



Fort DuPont Redevelopment and Preservation Corporation Board of Directors Meeting

August 9, 2023 8:30 a.m.
Delaware City Fire Hall
815 5th Street
Delaware City DE 19706

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes - Fort DuPont Redevelopment and Preservation Corporation Meeting of June 14, 2023
4. Treasurer's Report
5. FY 2024 Draft Operating and Capital Budget
 - a. FY 2024-26 Draft Capital Investment Program
6. Financial Audit
7. Action Item – Purchasing and Procurement Thresholds
8. Action Item – Financial Reserves Policy
9. Executive Director's Report
10. Committee Reports
 - a. Design and Historic Preservation Committee Meeting of June 6, 2023
 - b. FDRPC Executive Committee Meeting of June 30, 2023
11. Action Item – Resolution Recognizing Service of David Baylor to FDRPC
12. Delaware City Updates
13. Public Comment
14. Executive Session – Legal and Personnel Matters
15. Actions to be Voted Upon from Executive Session (if applicable)
16. Next Meeting Date: September 13, 2023
17. Adjourn

Please note: Pursuant to 29 Del. C 10004(e)(2), this Agenda may be changed to include additional items including executive sessions or to delete items that arise at the time of the meeting.

Potential executive session pursuant to 29 Del. C. 10004(b)(9) ("Personnel matters in which the names, competency and abilities of individuals employees...are discussed.")

Potential executive session pursuant to 29 Del. C. 10004(b)(2) ("discussions regarding sales or leases of real property) and 29 Del C. 10004 (b)(6) (discussion of the content of documents, excluded from the definition of "public record," where such discussion may disclose the contents of such documents).

Potential executive session pursuant to 29 Del. C. 1004 (b)(4) ("Strategy sessions, including those involving legal advice or opinion from an attorney-at-law...") and 29 Del. C. 10004(b)(6) (discussion of the contents of documents, excluded from the definition of "public record," where such discussion may disclose the contents of such documents.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
BOARD OF DIRECTORS MEETING

The Fort Dupont Redevelopment and Preservation Corporation Board of Directors meeting was held on June 14, 2023 at the Delaware City Fire Hall, 815 5th Street, Delaware City, with Chair John McMahon presiding. Board members present were Mr. Bert Scoglietti (designee of Ruth Ann Jones, Controller General of the State of Delaware), Dr. Courtney Stewart (Office of Management and Budget), Mr. David Edgell (Office of State Planning Coordination), Mr. Kurt Foreman (Delaware Prosperity Partnership), Mr. David Baylor (Delaware City Manager) (departed at 9:11 a.m.), Mr. Kevin Whittaker (Resident of Delaware City), Mr. Michael Graci (Resident of Fort DuPont), Mr. Douglas Eriksen (Resident of Delaware City), Ms. Wendy Rogers (Resident of Fort DuPont), and Secretary Shawn Garvin (Department of Natural Resources and Environmental Control (DNREC) (arrived at 9:03 a.m.). Board members absent were Mr. Rony Baltazar-Lopez (Department of State), Senator Spiros Mantzavinos (Capital Improvements Committee), and Representative Sean Matthews (Capital Improvements Committee).

Staff members present were Mr. Tim Slavin – Executive Director, Ms. Janice Moturi – Deputy Director/Controller, and Ms. Pam Scott of Saul Ewing Arnstein and Lehr LLP.

CALL TO ORDER

Chair McMahon called the Fort DuPont Redevelopment and Preservation Corporation (FDRPC) Board of Directors meeting to order at 8:30 a.m.

APPROVAL OF MINUTES – FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION (FDRPC) BOARD MEETING OF MAY 10, 2023

Mr. Baylor moved for approval of the FDRPC Board meeting minutes of May 10, 2023. The motion was seconded by Dr. Stewart and unanimously carried.

TREASURER’S REPORT

Mr. Bert Scoglietti, Treasurer, reviewed the Fort DuPont Redevelopment and Preservation Corporation Budget vs. Actuals: FY2022-2023 - FY23 P&L for July 2022 – April 2023 and noted the following:

- **4202 Officers Row Ph1A** – The increase of \$206,899.16 reflects the sale of two lots on Officers Row, as mentioned at the previous meeting.
- **Total 6505 Prof Fees – Engineering** – This line item is up \$5,000 from the previous month.
- **6520R Prof Fees - Legal** – This line item is up approximately \$20,000 and is still within budget.
- **6721 Roundabout** – This line item is up approximately \$185,000 from the previous month and reflects the continued close-out of payments for the roundabout.
- **6738 Duplexes on OBL (6738-01 Building and 6738-02 Building)** – No change.
- **6748 Building 52-Tilton** – This line item is up approximately \$2,000 from the prior month and will have to be budgeted.
- **Total 6800 Site Utilities** – This line item is up approximately \$22,000 since last month and reflects ongoing activity.
- **Total 7000 Operating Expenses** – This line item is up \$2,700 for the month and is significantly under budget for the year.

- **7140 Landscaping Maintenance** – This line item is up approximately \$13,000 and is still within budget.
- **7145 Equipment Expense** – This line item is up approximately \$11,000 and is still within budget.
- **Total 7700 Payroll Expenditures** – This line item is up approximately \$37,000 and is tracking within budget.
- **Total Expenses** – This line item is up \$340,000 over the previous month with approximately half that amount being attributed to payments for the roundabout.

Mr. Foreman moved for acceptance of the Treasurer's Report, seconded by Mr. Graci and unanimously carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Tim Slavin, Executive Director, reviewed the Executive Director's Monthly Report For the period May 1, 2023 to May 31, 2023 and noted the following:

Capital Projects

- **Marina Village**
 - o Plan of Record – FDRPC is now proceeding with the Plan of Record for the second phase of development for Marina Village. The preliminary plan has been submitted to Delaware City for consideration by the Planning Commission and the Board of Adjustment. A hearing is scheduled with the Board of Adjustment on June 27, 2023 at 6:30 p.m. The path forward is through the City's Planning Commission and City Council. Additional approvals from DNREC, DelDOT, the Nation Park Service, and the Office of State Fire Marshal are underway. The plan is to have all approvals, or as many as possible, in place for final consideration. Once the approvals are obtained, there will be a period where they have to test the surcharge area to see how much soil has to be brought in. Once that is done, it will sit for about a year while they measure the compaction rate and then the engineers will do the calculations of how much soil has to be brought in and how long that has to compact. There will probably be a period of approximately two years to get the approval, compaction, and surcharge completed and then it will be ready for Lennar to begin construction on that project.
 - o Remediation Plan Pending – The remediation plan to address a small hot-spot of naturally-occurring arsenic is currently under review by DNREC.

There is a proposed plan for remedial action for Operating Unit 7, which is one of the brownfield sites in the Marina District. It is currently in public comment, which closes on July 3, 2023. There will be a period of time to ingest the public comments and receive feedback back from DNREC.

There is also a proposed plan of remedial action for Operating Unit 6, which is Old Battery Lane where they have two beautiful duplexes ready to go. They are waiting for permitting so that they can connect water and sewer. It is currently in public comment, which closes June 20, 2023.

- o Revised Sediment and Stormwater Management Plan – The revised plan was submitted June 9, 2023.

