

TOWN OF BRIDGEVILLE, DELAWARE  
FINANCIAL STATEMENTS WITH  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025

TOWN OF BRIDGEVILLE, DELAWARE  
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FOR THE YEAR ENDED JUNE 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Town Commissioners  
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, 2025, 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, 2025, and the respective changes in financial position, and where applicable, cash flows thereof, 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), the Schedule of the Town's Contributions (Schedule B), and the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Schedule C) 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 and Expenditures/Expenses - Budget and Actual - All Funds (Schedules D and E), and the Budgetary Comparison Schedule - Water Fund Revenue and Expense Analysis (Schedule F), 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 March 16, 2026, 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.

Handwritten signature in black ink that reads "Lank, Johnson + Tull". The signature is written in a cursive, flowing style.

Seaford, Delaware  
March 16, 2026

TOWN OF BRIDGEVILLE, DELAWARE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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 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.

Deferred outflows and inflows of resources represent the consumption or acquisition of resources that applies to future periods. For the Town, these amounts primarily relate to pension obligations.

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. 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 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 these statements and the government-wide statements.

TOWN OF BRIDGEVILLE, DELAWARE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025

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) encompasses its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The Town utilizes proprietary or enterprise funds to account for its water operations.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's combined net position increased by 6% from 2024 to 2025. Net position from governmental activities increased by 12%, driven by the Town's ability to fund current operations, as well as invest in capital projects, without incurring any new debt. Business-type net position decreased slightly due to transfers to the general fund, since the water fund maintains no separate checking account. Operational net position of the water fund actually increased by 113%, due to increased fee revenue and only slight expense increases.

Town of Bridgeville, Delaware  
Net Position

	Governmental		Business-Type		Total		Total Percentage
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current Assets	8,750,818	7,708,777	1,178,828	1,224,170	9,929,646	8,932,947	11%
Capital Assets	3,283,402	2,791,944	6,584,516	6,638,318	9,867,918	9,430,262	5%
Other Assets	-	-	658,178	-	658,178	-	100%
Total Assets	12,034,220	10,500,721	8,421,522	7,862,488	20,455,742	18,363,209	11%
Deferred Outflows of Resources	368,856	280,072	-	-	368,856	280,072	32%
Total Assets and Deferrals	12,403,076	10,780,793	8,421,522	7,862,488	20,824,598	18,643,281	12%
Current Liabilities	472,918	496,117	67,515	66,324	540,433	562,441	(4%)
Non-Current Liabilities	3,091,329	2,475,315	480,224	568,663	3,571,553	3,043,978	17%
Deferred Inflows of Resources	74,478	-	655,161	-	729,639	-	100%
Total Liabilities and Deferrals	3,638,725	2,971,432	1,202,900	634,987	4,841,625	3,606,419	34%
Net Investment in							
Capital Assets	3,283,402	2,791,944	6,051,139	6,016,898	9,334,541	8,808,842	6%
Restricted	277,335	272,511	-	-	277,335	272,511	2%
Unrestricted	5,203,614	4,744,906	1,167,483	1,210,603	6,371,097	5,955,509	7%
Total Net Position	8,764,351	7,809,361	7,218,622	7,227,501	15,982,973	15,036,862	6%

TOWN OF BRIDGEVILLE, DELAWARE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (CONTINUED)

The Town's total revenues increased by 27% to \$4.25 million from 2024 to 2025. Revenue from business-type activities increased by 15% to \$1.11 million due to higher water fee collections. Governmental revenues increased by 31% to \$3.14 million, driven primarily by an increase in transfer and property tax revenue compared to the prior year.

The total cost of all programs and services increased by 7%, remaining comparable to the prior year. The cost of governmental activities increased 9% to \$2.45 million, with public safety expenses increasing 13% due to higher personnel and equipment costs. Business-type activity expenses increased 1% to \$852,842, reflecting routine water system operations.

Town of Bridgeville, Delaware  
Change in Net Position

	Governmental		Business-Type		Total		Total Percentage
	2025	2024	2025	2024	2025	2024	Change
Program Revenue:							
Fees, Fines, Services	496,834	254,003	1,085,307	963,688	1,582,141	1,217,691	30%
Operating Grants	152,130	196,667	-	-	152,130	196,667	(23%)
Capital Grants	40,000	-	-	-	40,000	-	-
General Revenue							
Property Taxes	1,503,215	1,231,347	-	-	1,503,215	1,231,347	22%
Transfer Taxes	770,724	543,699	-	-	770,724	543,699	42%
Investment Income	178,149	163,552	25,692	-	203,841	163,552	25%
Total Revenue	3,141,052	2,389,268	1,110,999	963,688	4,252,051	3,352,956	27%
Program Expenses:							
General Government	707,233	624,902	-	-	707,233	624,902	13%
Public Safety	1,414,771	1,255,302	-	-	1,414,771	1,255,302	13%
Streets	331,094	379,857	-	-	331,094	379,857	(13%)
Water	-	-	852,842	842,590	852,842	842,590	1%
Total Expenses	2,453,098	2,260,061	852,842	842,590	3,305,940	3,102,651	7%
Change in Net Position	687,954	129,207	258,157	121,098	946,111	250,305	278%
Transfers	267,036	75,871	(267,036)	(75,871)	-	-	-
Net Position Beginning	7,809,361	7,604,283	7,227,501	7,182,274	15,036,862	14,786,557	2%
Net Position Ending	8,764,351	7,809,361	7,218,622	7,227,501	15,982,973	15,036,862	6%

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund actual revenues of \$3.18 million exceeded budgeted revenues of \$2.25 million by \$0.93 million (42%). This favorable variance was primarily the result of higher-than-anticipated transfer and property tax revenue.

General fund actual expenditures of \$2.94 million exceeded budgeted expenditures of \$2.68 million by \$0.26 million (10%). This unfavorable variance was due to unbudgeted capital outlay expenditures.

TOWN OF BRIDGEVILLE, DELAWARE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025

ENTERPRISE FUND BUDGETARY HIGHLIGHTS

Enterprise fund actual revenues of \$1.11 million exceeded budgeted revenues of \$0.95 million by \$0.16 million (17%). This favorable variance was due to higher water fee collections.

Enterprise fund actual expenses of \$0.85 million were under budgeted expenses of \$1.09 million by \$0.23 million (21%). This favorable variance was the result of lower-than-anticipated operating and maintenance costs associated with the Town's water system.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the Town had \$9.87 million invested in capital assets, including police equipment, buildings, land, vehicles and water system improvements. This amount represents a net increase (additions, disposals, and depreciation) of \$0.44 million from the prior year.

