-	59,042	9,773
2026	-	-	59,931	8,884
2027	-	-	60,834	7,982
2028	-	-	61,750	7,066
2029 - 2033	-	-	322,977	21,099
2034 - 2038	<u>-</u>	<u>-</u>	<u>79,289</u>	<u>1,529</u>
 <u>TOTALS</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 701,990</u>	 <u>\$ 66,982</u>

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 5 - DEBT (CONTINUED):

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	\$ 1,272,380	\$ -	\$ (53,825)	\$ 1,218,555	\$ -
Accrued Time	35,296	3,085	-	38,381	-
<u>Business-Type Activities:</u>					
Accrued Time	5,839	447	-	6,286	-
Bonds Payable	<u>1,243,917</u>	<u>-</u>	<u>(541,927)</u>	<u>701,990</u>	<u>58,167</u>
Total Debt	\$ <u>2,557,432</u>	\$ <u>3,532</u>	\$ <u>(595,752)</u>	\$ <u>1,965,212</u>	\$ <u>58,167</u>

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>
Property Tax for Future Operations	\$ 218,584
Transfer Tax for Capital Improvements	<u>2,805,717</u>
<u>TOTALS</u>	\$ <u>3,024,301</u>
Restricted Fund Balance consists of the following:	
Department of Justice Eshare Funds	\$ <u>286,942</u>

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

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

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, 2023, the Town contributed \$35,119 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.

The Town received a grant in the amount of \$59,154 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, 2023, the Town contributed \$77,986 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, 2022, 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.

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

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

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, 2021 through June 30, 2022, 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 16.03% of earnings for the fiscal year 2022 for the Police and Firefighter Plan.

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

Employers' Total Pension Liability (Asset)	\$ 2,516,865
Plan Net Position	<u>(2,566,006)</u>
Total Net Pension Liability (Asset)	<u>\$ (49,141)</u>

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

The Town's proportionate percentage of the collective net pension liability for The Police and Firefighter Plan is 0.4764%.

Actuarial Assumptions - The collective total pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. 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.

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%	31.8%
International Equity	5.7%	15.0%
Fixed Income	2.0%	23.6%
Alternative Investments	7.8%	21.5%
Cash and Equivalents	-	8.1%

Discount Rate - The discount rate 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

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 8 - PENSION PLAN (CONTINUED):

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)	\$ 326,970	\$ (49,141)	\$ (355,598)

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 Plan will be recognized in pension expense as follows:

Years Ending June 30

2024	\$ 55,869
2025	(13,004)
2026	(2,305)
2027	129,778
2028	6,210
Thereafter	<u>(2,330)</u>
 Total Net Deferred Outflows	 \$ <u>174,218</u>

E. Pension Expense

The components of pension expense as measured at June 30, 2022, and reported in the plan's audited financial statements are as follows:

Service Cost	\$ 92,199
Interest on Total Pension Liability	166,549
Member Contributions	(35,279)
Administrative Expense	762
Change in Benefit Terms	10,587
Projected Earnings on Plan Investments	(206,147)
Recognition of Deferred Outflows and Inflows of Resources:	
Differences Between Projected and Actual Earnings on Plan Investments	(22,094)
Differences Between Expected and Actual Experiences with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	10,152
Changes in Assumption with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	<u>(2,519)</u>
 Total Pension Expense	 \$ <u>14,210</u>

TOWN OF BRIDGEVILLE, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT J

NOTE 9 - 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>1,218,555</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 2023, the Town expended \$53,825 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, DELAWARE

SUPPLEMENTAL INFORMATION

JUNE 30, 2023

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

	<u>2023</u>	<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	0.4674%	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)	\$ (49,141)	\$ (576,396)	\$ 63,295	\$ 121,582	\$ 94,069	\$ 34,740	\$ 69,540	\$ (26,616)	\$ (53,082)
Town's Covered-Employee Payroll	\$ 492,403	\$ 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 (Asset) as a Percentage of its Covered Payroll	9.98%	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	101.95%	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, DELAWARE
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM-POLICE
(UNAUDITED)