Mr. Slavin advised that these are three of probably 14 or 15 different issues that they intersect with DNREC on and he wanted to cite the work of Morgan McGee Solomon from DNREC. All too often you hear complaints about public employees and Morgan has probably one of the more difficult tasks as she convenes working meeting of all these points of contact within DNREC, Fort Dupont, and with our contractors on a monthly basis. She keeps track of all this and keeps it moving along and she has really been very, very good at it.

Operations

- **Real Estate Update**

- o Two of the lots on Officers Row have closed.
- o Three additional lots are under contract and scheduled to close in July.
- o Lots 1305 and 1307 are under contract with a closing scheduled for July 21, 2023.
- o Lot 1311 is under contract with the closing scheduled for July 31, 2023.
- o Lot 1301, which is a buildable lot on the corner immediately diagonally across from the FDRPC offices, remains unsold. The lot has been held back because they were uncertain if they wanted to have that as a buildable lot, have it as open space, or sell it as a bordering lot with 1303 Officers Row, which is the house that is for sale.
- o 1303 Officers Row continues to be listed at the original asking price of \$795,000. There has been a lot of activity, including an open house which brought 10 interested parties in.
- o There are now two resale properties listed in the community and they are causing additional activity so they are beginning to see an uptick in the movement.

- **Audit** - The Fiscal Year 2022 (FY 22) financial audit that is being completed by Belfink, Lyons & Shuman, P.A. continues. Mr. Slavin thanked Janice Moturi and Crystal Pini McDaniel for their work and support. He noted that the record keeping that they inherited was really a challenge to deal with. They have provided a really strong response to the auditor and are ensuring that, not only are they answering the questions for FY 22, they are also establishing infrastructure for the Fiscal Year 2023 (FY 23) audit which will begin probably right after the FY 2022 audit is done. Mr. Slavin advised that, in some cases, they had to rebuild documentation by going back to the other party and asking for copies of the documentation.

- **Financial Policies** - Two draft financial policies were provided with the Executive Director's Report for informational purposes—the Purchasing and Procurement Thresholds and the Financial Reserves Policy. These policies will be brought before the Board for enactment with the proposed FY 24 operating and capital budget.

- o Purchasing and Procurement Thresholds

The Purchasing and Procurement Policy sets out when they go to open market, when they need three letter bids, and when they need a full RFP for materiel, professional services, and public works.

o Financial Reserves Policy

The Financial Reserves Policy, which may require a multi-year implementation, will get the FDRPC in a better financial position so that it has reserves for unbudgeted expenses. Mr. Slavin noted that they have deferred maintenance and a lot of structures that are eligible for storm damage or things like that and they do not have the readiness financially that they should have. The policy is part of a bigger effort to align their business practices with what the best practices should be for a non-profit organization.

o Method of Accounting

The Corporation is transitioning from a cash basis to an accrual basis of accounting. Future expenses will be booked as future expenses rather than worrying about them later. It is anticipated that Fiscal Year 2024 could be financially challenging due to a limited revenue stream and contractual timed payments.

o Community Meeting

A community meeting was held on Monday, June 5, 2023 to discuss policing and public safety issues relative to the Fort DuPont streets being dedicated to Delaware City and the Declaration of Covenants.

o Strategic Plan

The strategic plan has been progressing in the information gathering phase and is coming to a close at the end of the week. Delaware Alliance for Nonprofit Advancement (DANA) has used a mix of one-on-one interviews, focus groups, a town hall meeting, and an online survey which will close Saturday. DANA will provide their assessment of what they heard and how that distills down into some of the values they were hearing and help to shape the mission and the vision. The Strategic Planning Committee will then work with DANA on a draft strategic plan for presentation to the full FDRPC Board, possibly at the end of the next Board meeting.

Mr. Bert Scoglietti (designee of Ruth Ann Jones, Controller General of the State of Delaware/FDRPC Treasurer) stated that he was encouraged to see that the Financial Reserves Policy included a reserve for ongoing maintenance to address maintaining some of the rental units, including plumbers, painting, and appliance repairs/replacement. He noted that forward financial thinking was required to accommodate some of those charges.

Mr. David Baylor (Delaware City Manager) noted that they should start planning for the possibility that they will not get some of the revenues from the State and figure out how they are going to address it, such as economic development with the existing buildings. He noted that Delaware City does not have the financial wherewithal to take over the operation so they are in this together with Fort DuPont.

Mr. Slavin provided a timeline for the remaining approvals necessary and the work to be done to have the two duplexes ready.

Mr. Baylor moved for acceptance of the Executive Director's Report, seconded by Mr. Graci and unanimously carried.

COMMITTEE REPORTS

Design and Historic Preservation Committee Meeting of April 24, 2023

Mr. Doug Eriksen, Chair of the Design and Historic Preservation Committee reviewed the committee's report of April 24, 2023.

Mr. Foreman moved for acceptance of the report, seconded by Mr. Scoglietti and unanimously carried.

Design and Historic Preservation Committee Meeting of May 22, 2023

Mr. Doug Eriksen, Chair of the Design and Historic Preservation Committee reviewed the committee's report of May 22, 2023.

Mr. Foreman moved for acceptance of the report, seconded by Mr. Scoglietti and unanimously carried.

REQUEST OF MARK DONALDSON, 815 CRAWFORD LANE, TO PURCHASE PARCEL 20-009.00-205

Chairman McMahon advised that this item would be considered in Executive Session.

UPDATE ON THE BRANCH CANAL OWNERSHIP ISSUE

Ms. Pam Scott of Saul Ewing Arnstein and Lehr LLP, FDRPC legal counsel, advised that the attorney for DNREC is responsible for contacting the attorney for the U.S. Army Corp of Engineers (USACE) and he has reached out to them. The attorneys will meet again to further the conversation.

Mr. David Baylor, City Manager – Delaware City, expressed his frustration that this issue has been discussed for years with no resolution and requested the Board Members to stand with him in saying that it is unacceptable. He suggested contacting the congressional delegation to make them aware that there has been no movement on the issue. Mr. Baylor noted that it was not fair to the Corporation or to Delaware City. Chair McMahon concurred with Mr. Baylor's comments.

Secretary Garvin advised that they were still trying to determine who at the USACE headquarters was handling this matter. He noted that it was fair at this point for Delaware City to reach out to the congressional delegation if they felt they needed to. Mr. Baylor stated that he saw Senator Coons at a state police function and he asked about it and asked to be updated. Mr. Baylor asked Secretary Garvin to update him on the status and if by the end of the month he has not heard anything, he will recommend that Delaware City Council reaches out to the congressional delegation.

DELAWARE CITY UPDATES

Mr. David Baylor, City Manager – Delaware City, provided the following updates:

Community Meeting

A community meeting was held to discuss policing and public safety issues relative to the Fort DuPont streets being dedicated to Delaware City. Mr. Baylor noted that the plan that was developed was driven by public safety and stated that they would reconvene with the residents in October to assess how things were going.

Adoption of Ordinances

Delaware City Council recently adopted ordinances that govern special use permits and mobile vendors. Mr. Baylor advised that the ordinances would take effect July 1st and that they are working with Fort DuPont on how it impacts them.

Blue Water Property Concern

Mr. Baylor advised that he is concerned with how the Blue Water property looks and he has not been able to contact them. He also noted that Delaware City would like a project timeline for the development of the property.

PUBLIC COMMENT

None.

RECESS INTO EXECUTIVE SESSION - POTENTIAL SALE OF PROPERTY

Mr. Edgell moved to recess into executive session, seconded by Mr. Foreman and unanimously carried.