Town of Bridgeville, Delaware  
Capital Assets  
Net of Depreciation

	Governmental		Business-Type		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	266,220	266,220	173,466	173,466	439,686	439,686
Buildings	1,405,341	1,461,351	-	-	1,405,341	1,461,351
Equipment	156,009	172,486	837,222	730,223	993,231	902,709
Improvements	1,179,037	318,525	5,509,517	5,734,629	6,688,554	6,053,154
Vehicles	276,795	573,362	64,311	-	341,106	573,362
Total Capital Assets	3,283,402	2,791,944	6,584,516	6,638,318	9,867,918	9,430,262

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 \$0.53 million in bonds and notes outstanding, versus \$0.62 million last year, a decrease of \$0.09 million.

Town of Bridgeville, Delaware  
Debt

	Governmental		Business-Type		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
State of Delaware	-	-	533,377	621,420	533,377	621,420
Total Debt	-	-	533,377	621,420	533,377	621,420

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  
FOR THE YEAR ENDED JUNE 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

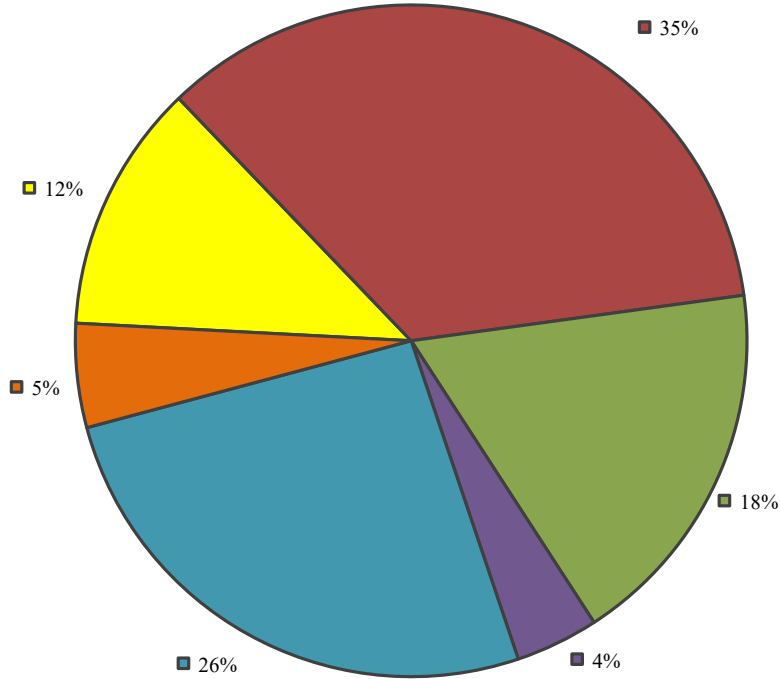
The Town continues to maintain a stable financial position. No significant changes to tax rates or service levels are anticipated for fiscal year 2026. The Town will continue to monitor economic conditions and adjust operations as necessary.

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 Manager at 101 N. Main Street, Bridgeville, Delaware 19933.

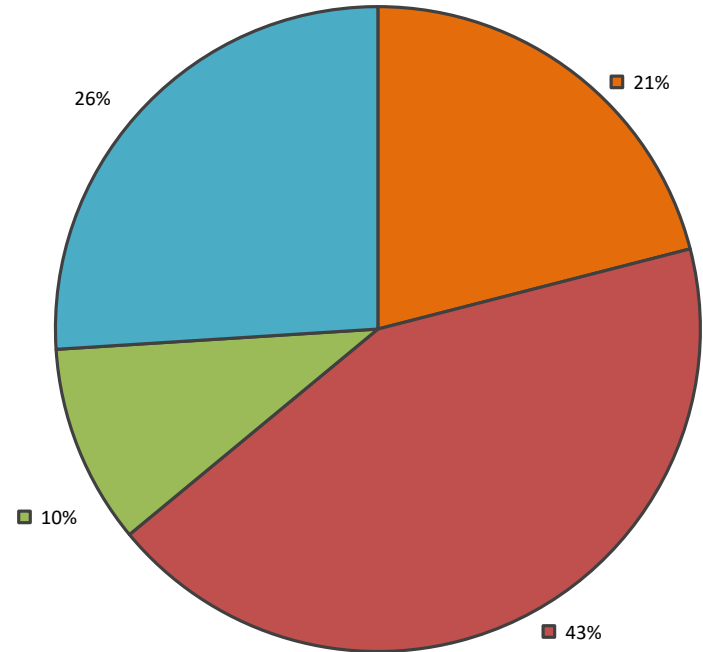
TOWN OF BRIDGEVILLE, DELAWARE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
TOTAL REVENUES AND EXPENSES  
GOVERNMENT-WIDE  
FOR THE YEAR ENDED JUNE 30, 2025

**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, 2025

EXHIBIT A

<u>ASSETS AND DEFERRED OUTFLOWS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets:			
Cash	\$ 8,681,195	\$ 1,145,531	\$ 9,826,726
Accounts Receivable	<u>69,623</u>	<u>33,297</u>	<u>102,920</u>
Total Current Assets	<u>8,750,818</u>	<u>1,178,828</u>	<u>9,929,646</u>
Capital Assets:			
Land	266,220	173,466	439,686
Buildings	1,785,348	27,798	1,813,146
Equipment	699,847	1,039,844	1,739,691
Improvements	1,800,428	9,710,878	11,511,306
Vehicles	923,158	180,580	1,103,738
Accumulated Depreciation	<u>(2,191,599)</u>	<u>(4,548,050)</u>	<u>(6,739,649)</u>
Total Capital Assets	<u>3,283,402</u>	<u>6,584,516</u>	<u>9,867,918</u>
Other Assets:			
Lease Receivable	<u>-</u>	<u>658,178</u>	<u>658,178</u>
Total Assets	12,034,220	8,421,522	20,455,742
Deferred Outflows of Resources	<u>368,856</u>	<u>-</u>	<u>368,856</u>
Total Assets and Deferred Outflows	<u>\$ 12,403,076</u>	<u>\$ 8,421,522</u>	<u>\$ 20,824,598</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2025

EXHIBIT A

<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Liabilities:			
Accounts Payable	\$ 411,186	\$ -	\$ 411,186
Accrued Wages	61,732	7,583	69,315
Bonds Payable - Current Portion	-	59,932	59,932
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	472,918	67,515	540,433
Non-Current Liabilities:			
Net Pension Liability	77,979	-	77,979
Accrued Vacation Leave	51,544	6,779	58,323
Accrued Sick Leave	2,174	-	2,174
Unearned Revenue	2,959,632	-	2,959,632
Bonds Payable - Net of Current Portion	-	473,445	473,445
	<hr/>	<hr/>	<hr/>
Total Non-Current Liabilities	3,091,329	480,224	3,571,553
Total Liabilities	3,564,247	547,739	4,111,986
Deferred Inflows of Resources	74,478	655,161	729,639
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflows	3,638,725	1,202,900	4,841,625
	<hr/>	<hr/>	<hr/>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	3,283,402	6,051,139	9,334,541
Restricted	277,335	-	277,335
Unrestricted	5,203,614	1,167,483	6,371,097
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Total Net Position	\$ 8,764,351	\$ 7,218,622	\$ 15,982,973
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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, 2025