	<u>2023</u>		<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	\$ 61,251	\$	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>(61,251)</u>		<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>	\$	<u>-</u>
Town's Covered-Employee Payroll	<u>\$ 492,403</u>	\$	<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	12.44%		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, DELAWARE
SUPPLEMENTAL INFORMATION
REVENUES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE C

	2023				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/22
	Original	Final			
<u>GOVERNMENTAL ACTIVITIES:</u>					
Building Permits	\$ 162,500	\$ 162,500	\$ 509,003	\$ 346,503	\$ 414,421
Newsletter Ads	840	840	350	(490)	900
Property Tax	1,120,958	1,238,308	1,274,284	35,976	982,395
Supplemental Taxes	10,000	10,000	5,035	(4,965)	12,761
Property Tax Penalties	2,000	2,000	3,489	1,489	1,505
Transfer Tax	-	-	811,482	811,482	848,778
Payments in Lieu of Taxes	-	-	2,208	2,208	2,006
Miscellaneous Income	4,813	4,813	7,978	3,165	6,800
Sussex County Council - Grant	4,000	4,000	30,000	26,000	34,000
Interest Income	432	432	90,448	90,016	719
Miscellaneous Fees	13,080	19,125	46,976	27,851	1,022
Fines	50,000	50,000	71,861	21,861	10,789
Intergovernmental Grants	116,000	1,324,700	1,113,446	(211,254)	940,841
Police Pension Fund	25,000	25,000	59,154	34,154	50,103
Special Duty Overtime	16,000	16,000	5,820	(10,180)	15,090
Franchise Fees	60,000	60,000	57,266	(2,734)	58,881
Plan Review Fees	3,000	3,000	3,000	-	3,000
Business License Fees	17,500	17,500	17,400	(100)	12,931
Rental Licenses	25,000	25,000	28,875	3,875	23,450
Vacant Building Registration Fees	750	750	299	(451)	499
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>1,631,873</u>	<u>2,963,968</u>	<u>4,138,374</u>	<u>1,174,406</u>	<u>3,420,891</u>
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Fire Lines	13,600	13,600	13,300	(300)	13,300
Sewer Fee	-	-	-	-	1,544
Sewer Fees - Industrial	-	-	-	-	3,693
Water Fee	350,000	430,000	511,780	81,780	339,446
Water Service Fee	162,000	297,000	311,856	14,856	161,454
Water Meter Pit Fees	24,850	24,850	80,390	55,540	50,055
Water Fee Penalties	3,600	3,600	6,259	2,659	3,180
Tapping Fees	6,500	6,500	11,800	5,300	12,900
Connection Fees	3,250	3,250	23,511	20,261	11,148
Impact Fees	-	-	3,000	3,000	504,000
Interest Income	-	-	10,036	10,036	314
Miscellaneous Fees	400	1,500	28	(1,472)	2,209
<u>TOTAL BUSINESS-TYPE ACTIVITIES</u>	<u>564,200</u>	<u>780,300</u>	<u>971,960</u>	<u>191,660</u>	<u>1,103,243</u>
<u>TOTAL REVENUE</u>	<u>\$ 2,196,073</u>	<u>\$ 3,744,268</u>	<u>\$ 5,110,334</u>	<u>\$ 1,366,066</u>	<u>\$ 4,524,134</u>

TOWN OF BRIDGEVILLE, DELAWARE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE D