Meeting recessed at 9:11 a.m.

Meeting reconvened at 9:21 a.m.

POTENTIAL ACTION ON POTENTIAL SALE OF PROPERTY

Mr. Tim Slavin, Executive Director, advised that no action was taken and that the Board would be seeking additional information from legal counsel.

NEXT MEETING DATE

Mr. Slavin advised that he had a conflict with the next meeting date, July 12, 2023 at 8:30 a.m. He suggested either holding the meeting that evening if the space was available or cancelling the July meeting.

ADJOURNMENT

Mr. Eriksen moved for adjournment, seconded by Mr. Whittaker and unanimously carried.

Meeting Adjourned at 9:23 a.m.

APPROVED: *August 9, 2023



FORT DUPONT

SHAPED BY HISTORY & ANCHORED IN NATURE

Annual Budget

For Fiscal Year

July 1, 2023 – June 30, 2024

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Appendix B FY 22 Audit

Appendix C Special Report on Residential Leases

Appendix D Purchasing and Procurement Thresholds Policy

Appendix E Financial Reserves Policy



August 1, 2023

Dear Members of the Board of Directors:

Enclosed is the proposed Fiscal Year 2023-2024 Fort DuPont Redevelopment and Preservation Corporation (FDRPC) Draft Budget for your review and consideration.

This budget package is designed to provide a more comprehensive view of FDRPC's proposed budget by providing a deeper level of context for FDRPC's position. The intent is to increase our transparency with the public while also allowing this budget document to serve as a reference point for information about FDRPC.

The budget document does not include any of the results of our Strategic Plan, which is currently underway with the Delaware Alliance for Nonprofit Advancement (DANA). The strategic plan is scheduled to be presented to the Board and to the public in September and finalized before December 31, 2023.

The Capital Investment Plan proposed in this budget is a forecasting tool designed to provide a candid assessment of deferred maintenance, needed infrastructure, and desired improvements to the FDRPC campus.

I look forward to presenting the budget at our Board meeting on August 9, 2023.

Sincerely,

Tim Slavin



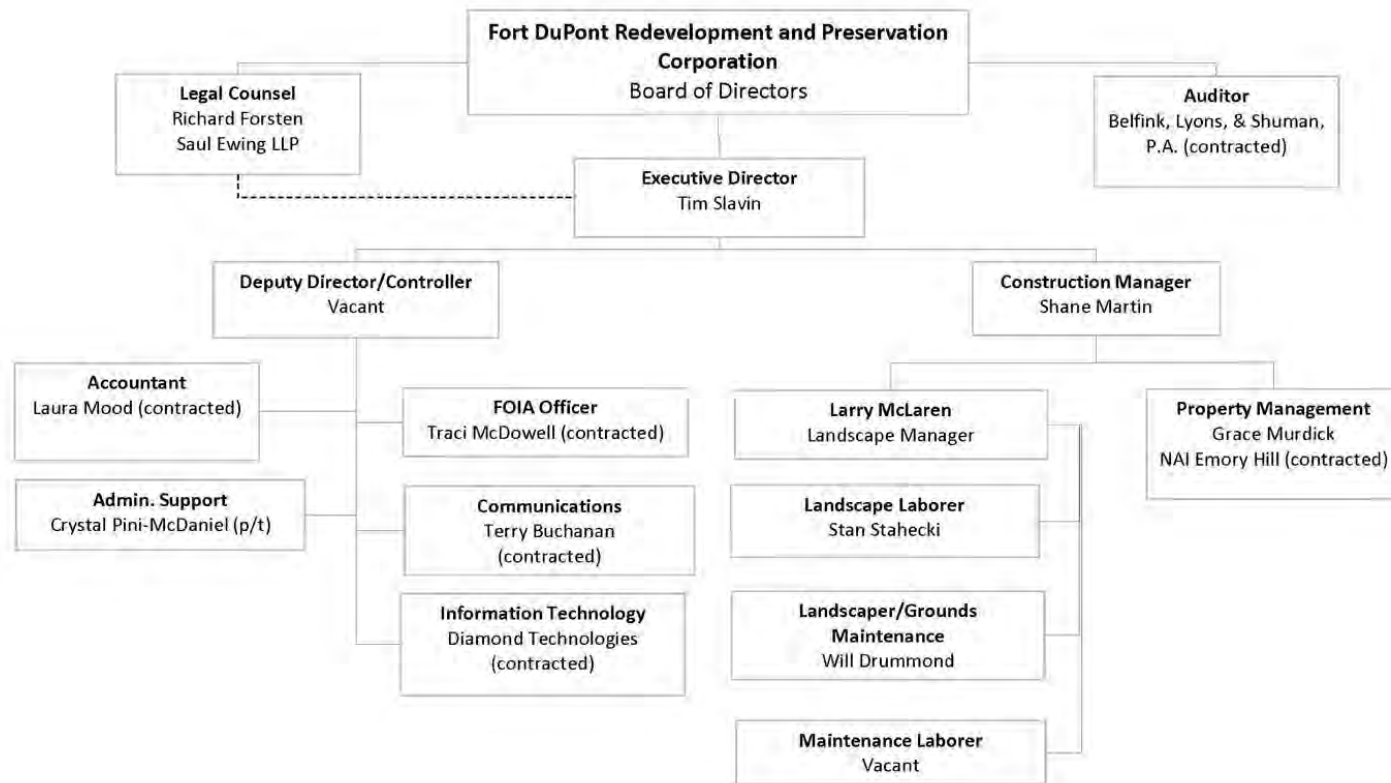
FORT DUPONT

SHAPED BY HISTORY & ANCHORED IN NATURE

Board of Directors 2023

John McMahon, Chair	Appointed by the Governor
Hon. Shawn Garvin, Secretary	Per Delaware Code (Department of Natural Resources and Environmental Control)
Ruth Ann Jones	Per Delaware Code (State of Delaware Controller General)
Courtney Stewart	Per Delaware Code (State of Delaware Office of Management and Budget)
David Edgell	Per Delaware Code (State Planning Office)
Kurt Foreman	Per Delaware Code (Delaware Prosperity Partnership)
David Baylor (through August 9, 2023) Michelle Graham (after August 10, 2023)	Per Delaware Code (Delaware City Manager)
Hon. Spiros Mantzavinos, Senator	Appointed by Honorable Larry Walsh, Co-Chair, Bond Bill Committee
Hon. Sean Matthews, Representative	Appointed by Honorable Deborah Heffernan, Co-Chair, Bond Bill Committee
Rony Baltazar Lopez	Per Delaware Code (Secretary of State)
Kevin Whitaker	Appointed by Honorable David Sokola, President Pro Tem of the Delaware Senate (Delaware City resident)
Doug Eriksen	Appointed by Honorable John Carney, Governor (Delaware City resident)
Michael Graci	Appointed by Honorable John Carney, Governor (Fort DuPont resident)
Wendy Rogers	Appointed by Honorable Peter Schwartzkopf, Speaker of the House of Representatives (Fort DuPont resident)

	Executive Committee	Finance and Audit Committee	Strategic Planning Committee*	Planning Committee (land use)	Design and Historic Preservation Committee	Maintenance Committee
Chair	John McMahon	Michael Graci	John McMahon	David Edgell	Doug Eriksen	Kevin Whitaker
	Ruth Ann Jones	Ruth Ann Jones	David Edgell	Invitation extended for Fort DuPont resident	David Turley	Ray Gogola
	Courtney Stewart	Courtney Stewart	Courtney Stewart	Invitation extended for Fort DuPont resident	Roberta DeLeo	Invitation extended for Fort DuPont resident
	Vacancy	Bert Scogletti	Michael Graci	Rony Baltazar Lopez	Rob McPherson	Rob McPherson
	Wendy Rogers	Tim Diliplane	Wendy Rogers	Wendy Rogers	Billie Travalini	Art Turner
	Bert Scogletti	Bob Lucas		Vacancy		Vacancy
			*Upon issuance of strategic plan in December 2023, this committee will end its service.			