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Governmental Activities:</u>							
General Government	\$ 707,233	\$ 283,422	\$ 45,000	\$ -	\$ (378,811)	\$ -	\$ (378,811)
Public Safety	1,414,771	149,003	31,941	40,000	(1,193,827)	-	(1,193,827)
Streets	331,094	64,409	75,189	-	(191,496)	-	(191,496)
<u>Total Governmental Activities</u>	<u>2,453,098</u>	<u>496,834</u>	<u>152,130</u>	<u>40,000</u>	<u>(1,764,134)</u>	<u>-</u>	<u>(1,764,134)</u>
<u>Business-Type Activities:</u>							
Water	852,842	1,085,307	-	-	-	232,465	232,465
<u>Total Government</u>	<u>\$ 3,305,940</u>	<u>\$ 1,582,141</u>	<u>\$ 152,130</u>	<u>\$ 40,000</u>	<u>(1,764,134)</u>	<u>232,465</u>	<u>(1,531,669)</u>
 General Revenues:							
Taxes							
Property Taxes, Penalties, and Interest					1,503,215	-	1,503,215
Transfer Tax					770,724	-	770,724
Investment Income					178,149	25,692	203,841
Transfer In/(Out)					267,036	(267,036)	-
Total General Revenues					<u>2,719,124</u>	<u>(241,344)</u>	<u>2,477,780</u>
Change in Net Position					954,990	(8,879)	946,111
Net Position - Beginning					7,809,361	7,227,501	15,036,862
Net Position - Ending					<u>\$ 8,764,351</u>	<u>\$ 7,218,622</u>	<u>\$ 15,982,973</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2025

EXHIBIT C

<u>ASSETS</u>	<u>General Fund</u>
Cash	\$ 8,681,195
Accounts Receivable	<u>69,623</u>
Total Assets	<u>\$ 8,750,818</u>
 <u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u> 	
Liabilities:	
Accounts Payable	\$ 411,186
Accrued Wages	61,732
Unearned Revenue	<u>2,959,632</u>
Total Liabilities	<u>3,432,550</u>
Deferred Inflow of Resources	<u>19,766</u>
Fund Balance:	
Restricted	277,335
Assigned	4,328,013
Unassigned	<u>693,154</u>
Total Fund Balance	<u>5,298,502</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 8,750,818</u>
 Amounts Reported For Governmental Activities in the Statement of Net Position Are Different Because:	
Total Fund Balance	\$ 5,298,502
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.	3,283,402
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.	19,766
The net pension liability is not due and payable in the current period and therefore is not reported in the governmental fund's balance sheet.	(77,979)
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund's balance sheet	(53,718)
The deferred inflows and outflows of resources associated with the Town's pension plans are not current financial resources or obligations and therefore are not reported in the governmental fund's balance sheet	<u>294,378</u>
Net Position of Governmental Activities	<u>\$ 8,764,351</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, 2025

	<u>General Fund</u>
Revenues:	
Property Taxes	\$ 1,545,210
Transfer Tax	770,724
Charges for Services	168,311
Intergovernmental	322,797
Licenses and Permits	128,344
Interest Income	178,149
Fines	59,637
Miscellaneous	<u>9,875</u>
Total Revenues	<u>3,183,047</u>
Expenditures:	
Current:	
General Government	661,956
Public Safety	1,248,038
Streets	264,195
Capital Outlay	<u>764,736</u>
Total Expenditures	<u>2,938,925</u>
Excess of Revenues over (under) Expenditures	244,122
Other Financing Sources:	
Operating Transfers	<u>267,036</u>
Net Change in Fund Balance	511,158
Fund Balance - Beginning	<u>4,787,344</u>
Fund Balance - Ending	<u>\$ 5,298,502</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, 2025

EXHIBIT E

Net Change in Fund Balance - Total Governmental Fund	\$ 511,158
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.	3,938
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.	764,736
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.	(9,569)
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.	(273,278)
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>(41,995)</u>
Change in Net Position of Governmental Activities	<u>\$ 954,990</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE  
STATEMENT OF NET POSITION - ENTERPRISE FUND  
JUNE 30, 2025

EXHIBIT F

ASSETS

Current Assets:	
Cash	\$ 1,145,531
Accounts Receivable	<u>33,297</u>
Total Current Assets	<u>1,178,828</u>
Capital Assets:	
Land	173,466
Building	27,798
Equipment	1,039,844
Improvements	9,710,878
Vehicles	180,580
Accumulated Depreciation	<u>(4,548,050)</u>
Total Capital Assets	<u>6,584,516</u>
Other Assets:	
Lease Receivable	<u>658,178</u>
Total Assets	<u>\$ 8,421,522</u>

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current Liabilities:	
Accrued Wages	\$ 7,583
Current Portion of Long-Term Debt	<u>59,932</u>
Total Current Liabilities	<u>67,515</u>
Non-Current Liabilities:	
Accrued Vacation Leave	6,779
Long-Term Debt - Net of Current Portion	<u>473,445</u>
Total Non-Current Liabilities	<u>480,224</u>
Total Liabilities	547,739
Deferred Inflows of Resources	<u>655,161</u>
Total Liabilities and Deferred Inflows	<u>1,202,900</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	6,051,139
Unrestricted	<u>1,167,483</u>
Total Net Position	<u>7,218,622</u>
Total Liabilities and Net Position	<u>\$ 8,421,522</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE EXHIBIT G  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2025

Operating Revenues:	
Charges for Services	\$ 1,075,547
Impact Fees	2,500
Miscellaneous	7,260
	<hr/>
Total Operating Revenues	1,085,307
	<hr/>
Operating Expenses:	
Advertising	32
Chemicals	55,254
Continuing Education	770
Depreciation	299,459
Dues	962
Engineering and Consulting Fees	19,875
Equipment - Purchase and Rental	25,381
Health and Ancillary Insurance	37,481
Insurance	35,408
Maintenance	56,385
Legal and Auditing	4,597
Maintenance Building Grounds and Tools	17,279
Miscellaneous	3,792
Miss Utility Locates	883
Office Supplies	2,757
Payroll Taxes	11,544
Pension Costs	14,535
Postage	10,116
Repairs and Replacement	38,310
Salary Expense	139,859
Salary Expense Overtime	9,588
Supplies	7,471
Testing Fees	800
Uniform Expense	1,277
Utilities - Electric	37,223
Utilities - Gas	642
Utilities - Telephone and Internet	5,593
Vehicle Expense	2,656
Vehicle Fuel	3,140
	<hr/>
Total Operating Expenses	843,069
	<hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE EXHIBIT G  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2025

Operating Income (Loss)	\$	<u>242,238</u>
Nonoperating Revenues (Expenses):		
Interest Income		25,692
Interest Expense		<u>(9,773)</u>
Total Nonoperating Revenues (Expenses)		<u>15,919</u>
Change in Net Position		258,157
Net Position - Beginning		7,227,501
Transfers		<u>(267,036)</u>
Net Position - Ending	\$	<u><u>7,218,622</u></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, 2025