	2023				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/22
	Original	Final			
<u>GOVERNMENTAL FUNDS</u>					
<u>GENERAL GOVERNMENT:</u>					
Advertising Expense	\$ 3,000	\$ 3,000	\$ 4,030	\$ (1,030)	\$ 3,893
Travel	300	300	-	300	-
SCAT and DLLG	6,000	6,000	3,750	2,250	4,769
Code Update	1,500	1,500	1,195	305	1,195
Health and Ancillary Insurance	27,000	27,000	13,313	13,687	18,324
Capital Outlay	-	48,620	39,901	8,719	28,565
Service Charge	1,015	1,015	1,380	(365)	3,989
Continuing Education	2,000	2,000	53	1,947	405
Donations and Grant in Aid	6,000	6,000	5,800	200	5,000
Dues	2,500	2,500	960	1,540	3,387
Economic Development	14,700	14,700	100	14,600	1,442
Engineering and Consulting Fees	4,029	4,029	18,162	(14,133)	6,317
Equipment - Purchase and Rental	17,911	17,911	26,338	(8,427)	17,486
Insurance	15,000	15,000	23,587	(8,587)	958
Leases and Maintenance Agreements	18,000	18,000	23,610	(5,610)	16,674
Legal and Auditing	15,000	15,000	19,938	(4,938)	12,418
Maintenance Building Grounds and Tools	13,000	13,000	8,125	4,875	10,727
Miscellaneous Expense	-	-	37,428	(37,428)	2,286
Office Supplies	6,000	6,000	8,182	(2,182)	7,491
Postage	1,500	1,500	2,446	(946)	2,008
Payroll Taxes	22,536	22,536	21,077	1,459	19,794
Pension Costs	18,175	18,175	25,048	(6,873)	18,277
Repairs and Replacement	-	-	12,052	(12,052)	8,930
Salary Expense	181,745	181,745	231,349	(49,604)	120,350
Special Recognition and Outreach	1,000	1,000	602	398	2,083
Supplies	2,500	2,500	1,712	788	2,102
Employment Expense	500	500	201	299	53
Utilities - Sewer	1,300	1,300	1,174	126	1,212
Utilities - Electric	6,000	6,000	4,300	1,700	4,340
Utilities - Gas	1,000	1,000	1,234	(234)	1,466
Utilities - Telephone and Internet	4,500	4,500	6,264	(1,764)	6,654
Vehicle Expense	2,000	2,000	817	1,183	2,124
Vehicle Fuel	1,500	1,500	267	1,233	197
<u>TOTAL GENERAL GOVERNMENT</u>	<u>397,211</u>	<u>445,831</u>	<u>544,395</u>	<u>(98,564)</u>	<u>334,916</u>
<u>PUBLIC SAFETY:</u>					
Advertising Expense	500	500	-	500	678
Health and Ancillary Insurance	78,600	78,600	91,516	(12,916)	82,701
Capital Outlay	-	42,000	37,992	4,008	114,712
Continuing Education	1,500	1,500	310	1,190	290
Donations and Grant in Aid	400	400	300	100	275
Dues	500	500	475	25	350
Engineering and Consulting Fees	500	500	4,613	(4,113)	-
Equipment - Purchase and Rental	8,000	8,000	68,365	(60,365)	3,162
Insurance	18,000	18,000	44,424	(26,424)	22,863
SALLE Expense	5,000	5,000	-	5,000	4,494
Leases and Maintenance Agreements	8,000	8,000	4,500	3,500	4,500
Legal and Auditing	3,000	3,000	3,049	(49)	3,190
Maintenance Building Grounds and Tools	10,000	10,000	38,410	(28,410)	8,497
Office Supplies	750	750	2,128	(1,378)	65
Postage	1,500	1,500	1,220	280	1,021
Payroll Taxes	71,228	71,228	46,948	24,280	66,125
Pension Costs	74,675	74,675	61,278	13,397	77,985
Salary Expense	574,422	574,422	571,796	2,626	472,169
Salary Expense Overtime	46,345	66,500	42,154	24,346	61,964
EIDE Expense	3,000	3,000	-	3,000	218
Supplies	7,500	7,500	15,712	(8,212)	3,998
Uniform Expense	5,000	5,000	810	4,190	1,958
Employment Expense	2,000	2,000	-	2,000	99
Utilities - Sewer	1,500	1,500	1,767	(267)	1,632
Utilities - Electric	9,500	9,500	6,694	2,806	8,491
Utilities - Gas	2,500	2,500	863	1,637	1,229
Utilities - Telephone	16,000	16,000	18,881	(2,881)	18,200
Vehicle Expense	22,000	22,000	16,755	5,245	13,019
Vehicle Fuel	40,000	40,000	36,609	3,391	37,614
<u>TOTAL PUBLIC SAFETY</u>	<u>1,011,920</u>	<u>1,074,075</u>	<u>1,117,569</u>	<u>(43,494)</u>	<u>1,011,499</u>