Fort DuPont Redevelopment and Preservation Corporation
Proposed Budget
FY 24 July 1 2023-June 30 2024

	Total FY 23	FY24 Draft	
	Actual	Budget	Difference
Income			
4005 Carryforward	\$ 300,000.00	\$ 300,000.00	\$ -
4010 State Appropriation	\$ 2,575,000.00	\$ 2,250,000.00	\$ 325,000.00
4100 RENTAL INCOME	\$ 84,335.04	\$ 159,623.08	\$ (75,288.04)
4100-15 Building 15	\$ 5,760.00		
4100-25 Building 25	\$ 14,800.00		
4100-43 Building 43	\$ 11,600.00		
4100-45 Building 45	\$ 9,650.00		
4100-OM OMB	\$ 9,315.00	\$ 10,315.00	\$ (1,000.00)
4110 SPECIAL EVENT REVENUE	\$ 1,100.00	\$ 6,600.00	\$ (5,500.00)
4111 Misc Events	\$ 5,250.00		
Total 4110 SPECIAL EVENT REVENUE	\$ 6,350.00		
4130 CAM REVENUE	\$ -	\$ -	\$ -
4131 Lawncare - CAM (State Tenants)	\$ 3,200.00	\$ 8,000.00	\$ (4,800.00)
4132 Snow/Ice - CAM (State Tenants)	\$ 12,514.00	\$ 15,000.00	\$ (2,486.00)
Total 4130 CAM REVENUE	\$ 15,714.00	\$ 23,730.00	\$ (8,016.00)
4150 TENANT REIMBURSEMENTS	\$ -	\$ 15,500.00	\$ (15,500.00)
4151 Utility Reimbursements	\$ 104,182.72	\$ 126,000.00	\$ (21,817.28)
Total 4150 TENANT REIMBURSEMENTS	\$ 104,182.72	\$ 141,500.00	\$ (37,317.28)
Total 4100 RENTAL INCOME	\$ 261,706.76	\$ 351,083.08	\$ (89,376.32)

4200 REAL ESTATE SALES	\$	(3,546.39)	\$	1,216,200.00	\$	(1,219,746.39)
Total Income	\$	3,133,160.37	\$	4,302,283.08	\$	(1,169,122.71)
Gross Profit	\$	3,133,160.37	\$	4,302,283.08	\$	(1,169,122.71)
Expenses			\$	-	\$	-
6030 Bank Charges	\$	381.07	\$	1,000.00	\$	(618.93)
6400 Building Improvements{77}	\$	2,900.00	\$	-	\$	2,900.00
6409c 09c Painting-Interior	\$	(99.71)	\$	-	\$	(99.71)
6417 Supplies & Materials	\$	2,085.77	\$	-	\$	2,085.77
Total 6400 Building Improvements{77}	\$	4,886.06	\$	-	\$	4,886.06
6460 ENVIRONMENTAL	\$	93,573.12	\$	-	\$	93,573.12
6464 Soil Analysis	\$	11,282.50				
Total 6460 ENVIRONMENTAL	\$	104,855.62				
6480 SPECIAL EVENT EXPENSES	\$	500.00	\$	6,600.00	\$	(6,100.00)
6500 PROFESSIONAL FEES	\$	4,246.70	\$	414.00	\$	3,832.70
6505 Prof Fees - Engineering	\$	10,287.25	\$	-	\$	10,287.25
6505-01 Marina	\$	1,500.00				
6505-02 Master Planning	\$	26,243.75				
6505-03 Canal District	\$	1,571.08				
6505-04 Roads/Utilities	\$	940.50				
6505-05 Bike Path	\$	27,222.50				
6505-08 Geotechnical	\$	17,055.90				
6505-09 Round-a-bout	\$	52,186.25				
6505-10 Living Shoreline	\$	70,798.75				
6505-12 OBL Duplexes	\$	685.00				
6505-14 Marina Village	\$	68,396.25				
6505-15 Park & Recreation	\$	1,850.00				
6505-20 Branch Canal	\$	12,894.75				

Total 6505 Prof Fees - Engineering	\$ 291,631.98		
6515 Prof Fees - Architectural	\$ 240.00	\$ 1,456.67	\$ (1,216.67)
6520R Prof Fees - Legal	\$ 260,126.47	\$ -	\$ 260,126.47
6525R Prof Fees - Accounting	\$ 43,904.00	\$ 38,196.60	\$ 5,707.40
6545 Roadways/Utilities	\$ 7,986.00		
Total 6500 PROFESSIONAL FEES	\$ 608,135.15	\$ 40,067.27	\$ 568,067.88
6535 PERMITTING	\$ 8,387.34	\$ 2,795.78	\$ 5,591.56
6600R FEES - OTHER	\$ 5,499.50	\$ -	\$ 5,499.50
6606 Permit Fees	\$ 5,487.04	\$ 1,418.88	\$ 4,068.16
6610 Bank Fees	\$ 131.72	\$ 1,838.65	\$ (1,706.93)
6625 Bank Charges	\$ 60.95	\$ 4,200.82	\$ (4,139.87)
6627 Applied Bank Fees	\$ 8,905.53	\$ 4,199.17	\$ 4,706.36
Total 6625 Bank Charges	\$ 8,966.48	\$ 8,399.99	\$ 566.49
6631 Del City Rental Tax	\$ 3,988.68	\$ 1,329.56	\$ 2,659.12
Total 6600R FEES - OTHER	\$ 24,073.42	\$ 20,655.62	\$ 3,417.80
6700 IMPROVEMENTS	\$ 19,295.67	\$ 1,850,000.00	\$ (1,830,704.33)
6704 Building 45-1308 Officers Row	\$ 19,567.00		
6706 Building 15-Post Headquarters	\$ -		
6712 Building 24-Theater	\$ 826.00		
6716 Canal District	\$ 24,354.00		
6716.30 Roads/Utilities	\$ 139,000.00		
Total 6716 Canal District	\$ 163,354.00		
6717 Site Utilities	\$ 2,330.56		
6721 Roundabout	\$ 1,660,204.20		
6724 Marina	\$ 23,517.50		
6734 Building 23-Band Barracks	\$ 5,090.00		
6735 Landscaping	\$ 120.00		