EXHIBIT H

Water Fund

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,177,395
Cash Payments to Employees for Services	(148,652)
Cash Payments to Suppliers for Goods and Services	<u>(403,936)</u>
Net Cash Flows from Operating Activities	<u>624,807</u>
Cash Flows from Non-Capital Financing Activities:	
Operating Transfers	<u>(267,036)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(245,657)
Retirement of Debt	<u>(88,042)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(333,699)</u>
Net Increase (Decrease) in Cash	24,072
Cash - Beginning	<u>1,121,459</u>
Cash - Ending	<u><u>\$ 1,145,531</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ 242,238
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	299,459
Interest Income	25,692
Interest Expense	(9,773)
Net Change in Lease Receivable and Deferred Inflows	(3,017)
Change in Accounts Receivable	69,413
Change in Accrued Wages	302
Change in Accrued Payroll, Vacation, and Taxes	<u>493</u>
Net Cash Flows from Operating Activities	<u><u>\$ 624,807</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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 2,914 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) and the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments*.

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.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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

C. Basis of Presentation (Continued)

A fund is considered major if it is the primary operating fund of the Town or if it 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.

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are financed primarily by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control.

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 other funds 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-related 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 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 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.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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

D. Measurement Focus/Basis of Accounting (Continued)

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 property taxes, licenses, charges for services, and intergovernmental revenues. All other Governmental Fund revenues are recognized when received.

E. Budgetary Control

The Department Heads submit annual budgets to the Town Manager, who then prepares and presents a proposed budget to the Commissioners in accordance with the Town Charter. In June, the Commissioners adopt the annual fiscal year appropriated budget for the Town's operating funds. These funds include General, Police, Streets, and Water. Once approved, the budget may be amended when unexpected circumstances are encountered.

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 and approval 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 is pledged, and deposits in banks located in the State of Delaware.

The Town considers all cash or investments with an initial maturity of three months or less to be recognized as cash and cash equivalents.

G. Accounts Receivable

Accounts receivable are stated net of an allowance for doubtful accounts. Management evaluates the collectability of receivables based on historical experience and current conditions. An allowance has been established for accounts in collections or legal proceedings. Amounts determined to be uncollectible are charged to operations when 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%.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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

I. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the funds. The Water Fund does not maintain a separate bank account; accordingly, all transactions are processed through the General Fund's cash accounts, resulting in the interfund transfers reported between these funds.

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 Infrastructure	10 - 50 Years

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, management reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. 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 legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Deferred outflows of resources represent a consumption of net assets applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets applicable to a future reporting period. The Town reports deferred outflows and deferred inflows related to pensions in its governmental activities in accordance with GASB Statement No. 68.

The Town also reports deferred inflows related to a lease receivable in its business-type activities in accordance with GASB Statement No. 87. The deferred inflow is recognized as lease revenue on a straight-line basis over the term of the lease agreement.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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

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. Significant estimates include the depreciable lives of fixed assets, the measurement and valuation of the Town's leasing and pension plan activities and their corresponding deferred inflows and outflows, and accrued compensation. 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 when 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 hourly employee is allowed to carry a maximum of ten days (with ten 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.
- *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 Commissioners. These amounts cannot be used for any other purpose unless the Town Commissioners remove or change 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.
- *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 Commissioners or through the Town Commissioners 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.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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

N. Fund Balance Classification (Continued)

- *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 March 16, 2026, the date the report was available for issuance.

NOTE 2 - CASH:

At June 30, 2025, the Town maintained cash balances in various checking and savings accounts primarily at Community Bank of Delaware. The carrying amount of the Town's deposits is categorized by fund and account as follows:

Operating	\$ 245,395
Operating MMA	2,817
Charity Golf	500
American Rescue Plan Act	1,266,125
DOJ Eshare	277,335
EM Fund	235,911
VCG	25,927
Library Fund	8,890
Municipal Street Aid	12
General Reserves	608,287
Bond Bill	1,906,285
Municipal Park	8,639
SALLE	9,075
Grants	5,182
Realty Transfer Tax	<u>4,080,815</u>
 <u>TOTAL GENERAL FUND</u>	 <u>8,681,195</u>
 Enterprise Impact	 208,938
Enterprise Reserves	<u>936,593</u>
 <u>TOTAL ENTERPRISE FUND</u>	 <u>1,145,531</u>
 <u>TOTAL CASH</u>	 \$ <u><u>9,826,726</u></u>

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 2 - CASH (CONTINUED):

The Town's deposits are maintained at Community Bank of Delaware and are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized. At June 30, 2025, deposits in excess of FDIC insurance limits were collateralized by a \$9,600,000 irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh on behalf of Community Bank of Delaware:

Amount insured by the FDIC	\$	250,000
Collateralized by FHLB Letter of Credit		<u>9,576,726</u>
 <u>TOTAL CASH</u>	 \$	 <u>9,826,726</u>

NOTE 3 - ACCOUNTS RECEIVABLE:

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

Water Charges	\$	33,297
Demolition/Code Enforcement		2,018
Transfer Tax		55,987
Miscellaneous		480
Property Tax		<u>11,138</u>
 <u>TOTAL</u>	 \$	 <u>102,920</u>

Receivables above are stated net of an allowance for doubtful accounts of \$33,539 for amounts in collections.

NOTE 4 - CAPITAL ASSETS:

Capital Assets of the Governmental Activities are summarized as follows:

	Balance Beginning of Year	<u>Additions</u>	<u>Disposals</u>	Balance End of Year
Capital Assets not being Depreciated:				
Land	\$ 266,220	\$ -	\$ -	\$ 266,220
Capital Assets being Depreciated:				
Buildings	1,785,348	-	-	1,785,348
Equipment	669,417	30,430	-	699,847
Improvements	1,113,786	686,642	-	1,800,428
Vehicles	875,494	47,664	-	923,158
Total Capital Assets	<u>4,710,265</u>	<u>764,736</u>	<u>-</u>	<u>5,475,001</u>
Less: Accumulated Depreciation	<u>(1,918,321)</u>	<u>(273,278)</u>	<u>-</u>	<u>(2,191,599)</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,791,944</u>	<u>\$ 491,458</u>	<u>\$ -</u>	<u>\$ 3,283,402</u>

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 4 - CAPITAL ASSETS (CONTINUED):

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

	Balance Beginning of Year	Additions	Disposals	Balance End of Year
Capital Assets not being Depreciated:				
Land	\$ 173,466	\$ -	\$ -	\$ 173,466
Capital Assets being Depreciated:				
Water Infrastructure	<u>10,713,443</u>	<u>245,657</u>	<u>-</u>	<u>10,959,100</u>
Total Capital Assets	10,886,909	245,657	-	11,132,566
Less: Accumulated Depreciation	<u>(4,248,591)</u>	<u>(299,459)</u>	<u>-</u>	<u>(4,548,050)</u>
Business-Type Activities Capital Assets - Net	\$ <u>6,638,318</u>	\$ <u>(53,802)</u>	\$ <u>-</u>	\$ <u>6,584,516</u>