TOWN OF BRIDGEVILLE, DELAWARE
SUPPLEMENTAL INFORMATION
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE D

	2023				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/22
	Original	Final			
<u>STREETS:</u>					
Advertising Expense	\$ 500	\$ 500	\$ 218	\$ 282	\$ -
Grass Cutting Expense	2,000	2,000	1,901	99	1,071
Health and Ancillary Insurance	11,500	11,500	11,547	(47)	10,599
Capital Outlay	-	251,050	288,819	(37,769)	29,218
Engineering and Consulting Fees	1,000	1,000	-	1,000	-
Equipment - Purchase and Rental	2,000	2,000	36	1,964	1,790
Insurance	4,000	4,000	10,981	(6,981)	6,156
Leases and Maintenance Agreements	7,500	7,500	10,387	(2,887)	11,832
Legal and Auditing	2,000	2,000	2,750	(750)	2,750
Maintenance Building Grounds and Tools	8,000	8,000	12,766	(4,766)	16,176
Office Supplies	1,000	1,000	778	222	650
Payroll Taxes	13,588	13,588	6,257	7,331	8,055
Pension Costs	19,724	19,724	8,482	11,242	12,064
Repairs and Replacement	3,000	3,000	5,893	(2,893)	691
Salary Expense	109,579	109,579	70,886	38,693	61,934
Salary Expense Overtime	5,000	5,000	5,548	(548)	6,518
Snow Removal	13,000	13,000	8,602	4,398	2,269
Supplies	5,500	5,500	8,379	(2,879)	4,075
Tree Planting and Removal	5,000	5,000	1,035	3,965	-
Uniform Expense	2,000	2,000	2,067	(67)	2,705
Utilities - Electric	100,000	100,000	93,756	6,244	89,171
Utilities - Gas	800	800	738	62	590
Utilities - Telephone	1,500	1,500	2,000	(500)	1,888
Vehicle Expense	10,000	10,000	6,555	3,445	10,095
Vehicle Fuel	7,500	7,500	4,704	2,796	2,914
<u>TOTAL STREETS</u>	<u>335,691</u>	<u>586,741</u>	<u>565,085</u>	<u>21,656</u>	<u>283,211</u>
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>1,744,822</u>	<u>2,106,647</u>	<u>2,227,049</u>	<u>(120,402)</u>	<u>1,629,626</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					