6738 Duplexes on OBL	\$	-		
6738-01 Building 26	\$	278,612.90		
6738-02 Building 27	\$	258,467.37		
Total 6738 Duplexes on OBL	\$	537,080.27		
6741 Building 30-Stable	\$	370,818.27		
6744 Maintenance Shop	\$	1,825.00		
6748 Building 52-Tilton	\$	21,692.22		
6759 Community Garden	\$	700.92		
6766 Old Battery Lane	\$	2,586.75		
6767 Building 82-POW Building	\$	575.00		
6770 DNREC Maintenance Bldg	\$	13,785.08		
6772 Park & Recreation Amenities	\$	21,996.00		
Total 6700 IMPROVEMENTS	\$	2,865,364.44		
6700X Site Evaluation (deleted)	\$	-		
6735x Site Design (deleted)	\$	365.00		
Total 6700X Site Evaluation (deleted)	\$	365.00		
6769 DNREC Relocation	\$	-		
6769-05 Repository	\$	22,271.23		
Total 6769 DNREC Relocation	\$	22,271.23		
6800 SITE UTILITIES	\$	210.15	\$	-
6810 Electric	\$	183,865.86	\$	144,000.00
6815 Gas	\$	3,935.54	\$	4,400.00
6820 Water	\$	12,524.92	\$	14,000.00
6825 Sewer	\$	11,293.97	\$	20,000.00
6835 Trash	\$	3,681.23	\$	
Total 6800 SITE UTILITIES	\$	215,511.67	\$	192,600.00
7000 OPERATING EXPENSES	\$	-	\$	-

7009 Computer Support	\$	1,153.17	\$	-	\$	1,153.17
7010 Office Supplies	\$	7,069.45	\$	12,000.00	\$	(4,930.55)
7025 Meals and Entertainment	\$	75.81	\$	1,040.00	\$	(964.19)
7030 Utilities - Office	\$	8,894.97	\$	6,700.00	\$	2,194.97
7035 Phone/Internet - Office	\$	5,940.90	\$	10,200.00	\$	(4,259.10)
7040 Repairs & Maintenance	\$	2,551.00	\$	5,200.00	\$	(2,649.00)
7051 Uniforms	\$	2,801.01				
Total 7000 OPERATING EXPENSES	\$	28,486.31	\$	49,210.00	\$	(20,723.69)
7100 COMMON AREA MAINTENANCE	\$	22,253.17	\$	-	\$	22,253.17
7105 Lawn Care	\$	119,958.20	\$	113,000.00	\$	6,958.20
7110 Storm Water Management	\$	3,065.00	\$	2,200.00	\$	865.00
7115 Pest Control	\$	1,660.00	\$	3,200.00	\$	(1,540.00)
7120 Fire & Security Monitoring	\$	4,561.23	\$	4,600.00	\$	(38.77)
7140 Landscaping Maintenance	\$	70,965.41	\$	20,000.00	\$	50,965.41
7141 Auto	\$	2,554.58	\$	9,600.00	\$	(7,045.42)
7145 Equipment Expense	\$	31,094.11	\$	42,000.00	\$	(10,905.89)
7146 Supplies	\$	17.99	\$	5,900.00	\$	(5,882.01)
7830 Utilities	\$	19,047.39	\$	17,000.00	\$	2,047.39
Total 7100 COMMON AREA MAINTENANCE	\$	275,177.08	\$	245,800.00	\$	29,377.08
7200 DEBT EXPENSE	\$	-	\$	273,000.00	\$	(273,000.00)
7205 P & I - Applied Bank PH1	\$	67,945.03	\$	-	\$	67,945.03
7206 P & I - Applied OBL Duplexes	\$	55,750.80	\$	51,180.00	\$	4,570.80
Total 7200 DEBT EXPENSE	\$	123,695.83	\$	396,876.00	\$	(273,180.17)
7500 MARKETING EXPENSES	\$	400.00	\$	-	\$	400.00
7510 Advertising & Promotion	\$	128.37	\$	24,000.00	\$	(23,871.63)
7550 Website & Social Media	\$	14,320.67	\$	20,000.00	\$	(5,679.33)

7555 Marketing - Other	\$ 456.00	\$ -	\$ 456.00
Total 7500 MARKETING EXPENSES	\$ 15,305.04	\$ 44,000.00	\$ (28,694.96)
7700 PAYROLL EXPENDITURES	\$ -	\$ -	\$ -
Total 7740 Salaries & Wages	\$ 509,441.25	\$ 578,172.58	\$ (68,731.33)
7750 Payroll Service Fees	\$ 2,227.44	\$ 72,696.00	\$ (70,468.56)
Total 7700 PAYROLL EXPENDITURES	\$ 642,923.71	\$ 650,868.58	\$ (7,944.87)
7850 INSURANCE	\$ 2,333.52	\$ -	\$ 2,333.52
7851 General Liability	\$ 13,445.62	\$ 9,489.00	\$ 3,956.62
7852 Flood Insurance	\$ 7,587.00	\$ -	\$ 7,587.00
7853 Property	\$ 20,508.11	\$ 85,080.54	\$ (64,572.43)
7855 Workers Comp Insurance	\$ 10,226.00	\$ 4,404.00	\$ 5,822.00
7856 Auto	\$ 18,680.95	\$ -	\$ 18,680.95
7857 D & O/ E&O Insurance	\$ 11,967.52	\$ 12,757.52	\$ (790.00)
7858 Business Owners	\$ 3,747.14	\$ -	\$ 3,747.14
Total 7850 INSURANCE	\$ 88,495.86	\$ 116,860.06	\$ (28,364.20)
Administrative Expenses	\$ 1,250.00	\$ 417.00	\$ 833.00
Legal Fees - Operating	\$ 14,113.00	\$ 240,000.00	\$ (225,887.00)
Property Management	\$ -	\$ -	\$ -
7880 Repair & Maintenance	\$ 4,750.00	\$ 1,717.00	\$ 3,033.00
7890 Payroll	\$ -		
7900 Security	\$ 986.00	\$ 70.00	\$ 916.00
Total Property Management	\$ 5,736.00	\$ 1,787.00	\$ 3,949.00
Total Expenses	\$ 5,049,913.83	\$ 4,159,537.31	\$ 890,376.52
Net Operating Income	\$ (1,916,753.46)	\$ 142,745.77	\$ (2,059,499.23)
Other Income			
Reimbursed Expenses	\$ 1,789.79		
Total Other Income	\$ 1,789.79		

Other Expenses		\$	-	\$	-
ASK MY ACCOUNTANT	\$	53,394.57	\$	-	\$ 53,394.57
Miscellaneous	\$	(65.59)			
Total Other Expenses	\$	53,328.98	\$	-	\$ 53,328.98
Net Other Income	\$	(51,539.19)	\$	-	\$ (51,539.19)
Net Income	\$	(1,968,292.65)	\$	142,745.77	\$ (2,111,038.42)

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FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-001
Project Name Dip and Old Elm Ave.

Description: This project will complete the connection between the roundabout and Old Elm Ave.
Complete top coat of asphalt for Old Elm Ave.

Justification: This is a public safety issue.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	300,000.0					300,000.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-002
Project Name Brady Complex

Description: Complete water and sewer connections and site work for Brady Complex on OBL

Justification: Completion of project will allow for four units to be placed in residential leasing.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	500,000.0					500,000.0

Funding Sources

Appropriation						
Total	0.0	0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

Obtaining a Certificates of Occupancy for these four units will result in annual net income of \$120,000.