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

Governmental Activities:	
General Government	\$ 45,277
Police	161,102
Streets	66,899
	<u>273,278</u>
Water Infrastructure	<u>299,459</u>
Total Depreciation Expense	\$ <u>572,737</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.	\$ 533,377
Less: Current Portion	<u>(59,932)</u>
<u>TOTAL LONG-TERM DEBT</u>	\$ <u>473,445</u>

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 5 - DEBT (CONTINUED):

Estimated 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>
2026	\$ -	\$ -	\$ 59,932	\$ 8,884
2027	-	-	60,834	7,982
2028	-	-	61,750	7,066
2029	-	-	62,679	6,136
2030	-	-	63,623	5,192
2031 - 2035	-	-	224,559	119,516
	<u>-</u>	<u>-</u>	<u>224,559</u>	<u>119,516</u>
<b>TOTALS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 533,377</b>	<b>\$ 154,776</b>

Below summarizes the changes in the Town's long-term liabilities during the year:

	Balance <u>July 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30</u>	Due within <u>One year</u>
<u>Governmental Activities:</u>					
Unearned Revenue	\$ 2,363,555	\$ 596,077	\$ -	\$ 2,959,632	\$ -
Accrued Time	44,149	9,569	-	53,718	-
Net Pension Liability	67,611	10,368	-	77,979	-
<u>Business-Type Activities:</u>					
Accrued Time	6,286	493	-	6,779	-
Bonds Payable	621,420	-	(88,043)	533,377	59,932
	<u>621,420</u>	<u>-</u>	<u>(88,043)</u>	<u>533,377</u>	<u>59,932</u>
<b>Total Debt</b>	<b>\$ 3,103,021</b>	<b>\$ 616,507</b>	<b>\$ (88,043)</b>	<b>\$ 3,631,485</b>	<b>\$ 59,932</b>

NOTE 6 - LEASE RECEIVABLE:

The Town, as lessor, entered into a lease agreement with Cellco Partnership d/b/a Verizon Wireless for the use of the Town's water tank and surrounding land located at 101 North Main Street, Bridgeville, Delaware. The agreement was fully executed on January 21, 2025, and the lease commenced on May 1, 2025, upon installation of the lessee's communications equipment. The lease has an initial term of 5 years with 4 automatic 5-year renewal periods for a total lease term of 25 years, expiring April 30, 2050. Base annual rent for the first year is \$33,000, payable in equal monthly installments of \$2,750, with 2% annual escalations on each anniversary of the commencement date.

The Town recognized a lease receivable and corresponding deferred inflow of resources of \$659,558 at commencement, measured at the present value of expected lease payments using a discount rate of 3.75%. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index, as the Town's only outstanding debt carries a subsidized rate not reflective of its actual incremental borrowing cost.

As of June 30, 2025, the lease receivable balance was \$658,178 and the deferred inflow of resources balance was \$655,161. During the year ended June 30, 2025, the Town recognized lease revenue of \$4,397 and interest revenue of \$4,120 related to this arrangement.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 6 - LEASE RECEIVABLE (CONTINUED):

As of June 30, 2025, the present value of future lease receipts is as follows:

2026	\$ 8,573
2027	9,574
2028	10,626
2029	11,732
2030	12,895
2031	14,116
2032	15,398
2033	16,745
2034	18,157
2035	19,639
Thereafter	<u>520,723</u>
<u>Total</u>	<u>\$ 658,178</u>

As of June 30, 2025, the deferred inflows of resources related to the lease receivable were \$655,161.

NOTE 7 - RISK AND INSURANCE COVERAGE:

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

NOTE 8 - RESTRICTED/ASSIGNED FUND BALANCE:

Assigned Fund Balance is available for the following purposes:

	<u>General</u>
Property Tax for Future Operations	\$ 224,632
Transfer Tax for Capital Improvements	<u>4,103,381</u>
<u>TOTALS</u>	<u>\$ 4,328,013</u>

Restricted Fund Balance consists of the following:

Department of Justice Eshare Funds	<u>\$ 277,335</u>
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NOTE 9 - PENSION PLAN:

A. Plan Descriptions

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.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 9 - PENSION PLAN (CONTINUED):

A. Plan Descriptions (Continued)

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 reached 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 18.5% 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.

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

The 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 Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. Daily operations are the responsibility of the State of Delaware Office of Pensions.

Although assets of the Plan are commingled with other plans for investment purposes, each Plan's assets may be used only for the payment of benefits to members of that Plan in accordance with its terms.

Separately issued financial statements from DPERS are available at: <http://www.delawarepensions.com/>

B. Contributions

During the year ended June 30, 2025, the Town contributed \$36,412 to the Town of Bridgeville, Inc. Money Purchase Pension Plan.

For the Police and Firefighter Plan, contribution rates are established by the Board of Pension Trustees. Employers contribute 12.74% of covered payroll based on the plan's measurement period. Employees contribute 7% of compensation. For the year ended June 30, 2025, the Town contributed \$95,370 to the Police and Firefighter Plan.

C. Plan Description

The following is a brief description of the Plan in effect as of June 30, 2025. For a more complete description, please refer to the DPERS Annual Comprehensive Financial Report.

Eligibility

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

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 9 - PENSION PLAN (CONTINUED):

C. Plan Description (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

The Plan requires five years of credited service for vesting. Once vested, members are entitled to a future retirement benefit upon reaching retirement eligibility, even if they leave covered employment before retirement age.

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

Burial Benefit

\$7,000 per active member.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 9 - PENSION PLAN (CONTINUED):

D. 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, 2023 through June 30, 2024, 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 12.74% of earnings for the fiscal year 2024 for the Police and Firefighter Plan.

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

The components of the collective net pension liability (asset) of the Town for the Police and Firefighter Plan were:

Employers' Total Pension Liability (Asset)	\$ 3,215,111
Plan Net Position	<u>(3,137,132)</u>
 Total Net Pension Liability (Asset)	 <u>\$ 77,979</u>

The Town's proportionate percentage of the collective net pension liability for the Police and Firefighter Plan was 0.4875%.

F. Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. 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)	2.5%

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 Pub-2010 mortality tables with gender adjustments for employees, healthy annuitants, and disabled retirees, as well as an adjusted version of the MP-2020 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost of living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 9 - PENSION PLAN (CONTINUED):

F. Actuarial Assumptions (Continued)

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 Plans' 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%	33.6%
International Equity	5.7%	13.9%
Fixed Income	2.0%	25.3%
Alternative Investments	7.8%	21.7%
Cash and Equivalents	-	5.5%

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability, calculated using the discount rate of 7.0% as well as what the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability (Asset)	\$ 375,965	\$ 77,979	\$ (195,761)

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

Amounts reported as deferred outflows/inflows of resources related to the Plan are expected to be recognized in the Town's pension expense as follows:

2026	\$ 100,910
2027	143,305
2028	14,416
2029	(5,315)
2030	13,241
Thereafter	<u>27,821</u>
<u>Total</u>	<u>\$ 294,378</u>

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

NOTE 9 - PENSION PLAN (CONTINUED):

G. Deferred Outflows of Resources, Deferred Inflows of Resources and Net Pension Liability (Continued)

The following table presents the components of deferred outflows of resources and deferred inflows of resources related to the Police and Firefighter Plan as of June 30, 2025. Contributions made subsequent to the measurement date of June 30, 2024 will be recognized as a reduction of the net pension liability (asset) in the following fiscal year:

	<u>Police and Firefighter Plan</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 178,014	\$ (11,661)
Changes of assumptions	9,221	(27,137)
Net difference between projected and actual earnings on pension plan investments	75,701	-
Changes in proportion	<u>10,550</u>	<u>(35,680)</u>
	273,486	(74,478)
Contributions subsequent to measurement date	<u>95,370</u>	<u>-</u>
<u>Total</u>	<u>\$ 368,856</u>	<u>\$ (74,478)</u>

H. Pension Expense

The components of pension expense as measured at June 30, 2024, and reported in the plan's audited financial statements are as follows:

Service Cost	\$ 116,464
Interest on Total Pension Liability	213,574
Member Contributions	(42,939)
Administrative Expense	1,068
Change in Benefit Terms	-
Projected Earnings on Plan Investments	(198,695)
Recognition of Deferred Outflows and Inflows of Resources:	
Differences Between Projected and Actual Earnings on Plan Investments	(28,046)
Differences Between Expected and Actual Experiences with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	29,133
Changes in Assumption with Regards to Factors or Other Inputs in the Measurement of Total Pension Liability	<u>(2,628)</u>
Total Pension Expense	<u>\$ 87,931</u>

TOWN OF BRIDGEVILLE, DELAWARE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT I

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:

American Rescue Plan Act	\$	1,188,555
State of Delaware Bond Bill		<u>1,771,077</u>
<u>TOTAL</u>	\$	<u><u>2,959,632</u></u>

During 2023, the Town received \$1,175,000 in bond bill funds from the State of Delaware for the purpose of constructing a town park between Town Hall and the police department. During 2025, the Town received an additional \$596,077 in bond bill funds for sidewalk improvements. Both projects are still in the planning stages.

To date, the Town has received \$1,272,380 in grant funds from the American Rescue Plan Act of 2021 (ARPA). The Town has expended \$83,825 of these funds through June 30, 2025, leaving a balance of \$1,188,555 in unearned revenue. The Town intends to use the remaining funds on water line replacements, with improvements expected to be completed by December 31, 2026.

TOWN OF BRIDGEVILLE, DELAWARE

SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Town's Proportion of the Net Pension Liability	0.4875%	0.4703%	0.4674%	0.4189%	0.4119%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 77,979	\$ 67,611	\$ (49,141)	\$ (576,396)	\$ 63,295
Town's Covered-Employee Payroll	\$ 575,202	\$ 516,077	\$ 492,403	\$ 438,866	\$ 360,219
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	13.56%	13.10%	-9.98%	-131.34%	17.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.57%	97.58%	101.95%	128.19%	96.67%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's Proportion of the Net Pension Liability	0.4233%	0.4085%	0.3446%	0.4375%	0.5050%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 121,582	\$ 94,069	\$ 34,740	\$ 69,540	\$ (26,616)
Town's Covered-Employee Payroll	\$ 354,890	\$ 374,189	\$ 352,057	\$ 339,617	\$ 341,231
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	34.26%	25.14%	9.87%	20.48%	-7.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.25%	94.10%	97.00%	95.00%	102.00%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 95,370	\$ 74,598	\$ 61,251	\$ 77,986	\$ 69,576
Contributions in Relation to the Contractually Required Contribution	<u>(95,370)</u>	<u>(74,598)</u>	<u>(61,251)</u>	<u>(77,986)</u>	<u>(69,576)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	<u>\$ 575,202</u>	<u>\$ 516,077</u>	<u>\$ 492,403</u>	<u>\$ 438,866</u>	<u>\$ 360,219</u>
Contributions as a Percentage of Covered-Employee Payroll	16.58%	14.45%	12.44%	17.77%	19.31%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 63,238	\$ 62,415	\$ 38,738	\$ 38,987	\$ 44,143
Contributions in Relation to the Contractually Required Contribution	<u>(63,238)</u>	<u>(62,415)</u>	<u>(38,738)</u>	<u>(38,987)</u>	<u>(44,143)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered-Employee Payroll	<u>\$ 354,890</u>	<u>\$ 374,189</u>	<u>\$ 352,057</u>	<u>\$ 339,617</u>	<u>\$ 341,231</u>
Contributions as a Percentage of Covered-Employee Payroll	17.82%	16.68%	11.00%	11.48%	12.94%

TOWN OF BRIDGEVILLE, DELAWARE SCHEDULE C  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND (RSI)  
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Taxes	\$ 1,500,415	\$ 1,545,210	\$ 44,795
Transfer Tax	-	770,724	770,724
Charges for Services	122,500	168,311	45,811
Intergovernmental	296,995	322,797	25,802
Licenses and Permits	108,500	128,344	19,844
Interest Income	163,471	178,149	14,678
Fines	45,000	59,637	14,637
Miscellaneous	12,583	9,875	(2,708)
	2,249,464	3,183,047	933,583
Expenditures:			
General Government	693,149	661,956	31,193
Public Safety	1,548,982	1,248,038	300,944
Streets	427,709	264,195	163,514
Capital Outlay	13,500	764,736	(751,236)
	2,683,340	2,938,925	(255,585)
Excess (Deficiency) of Revenues over/(under) Expenditures	(433,876)	244,122	677,998
Other Financing Sources (Uses):			
Use of Prior Year Fund Balance	166,840	-	(166,840)
Operating Transfers	267,036	267,036	-
	433,876	267,036	(166,840)
Excess (Deficiency) of Revenues and Other Sources over/(under) Expenditures	-	511,158	511,158
Fund Balance - Beginning	4,787,344	4,787,344	-
Fund Balance - Ending	\$ 4,787,344	\$ 5,298,502	\$ 511,158

TOWN OF BRIDGEVILLE, DELAWARE  
REQUIRED SUPPLEMENTAL INFORMATION  
REVENUES - BUDGET AND ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE D