TOWN OF BRIDGEVILLE, DELAWARE
 SUPPLEMENTAL INFORMATION
 EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE D

	2023				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/22
	Original	Final			
WATER:					
Advertising Expense	\$ 500	\$ 500	\$ -	\$ 500	\$ 359
Health and Ancillary Insurance	25,000	25,000	20,977	4,023	19,860
Chemicals	30,000	40,000	42,169	(2,169)	27,873
Continuing Education	1,500	1,500	1,915	(415)	800
Debt Service - Interest	103,000	103,000	13,620	89,380	34,527
Dues	1,200	1,200	1,404	(204)	966
Engineering and Consulting Fees	2,000	2,000	495	1,505	-
Equipment - Purchase and Rental	48,295	70,000	61,202	8,798	98,633
Testing Fees	1,000	1,000	850	150	217
Insurance	27,000	27,000	24,966	2,034	16,997
Leases and Maintenance Agreements	61,000	61,000	39,695	21,305	46,150
Legal and Auditing	2,750	2,750	2,750	-	2,750
Miscellaneous	3,305	3,305	4,516	(1,211)	3,305
Maintenance Building Grounds and Tools	15,075	15,075	16,439	(1,364)	26,550
Office Supplies	2,000	2,000	687	1,313	525
Postage	9,000	9,000	8,420	580	7,050
Payroll Taxes	13,940	13,940	9,169	4,771	30,390
Pension Costs	11,141	11,141	12,209	(1,068)	6,532
Repairs and Replacement	-	344,500	340,319	4,181	179,000
Salary Expense	112,418	112,418	113,717	(1,299)	96,072
Salary Expense Overtime	10,000	10,000	4,926	5,074	5,042
Supplies	5,500	15,500	(1,240)	16,740	9,889
Uniforms	4,500	4,500	4,563	(63)	4,304
Utilities - Electric	27,000	27,000	26,547	453	31,573
Utilities - Gas	800	800	738	62	693
Utilities - Telephone	5,000	5,000	4,506	494	4,374
Miss Utility Locates	750	750	1,165	(415)	1,000
Vehicle Expense	5,000	5,000	4,332	668	8,649
Vehicle Fuel	6,000	6,000	3,511	2,489	4,439
Depreciation	-	-	250,366	(250,366)	244,058
TOTAL WATER	<u>534,674</u>	<u>920,879</u>	<u>1,014,933</u>	<u>(94,054)</u>	<u>912,577</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>534,674</u>	<u>920,879</u>	<u>1,014,933</u>	<u>(94,054)</u>	<u>912,577</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,279,496</u>	<u>\$ 3,027,526</u>	<u>\$ 3,241,982</u>	<u>\$ (214,456)</u>	<u>\$ 2,542,203</u>

TOWN OF BRIDGEVILLE, DELAWARE
SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON - WATER FUND REVENUE AND EXPENSE DETAIL
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE E

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable) Variance</u>
Operating Revenues:			
Charges for Services	\$ 778,800	\$ 968,495	\$ 189,695
Impact Fees	-	3,000	3,000
Miscellaneous	1,500	465	(1,035)
Total Operating Revenues	<u>780,300</u>	<u>971,960</u>	<u>191,660</u>
Operating Expenses:			
Advertising Expense	500	-	500
Health and Ancillary Insurance	25,000	20,977	4,023
Chemicals	30,000	42,169	(12,169)
Continuing Education	1,500	1,915	(415)
Debt Service Interest	103,000	13,620	89,380
Dues	1,200	1,404	(204)
Engineering and Consulting Fees	2,000	495	1,505
Equipment - Purchase and Rental	48,295	61,202	(12,907)
Testing Fees	1,000	850	150
Insurance	27,000	24,966	2,034
Leases and Maintenance Agreements	61,000	39,695	21,305
Legal and Auditing	2,750	2,750	-
Miscellaneous	3,305	4,516	(1,211)
Maintenance Building Grounds and Tools	15,075	16,439	(1,364)
Office Supplies	2,000	687	1,313
Postage	9,000	8,420	580
Payroll Taxes	13,940	9,169	4,771
Pension Costs	11,141	12,209	(1,068)
Repairs and Replacement	-	340,319	(340,319)
Salary Expense	112,418	113,717	(1,299)
Salary Expense Overtime	10,000	4,926	5,074
Supplies	5,500	(1,240)	6,740
Uniform Expense	4,500	4,563	(63)
Utilities - Electric	27,000	26,547	453
Utilities - Gas	800	738	62
Utilities - Telephone	5,000	4,506	494
Miss Utility Locates	750	1,165	(415)
Vehicle Expense	5,000	4,332	668
Vehicle Fuel	6,000	3,511	2,489
Depreciation	-	250,366	(250,366)
Total Operating Expenses	<u>534,674</u>	<u>1,014,933</u>	<u>(480,259)</u>
Net Operating Income (Loss)	<u>\$ 245,626</u>	<u>\$ (42,973)</u>	<u>\$ (288,599)</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 Town Commissioners and Town Manager
 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, Delaware, as of June 30, 2023, and related notes to the financial statements, which collectively comprise the Town of Bridgeville, Delaware's basic financial statements, and have issued our report thereon dated December 8, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bridgeville, Delaware'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, Delaware'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.

Handwritten signature in cursive script that reads "Lank, Johnson & Tull".

Seaford, Delaware
December 8, 2023