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-003
Project Name Old Battery Lane duplexes finish work

Description: Side porches, front porches, finish out interior, landscaping, sidewalks.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	150,000.0					150,000.0

Funding Sources

Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-004

Project Name Marina Village Surcharge Test

Description: Testing area to determine amount of materials and time needed.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	100,000.0					100,000.0

Funding Sources

Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # 24-005
Project Name Post Theater

Description:
This project includes the design, remediation of environmental hazards, rehabilitation of the exterior shell, interior fit-out, and site work. Absent external funding sources, this project will be phased: Phase I exterior, Phase II systems, Phase III interior fit-out.

Justification:

The project is eligible for historic preservation tax credits.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design	50,000.0					50,000.0
Remediation	50,000.0					50,000.0
Construction	375,000.0	375,000.0				750,000.0
Contingency	0.0	150,000.0				150,000.0
Total	475,000.0	525,000.0	0.0	0.0	0.0	1,000,000.0

Funding Sources						
Appropriation						
Total	475,000.0	525,000.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-006
Project Name Chapel

Description: Restoration of chapel building for use as community amenity.
This project includes the design, remediation of environmental hazards, rehabilitation of the exterior shell, interior fit-out, and site work. Absent external funding sources, this project will be phased: Phase I exterior, Phase II systems, Phase III interior fit-out.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	1,000,000.0					1,000,000.0

Funding Sources	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Appropriation						
Total	1,000,000.0	0.0	0.0	0.0	0.0	1,000,000.0

Budget Impact/Other
FDRPC will need to budget for new costs associated with bringing this building into use in FY 25. This includes utilities, janitorial, supplies.



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-007
Project Name DNREC Archive

Description: Completion of exterior shell and interior fit-out for object storage facility.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	383,000.0					383,000.0

Funding Sources						
Appropriation						
Total	383,000.0	0.0	0.0	0.0	0.0	383,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-008
Project Name Bio Basins- Branch Canal

Description: Completion of three bio-basins per DNREC regulations.
Basin #5: Entrance to campus
Basin#4: Cook Street
Basin #3: Crawford Street

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	300,000.0					300,000.0

Funding Sources

Appropriation						
Total	300,000.0	0.0	0.0	0.0	0.0	300,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-009
Project Name Chapel Grove

Description: Continued development of Chapel Grove using native and sustainable landscaping. Materials only; labor provided by FDRCP grounds team.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	20.0					20.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-010

Project Name Complete moth-balling of three historic properties--buildings 9, 10, 11.
Implement U.S. Secr. of Interior historic preservation standard for moth-balling.

Description: Secure exterior shell (roof, windows, doors). Board up windows.
Allow for passive ventilation. Install intrusion alarm systems.
Continue monthly monitoring and inspection of moth-balled properties.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	100,000.0					100,000.0

Funding Sources

Appropriation						
Total	100,000.0	0.0	0.0	0.0	0.0	100,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY-012
Project Name Roof & Mothball OBL Duplex

Description: Secure exterior shell (roof, windows, doors). Board up windows.
Allow for passive ventilation. Install intrusion alarm systems.
Continue monthly monitoring and inspection of moth-balled properties.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	100,000.0					100,000.0

Funding Sources						
Appropriation						
Total	100,000.0	0.0	0.0	0.0	0.0	100,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-013
Project Name Maintenance Shop Interior

Description: Paint and flooring for areas within maintenance shop.

Justification: Material costs only; labor will be provided by FDRPC maintenance team.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	10,000.0					10,000.0
Contingency						0.0
Total						0.0

Funding Sources

Appropriation						
Total	10,000.0	0.0	0.0	0.0	0.0	10,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY24-014
Project Name Bakery

Description: Clean and out and environmental assessment.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	5,000.0					5,000.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total	5,000.0	0.0	0.0	0.0	0.0	5,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-001
Project Name Subdivision

Description: This project will legally subdivide parcels south of Old Elm Ave.

Justification: Previous subdivision only addressed north of Old Elm Ave.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design		50,000.0				50,000.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total	0.0	50,000.0	0.0	0.0	0.0	50,000.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-002
Project Name Post Exchange roof and stabilization

Description: Replace roofing system on Post Exchange building.
Stabilize exterior shell.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	400,000.0					400,000.0
Contingency						0.0
Total						0.0

Funding Sources

Appropriation						
Total	400,000.0	0.0	0.0	0.0	0.0	400,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-003
Project Name Canal Bank Revetment and Promenade

Description: Revetment of canal bank and finishing of Promenade.

Justification: As of August 1, 2023, awaiting notice of grant funding from FEMA.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	1,200,000.0					1,200,000.0
Contingency						0.0
Total						0.0

Funding Sources

Appropriation						
Total	1,200,000.0	0.0	0.0	0.0	0.0	1,200,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-004
Project Name Governor Bacon prep

Description: Remedial actions in advance of listing and marketing the Gov. Bacon Bldg.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design		50,000.0				50,000.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		50,000.0	0.0	0.0	0.0	50,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-005
Project Name Exterior of Maintenance Shop

Description: Repairs and re-painting to exterior of Maintenance shop.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction		10,000.0				10,000.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		10,000.0	0.0	0.0	0.0	10,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-006
Project Name Park Amenities

Description: Move from conceptual design to build out of park amenities.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design	75,000.0					75,000.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources

Appropriation	75,000.0					
Total	75,000.0	0.0	0.0	0.0	0.0	75,000.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-007
Project Name Invasive Management

Description: Three-year campaign to reduce number of invasive species.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation	10,000.0	10,000.0	10,000.0			30,000.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total	30,000.0	0.0	0.0	0.0	0.0	30,000.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY25-008
Project Name Pump station re-design and build

Description: Complete re-design of existing pump station and replacement.

Justification: This is critical infrastructure to address stormwater management on campus.
Current pump station is beyond its useful life.

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design		50,000.0				50,000.0
Remediation						0.0
Construction		100,000.0				100,000.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		150,000.0	0.0	0.0	0.0	150,000.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-001
Project Name Marina Village full surcharge

Description: Full surcharge of lands of Marina Village.
Requires all approvals in place.

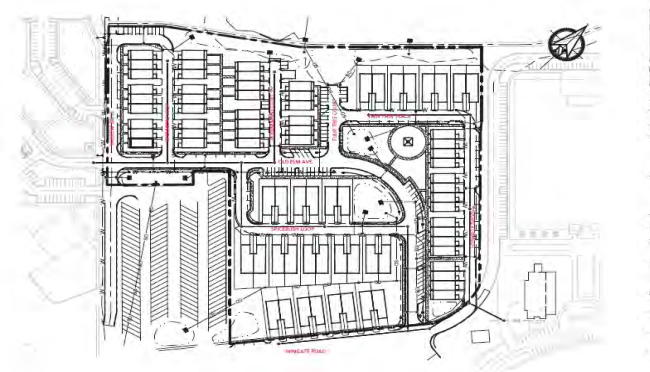
Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	1,000,000.0					1,000,000.0
Contingency						0.0
Total	1,000,000.0					1,000,000.0

Funding Sources

Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-002
Project Name Levee-Trail

Description: Design and build out of levee-trail system.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design	50,000.0					50,000.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	50,000.0					50,000.0

Funding Sources						
Appropriation						
Total	50,000.0	0.0	0.0	0.0	0.0	50,000.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-003
Project Name Old Battery Lane-Street design and construction

Description: Complete street re-design and construction of Old Battery Lane.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other



FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-004
Project Name Delmarva Infrastructure

Description: Establish metering on all property on campus.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan
Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-005
Project Name Battery Elder #1

Description: Preservation plan established for bunkers.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total						0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-006
Project Name Battery Elder #2

Description: Preservation plan established for bunkers.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	0.0					0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # FY26-007
Project Name Battery Elder #3

Description: Preservation plan established for bunkers.