	2025			
	Budget	Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/24
<u>GOVERNMENTAL ACTIVITIES:</u>				
Building Permits	\$ 122,500	\$ 168,311	\$ 45,811	\$ 149,966
Newsletter Ads	500	350	(150)	350
Property Tax	1,488,415	1,532,620	44,205	1,201,851
Supplemental Taxes	8,000	7,152	(848)	8,097
Property Tax Penalties	3,000	3,740	740	4,764
Transfer Tax	-	770,724	770,724	543,699
Payments in Lieu of Taxes	1,000	1,698	698	1,167
Sussex County Council - Grant	30,000	40,000	10,000	-
Interest Income	163,471	178,149	14,678	163,552
Miscellaneous	12,083	9,525	(2,558)	10,604
Fines	45,000	59,637	14,637	43,830
Intergovernmental Grants	261,995	272,222	10,227	119,121
Special Duty Overtime	5,000	10,575	5,575	4,320
Franchise Fees	60,000	64,074	4,074	64,347
Plan Review Fees	2,500	4,500	2,000	1,500
Business License Fees	17,500	16,000	(1,500)	15,600
Rental Licenses	28,000	43,670	15,670	28,575
Vacant Building Registration Fees	500	100	(400)	100
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>2,249,464</u>	<u>3,183,047</u>	<u>933,583</u>	<u>2,361,443</u>
<u>BUSINESS-TYPE ACTIVITIES:</u>				
Fire Lines	13,600	13,800	200	13,800
Water Fee	450,000	589,130	139,130	507,473
Water Service Fee	435,000	423,599	(11,401)	389,162
Water Meter Pit Fees	12,950	19,640	6,690	13,725
Water Fee Penalties	4,800	3,585	(1,215)	5,808
Tapping Fees	3,500	2,450	(1,050)	1,350
Connection Fees	1,750	6,925	5,175	4,829
Impact Fees	2,000	2,500	500	2,000
Interest Income	24,849	25,692	843	24,849
Miscellaneous Fees	1,500	23,678	22,178	692
<u>TOTAL BUSINESS-TYPE ACTIVITIES</u>	<u>949,949</u>	<u>1,110,999</u>	<u>161,050</u>	<u>963,688</u>
<u>TOTAL REVENUE</u>	<u>\$ 3,199,413</u>	<u>\$ 4,294,046</u>	<u>\$ 1,094,633</u>	<u>\$ 3,325,131</u>

TOWN OF BRIDGEVILLE, DELAWARE  
SUPPLEMENTAL INFORMATION  
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE E

	2025			
	Budget	Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/24
<u>GOVERNMENTAL FUNDS</u>				
<u>GENERAL GOVERNMENT:</u>				
Advertising Expense	\$ 3,800	\$ 3,333	\$ 467	\$ 4,675
Bad Debts	-	33,539	(33,539)	-
Capital Outlay	22,600	64,495	(41,895)	22,600
Code Update	1,500	4,116	(2,616)	4,498
Continuing Education	1,000	1,742	(742)	693
Donations and Grant in Aid	6,000	6,100	(100)	6,300
Dues	2,500	2,627	(127)	3,204
Economic Development	7,000	14,731	(7,731)	5,845
Employment Expense	500	-	500	-
Engineering and Consulting Fees	45,455	58,517	(13,062)	13,215
Equipment - Purchase and Rental	27,998	2,447	25,551	29,287
Health and Ancillary Insurance	63,130	33,543	29,587	10,126
Insurance	38,000	25,968	12,032	36,908
Maintenance	25,000	34,895	(9,895)	25,691
Legal and Auditing	30,000	29,988	12	22,433
Maintenance Building Grounds and Tools	17,460	14,651	2,809	15,091
Miscellaneous	619	65,415	(64,796)	53,357
Office Supplies	6,500	8,453	(1,953)	10,905
Payroll Taxes	39,529	24,389	15,140	20,040
Pension Costs	31,878	21,877	10,001	19,853
Postage	3,500	3,136	364	5,441
Repairs and Replacement	45,977	30,522	15,455	45,977
Salary Expense	249,564	247,740	1,824	203,992
SCAT and DLLG	3,000	4,728	(1,728)	4,278
Service Charge	500	535	(35)	953
Special Recognition and Outreach	500	-	500	610
Supplies	7,839	2,093	5,746	9,206
Travel	300	-	300	-
Utilities - Electric	5,000	5,632	(632)	4,037
Utilities - Gas	1,200	2,141	(941)	979
Utilities - Sewer	1,300	1,333	(33)	1,211
Utilities - Telephone and Internet	5,000	8,800	(3,800)	6,464
Vehicle Expense	1,500	2,272	(772)	1,561
<u>TOTAL GENERAL GOVERNMENT</u>	<u>\$ 695,649</u>	<u>\$ 759,758</u>	<u>\$ (64,109)</u>	<u>\$ 589,430</u>

TOWN OF BRIDGEVILLE, DELAWARE  
SUPPLEMENTAL INFORMATION  
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE E

	2025			
	Budget	Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/24
<u>PUBLIC SAFETY:</u>				
Advertising Expense	\$ 500	\$ 379	\$ 121	\$ -
Capital Outlay	102,504	47,664	54,840	147,049
Continuing Education	1,000	1,324	(324)	1,244
Donations and Grant in Aid	400	600	(200)	300
Dues	500	250	250	255
EIDE Expense	3,000	3,705	(705)	-
Employment Expense	2,000	20	1,980	20
Engineering and Consulting Fees	500	-	500	1,240
Equipment - Purchase and Rental	15,000	21,660	(6,660)	42,095
Health and Ancillary Insurance	181,991	179,518	2,473	86,890
Insurance	45,000	58,328	(13,328)	38,965
Maintenance	8,000	5,146	2,854	10,102
Legal and Auditing	4,000	3,910	90	3,750
Maintenance Building Grounds and Tools	12,000	17,806	(5,806)	21,886
Office Supplies	1,500	2,935	(1,435)	1,269
Payroll Taxes	96,579	56,309	40,270	59,912
Pension Costs	116,674	99,308	17,366	50,366
Postage	1,500	1,912	(412)	1,345
Salary Expense	778,864	680,599	98,265	613,370
Salary Expense Overtime	64,000	36,049	27,951	27,281
SALLE Expense	5,000	-	5,000	-
Supplies	7,000	2,443	4,557	5,506
Uniforms	5,000	4,714	286	11,570
Utilities - Electric	10,000	7,867	2,133	7,917
Utilities - Gas	1,000	179	821	1,074
Utilities - Sewer	2,000	1,785	215	1,815
Utilities - Telephone and Internet	15,000	22,392	(7,392)	18,183
Vehicle Expense	29,470	18,016	11,454	50,251
Vehicle Fuel	40,000	33,580	6,420	30,711
<u>TOTAL PUBLIC SAFETY</u>	<u>\$ 1,549,982</u>	<u>\$ 1,308,398</u>	<u>\$ 241,584</u>	<u>\$ 1,234,366</u>