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	0.0					0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # No FY-001
Project Name Colter Road-Street design and construction

Description:

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
Total	0.0					0.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

FY 2024-2026 Capital Investment Plan

Fort Dupont Redevelopment and Preservation Corporation

Project # No FY-002
Project Name Battery Reed-Gibson

Description:

Justification:

Expenditures	FY 24	FY 25	FY 26	FY 27	FY 28	Total
Design						0.0
Remediation						0.0
Construction	1,000,000.0					1,000,000.0
Contingency						0.0
Total	1,000,000.0					1,000,000.0

Funding Sources						
Appropriation						
Total		0.0	0.0	0.0	0.0	0.0

Budget Impact/Other

APPENDIX A

Delaware Code

Title 7 Chapter 47 Subchapter II



[§ 4730](#) [§ 4731](#) [§ 4732](#) [§ 4733](#) [§ 4734](#) [§ 4735](#) [§ 4736](#) [§ 4737](#) [§ 4738](#) [§ 4739](#) [§ 4740](#)

TITLE 7

Conservation

Public Lands, Parks and Memorials

CHAPTER 47. State Parks

Subchapter II. The Fort DuPont Redevelopment and Preservation Act

§ 4730. Short title.

This subchapter shall be known, and may be cited, as "The Fort DuPont Redevelopment and Preservation Act."

[79 Del. Laws, c. 361, § 1 \(https://legis.delaware.gov/SessionLaws?volume=79&chapter=361\);](#) [83 Del. Laws, c. 302, § 1 \(https://legis.delaware.gov/SessionLaws?volume=83&chapter=302\);](#)

§ 4731. Declaration of purpose.

The General Assembly declares the following to be the policy and purpose of this subchapter:

- (1) The Fort DuPont Complex, located along the Delaware River adjacent to Delaware City, is currently underutilized but has enormous potential as a sustainable, mixed-use community;
- (2) To preserve and protect the historical and recreational amenities within the Fort DuPont Complex and to expand economic opportunities therein, additional capital will be required to improve infrastructure, renovate certain historic structures, and make additional improvements to said Complex;
- (3) Redevelopment and renovation of the Fort DuPont Complex is both desirable and necessary, provided that:
 - a. The Fort DuPont Complex will remain a public destination, with its historic, natural, and recreational resources maintained for public enjoyment;
 - b. Fort DuPont's National Register status (where applicable) will be maintained, and historic building and landscape resources will be rehabilitated and reused to the extent possible;
 - c. Redevelopment and infill will be concentrated within several defined areas, and will be complementary to existing historic buildings and landscapes;
 - d. Fort DuPont and Delaware City will grow together as "one city" with strong physical and visual connections and complementary land uses;
 - e. Diverse land and building uses will be supported at Fort DuPont to achieve a shared vision for a "live-work-learn-play-and-visit" community; and
 - f. Community engagement will continue to be a key component for ongoing planning for Fort DuPont's future.

(4) In light of the foregoing, it is in the best interest of the State to enable the creation of an entity to manage, oversee, and implement the redevelopment and preservation of the Fort DuPont Complex in accordance with the Redevelopment Plan and the provisions of this subchapter.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4732. Definitions.

When used in this subchapter:

- (1) "Board" means the Board of Directors of the Fort DuPont Redevelopment and Preservation Corporation.
- (2) "Corporation" means the Fort DuPont Redevelopment and Preservation Corporation to be established pursuant to § 4733 of this title.
- (3) "Department" means the Department of Natural Resources and Environmental Control.
- (4) "Fort DuPont Complex" or "Fort DuPont" means such real property, as well as such facilities, personal property, buildings, and fixtures located thereon, owned by the State along the Delaware River bounded by the Chesapeake and Delaware Canal on the south, and a branch canal, currently separating it from Delaware City, on the north, which includes the Fort DuPont State Park, the Governor Bacon Health Center, and surrounding lands, formerly tax parcel numbers 1202300020, 1202300021, 1203000001, and 1203000002.
- (5) "Redevelopment plan" means the draft master plan for the redevelopment of the Fort DuPont complex dated October 2013, as may be amended from time to time by the Board, which is intended to guide the redevelopment of the Fort DuPont Complex.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 82 Del. Laws, c. 72, § 1 (<https://legis.delaware.gov/SessionLaws?volume=82&chapter=72>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4733. Fort DuPont Redevelopment and Preservation Corporation.

- (a) There shall be established within the Department a body corporate and politic, with corporate succession, constituting a public instrumentality of the State, and created for the purpose of exercising essential governmental functions, which is to be known as the Fort DuPont Redevelopment and Preservation Corporation. The Corporation shall be a membership corporation with the Department as the sole member and shall have a certificate of incorporation and bylaws consistent with this subchapter. The Board of Directors is hereby authorized to file a certificate of incorporation with the Secretary of State pursuant to Chapter 1 of Title 8. The certificate of incorporation of the Corporation shall provide for approval of the Delaware General Assembly in order to amend the certificate of incorporation or to effect a merger or dissolution of the Corporation.
- (b) The powers and management of the Corporation shall be vested in a board of directors consisting of 13 voting members. Each director shall have general expertise relevant to the implementation of the Redevelopment Plan, which may include expertise in the fields of land use, historic preservation, economic development (including without limitation real estate, redevelopment, and real estate financing), environmental protection, parks and recreation, and tourism. The Board is composed of the following directors:
 - (1) One director appointed by the Governor to serve as Chair.
 - (2) The Secretary of the Department of Natural Resources and Environmental Control.
 - (3) The Controller General.
 - (4) The Director of the Prosperity Partnership.
 - (5) The Secretary of State.

- (6) The Director of the Office of Management and Budget.
- (7) The Director of the Office of State Planning Coordination.
- (8) The Co-chairs of the Capital Improvement Committee.
- (9) The City Manager of the City of Delaware City, in an ex officio capacity.
- (10) One director appointed by the Speaker of the House, who is a resident of Fort DuPont.
- (11) One director appointed by the President Pro Tempore of the Senate, who is a resident of Delaware City.
- (12) One director who is a resident of Fort DuPont appointed by the Governor.
- (13) One director who is a resident of Delaware City appointed by the Governor.

Directors serving by virtue of their position may appoint a designee to serve in their stead. All appointed Directors shall serve at the pleasure of the appointing authority.

(c) Any vacancy created by the resignation or early departure of a director shall be filled by the appointing authority within 60 days.

(d) A majority of the total number of directors shall constitute a quorum of the Board, and all action by the Board shall require the affirmative vote of a majority of the directors present and voting.

(e) The Board shall adopt bylaws that provide for operating procedures such as election of officers, conflicts of interest, appointment of committees, conduct of meetings, and other matters that will promote the efficient operation of the Board in the performance of its duties under this subchapter. The bylaws shall include the following provisions:

- (1) A requirement that any credit card purchase over \$500 must be approved by 2 members of the executive committee.
- (2) A requirement that checks in an amount over \$10,000 require the signatures of the Treasurer and either the Chair or the Vice Chair of the Board.
- (3) A requirement that a policy be adopted for the hiring and contracting process of the Corporation that is designed to be impartial and merit-based.
- (4) A requirement that all contracts for purchase, sale, or lease of land be signed by the Executive Director and the Chair of the Board.