TOWN OF BRIDGEVILLE, DELAWARE  
SUPPLEMENTAL INFORMATION  
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE E

	2025			
	Budget	Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/24
<u>STREETS:</u>				
Advertising Expense	\$ 500	\$ -	\$ 500	\$ -
Capital Outlay	101,375	581,497	(480,122)	101,375
Engineering and Consulting Fees	1,775	8,618	(6,843)	12,730
Equipment - Purchase and Rental	10,000	3,917	6,083	9,724
Grass Cutting Expense	2,000	920	1,080	1,010
Health and Ancillary Insurance	32,601	8,139	24,462	11,853
Insurance	12,000	14,990	(2,990)	11,611
Maintenance	15,625	11,025	4,600	12,383
Legal and Auditing	4,000	3,750	250	3,750
Maintenance Building Grounds and Tools	10,000	26,041	(16,041)	11,004
Office Supplies	500	-	500	139
Payroll Taxes	10,012	5,159	4,853	3,823
Pension Costs	8,075	-	8,075	10,974
Repairs and Replacement	3,000	-	3,000	-
Salary Expense	80,746	63,112	17,634	47,633
Salary Expense Overtime	5,000	3,458	1,542	272
Snow Removal	5,000	9,409	(4,409)	214
Supplies	5,500	4,666	834	6,413
Tree Planting and Removal	5,000	4,950	50	-
Uniforms	1,500	958	542	1,117
Utilities - Electric	110,000	108,828	1,172	108,301
Utilities - Gas	800	642	158	716
Utilities - Telephone and Internet	2,200	2,453	(253)	2,692
Vehicle Expense	5,000	3,109	1,891	5,289
Vehicle Fuel	5,500	5,128	372	3,899
<u>TOTAL STREETS</u>	<u>437,709</u>	<u>870,769</u>	<u>(433,060)</u>	<u>366,922</u>
<u>TOTAL GOVERNMENTAL ACTIVITIES</u>	<u>\$ 2,683,340</u>	<u>\$ 2,938,925</u>	<u>\$ (255,585)</u>	<u>\$ 2,190,718</u>

TOWN OF BRIDGEVILLE, DELAWARE  
SUPPLEMENTAL INFORMATION  
EXPENDITURES/EXPENSES - BUDGET AND ACTUAL - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE E

	2025			
	Budget	Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/24
<u>BUSINESS-TYPE ACTIVITIES</u>				
<u>WATER:</u>				
Advertising Expense	\$ 500	\$ 32	\$ 468	\$ -
Chemicals	45,000	55,254	(10,254)	45,017
Continuing Education	1,500	770	730	1,641
Debt Service - Interest	110,000	9,773	100,227	10,648
Depreciation	-	299,459	(299,459)	258,507
Dues	1,400	962	438	754
Engineering and Consulting Fees	60,552	19,875	40,677	92,190
Equipment - Purchase and Rental	81,160	25,381	55,779	18,652
Health and Ancillary Insurance	30,529	37,481	(6,952)	21,405
Insurance	35,000	35,408	(408)	34,832
Maintenance	62,000	56,385	5,615	39,918
Legal and Auditing	4,000	4,597	(597)	3,750
Maintenance Building Grounds and Tools	30,504	17,279	13,225	30,029
Miscellaneous	3,305	3,792	(487)	7,550
Miss Utility Locates	1,000	883	117	986
Office Supplies	2,000	2,757	(757)	1,200
Payroll Taxes	16,714	11,544	5,170	12,697
Pension Costs	13,479	14,535	(1,056)	13,767
Postage	9,000	10,116	(1,116)	9,100
Repairs and Replacement	366,058	38,310	327,748	47,305
Salary Expense	134,789	139,859	(5,070)	136,893
Salary Expense Overtime	6,000	9,588	(3,588)	5,962
Supplies	15,000	7,471	7,529	3,881
Testing Fees	850	800	50	750
Uniforms	2,000	1,277	723	1,613
Utilities - Electric	35,000	37,223	(2,223)	33,465
Utilities - Gas	800	642	158	716
Utilities - Telephone and Internet	6,000	5,593	407	5,222
Vehicle Expense	6,000	2,656	3,344	1,259
Vehicle Fuel	6,000	3,140	2,860	2,881
<u>TOTAL WATER</u>	<u>1,086,140</u>	<u>852,842</u>	<u>233,298</u>	<u>842,590</u>
<u>TOTAL BUSINESS-TYPE ACTIVITIES</u>	<u>1,086,140</u>	<u>852,842</u>	<u>233,298</u>	<u>842,590</u>
<u>TOTAL EXPENDITURES/EXPENSES</u>	<u>\$ 3,769,480</u>	<u>\$ 3,791,767</u>	<u>\$ (22,287)</u>	<u>\$ 3,033,308</u>

TOWN OF BRIDGEVILLE, DELAWARE  
SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON - WATER FUND REVENUE AND EXPENSE DETAIL  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts	Actual Amounts	Favorable (Unfavorable) Variance
Operating Revenues:			
Charges for Services	\$ 948,449	\$ 1,101,239	\$ 152,790
Impact Fees	-	2,500	2,500
Miscellaneous	1,500	7,260	5,760
Total Operating Revenues	<u>949,949</u>	<u>1,110,999</u>	<u>161,050</u>
Operating Expenses:			
Advertising Expense	500	32	468
Chemicals	45,000	55,254	(10,254)
Continuing Education	1,500	770	730
Debt Service Interest	110,000	9,773	100,227
Depreciation	-	299,459	(299,459)
Dues	1,400	962	438
Engineering and Consulting Fees	60,552	19,875	40,677
Equipment - Purchase and Rental	81,160	25,381	55,779
Health and Ancillary Insurance	30,529	37,481	(6,952)
Insurance	35,000	35,408	(408)
Maintenance	62,000	56,385	5,615
Legal and Auditing	4,000	4,597	(597)
Maintenance Building Grounds and Tools	30,504	17,279	13,225
Miscellaneous	3,305	3,792	(487)
Miss Utility Locates	1,000	883	117
Office Supplies	2,000	2,757	(757)
Payroll Taxes	16,714	11,544	5,170
Pension Costs	13,479	14,535	(1,056)
Postage	9,000	10,116	(1,116)
Repairs and Replacement	366,058	38,310	327,748
Salary Expense	134,789	139,859	(5,070)
Salary Expense Overtime	6,000	9,588	(3,588)
Supplies	15,000	7,471	7,529
Testing Fees	850	800	50
Uniform Expense	2,000	1,277	723
Utilities - Electric	35,000	37,223	(2,223)
Utilities - Gas	800	642	158
Utilities - Telephone	6,000	5,593	407
Vehicle Expense	6,000	2,656	3,344
Vehicle Fuel	6,000	3,140	2,860
Total Operating Expenses	<u>1,086,140</u>	<u>852,842</u>	<u>233,298</u>
Net Operating Income (Loss)	<u>\$ (136,191)</u>	<u>\$ 258,157</u>	<u>\$ 394,348</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  
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, 2025, 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 March 16, 2026.

### 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.

A handwritten signature in black ink that reads "Lenk, Johnson + Tull". The signature is written in a cursive, flowing style.

Seaford, Delaware  
March 16, 2026