(f) Pursuant to subsection (a) of this section, the Board of Directors is provided express authority to file an amended and restated certificate of incorporation for the Fort DuPont Redevelopment and Preservation Corporation consistent with 83 Del. Laws, c. 302.

(g) The Board shall select from among its membership a Vice-Chair, who shall discharge the powers and duties of the Chair when the Chair is unavailable, incapacitated, or the position of Chair is vacant.

(h) The Controller General or the Controller General's designee shall serve as Treasurer of the Board.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 70 Del. Laws, c. 186, § 1 (<https://legis.delaware.gov/SessionLaws?volume=70&chapter=186>); 82 Del. Laws, c. 72, §§ 1, 2 (<https://legis.delaware.gov/SessionLaws?volume=82&chapter=72>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4734. Subcommittees.

(a) The Board may create subcommittees as needed to assist the Corporation in fulfilling its purposes and obligations. Each subcommittee shall have a Director of the Board serve as Chair and may include persons that are not directors of the Board.

(1)-(6) [Repealed.]

(b)-(d) [Repealed.]

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 82 Del. Laws, c. 72, § 1 (<https://legis.delaware.gov/SessionLaws?volume=82&chapter=72>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4735. Powers of the Corporation.

The Corporation shall have on July 23, 2014, and upon its creation as provided for herein the powers listed in this section. The Corporation shall be empowered, without limitation and notwithstanding any other laws to:

- (1) Adopt bylaws, rules, regulations, and procedures;
- (2) Act generally in a planning and development capacity, and in connection therewith, to hold, own, preserve, develop, improve, construct, rent, lease, sell, or otherwise acquire or dispose of any real property, including without limitation any real property comprising the Fort DuPont Complex or any portion thereof transferred to the Corporation. The power in this paragraph (2) does not exempt development and construction on the Fort DuPont Complex from otherwise applicable environmental law and regulatory requirements. All activity on the Fort DuPont Complex must comply with otherwise applicable permitting processes of the Department.
- (3) Employ an executive director, a deputy executive director, and such other deputies and assistants as may be necessary or desirable, and to retain by contract such legal counsel, engineers, advisors, and other providers of professional services.
- (4) Borrow moneys or accept contributions, grants, or other financial assistance from the federal government, the State, any locality or political subdivision, any agency or instrumentality thereof, or any source, public or private, for or in aid of any project of the Corporation, and to these ends, to comply with such conditions and enter into such mortgages, trust indentures, leases, or other contracts and agreements as may be necessary or desirable.
- (5) Have and exercise any and all powers available to a corporation organized pursuant to Chapter 1 of Title 8, the Delaware General Corporation Law that are not inconsistent with this subchapter.
- (6) Take such other lawful actions that are consistent with the purposes of this subchapter as may be necessary or desirable to oversee, manage, and implement the redevelopment and preservation of the Fort DuPont Complex in accordance with the redevelopment plan and the provisions of this subchapter.
- (7) Recover costs for the use of, or the benefit derived from, the services or facilities provided, owned, operated, or financed by the Corporation benefiting property within the Fort DuPont Complex.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4736. Powers and duties of executive director; deputy executive director.

- (a) An executive director shall be selected by a majority vote of the Board. The Board shall require executive director candidates to undergo a credit and criminal history background check. The executive director shall exercise such powers and duties relating to the Corporation as may be delegated to him or her by the Board. Compensation of the executive director shall be established by the Board, and the executive director shall serve at the pleasure of the Board.
- (b) The executive director shall hire a deputy executive director, and may hire such additional deputies and assistants as are authorized by the Board. All hires must be approved by majority vote of the Board prior to assuming a position with the Corporation.
- (c) The executive director or any employee of the Corporation may not receive any gift valued in excess of \$200 from the Corporation, the Board, or any member of the Board.

(d) The executive director or any employee of the Corporation may rent, lease, or purchase property on the Fort Dupont Complex but only for fair market value and through the Complex's standard rental or purchase process. Housing on the Fort DuPont Complex may not be included in an employee's compensation package.

(e) The executive director shall provide an annual written report of the Corporation's activities to the Chair of the Board.

(f) The executive director shall provide an annual presentation to the City Council of Delaware City, setting forth any pending or approved changes to the Redevelopment Plan and a summary of development progress. The presentation shall be made in a public forum and time shall be reserved for public comment.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 70 Del. Laws, c. 186, § 1 (<https://legis.delaware.gov/SessionLaws?volume=70&chapter=186>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4737. Initial duties of Corporation.

On or before June 30, 2015, the Corporation shall, at a minimum:

- (1) Select and hire a qualified executive director;
- (2) Perform or have performed such tests, studies, examinations, and evaluations upon the lands of the Fort DuPont Complex as may be desirable or necessary to permit such property to be transferred to the Corporation and to evaluate economic development opportunities and the historical and other resources to be preserved; and
- (3) To develop such feasibility, sales, and marketing plans as may be required to preserve and redevelop the Fort DuPont Complex in accordance with this subchapter.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4738. Continuing duties of Corporation.

(a) The Corporation shall prepare and submit an annual report of its activities during the previous year to the Governor and the Chair and Co-Chair of the Capital Improvement Committee of the General Assembly by January 1 of each year. Such annual report shall include all of the following:

- (1) A complete list and explanation of all land it has acquired within the previous 12 months.
- (2) A complete list and explanation of all development projects that may impact wetlands.
- (3) An enumeration of all projects and services provided by homeowners association fees, and explanation of any duplication with services provided by Delaware City.

(b) The Corporation shall prepare and submit an annual audit which shall be provided to the Governor and the Chair and Co-Chair of the Capital Improvement Committee of the General Assembly by January 1 of each year.

83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4739. Open meetings and public records.

The Fort Dupont Redevelopment and Preservation Corporation and its Board are "public bodies" for purposes of Chapter 100 of Title 29.

83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

§ 4740. Liberal construction of subchapter.

This subchapter, being necessary for the prosperity and welfare of the State and its citizens, shall be liberally construed to effect the purposes hereof.

79 Del. Laws, c. 361, § 1 (<https://legis.delaware.gov/SessionLaws?volume=79&chapter=361>); 83 Del. Laws, c. 302, § 1 (<https://legis.delaware.gov/SessionLaws?volume=83&chapter=302>);

Delaware General Assembly (<http://legis.delaware.gov/>)

Judicial (<http://courts.delaware.gov/>)

Executive (<http://delaware.gov>)

Contact (<http://delaware.gov/help/degov-contact.shtml>)

Twitter (https://twitter.com/delaware_gov/)

Help (<http://delaware.gov/help/default.html>)

APPENDIX B

FY 2022 Audit by Belfint, Lyons, Shuman

July 20, 2023



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

July 20, 2023

Fort DuPont Redevelopment and Preservation Corporation
P.O. Box 521
260 Old Elm Avenue
Delaware City, Delaware 19706

We have audited the financial statements of the business-type activities of Fort DuPont Redevelopment and Preservation Corporation (the Organization) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under *Generally Accepted Auditing Standards* and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2022 and addenda dated December 20, 2022 and May 17, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the periods audited. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Organization's financial statements was:

- The estimate of the allocated costs that are capitalized is based on historical experience and on other factors. We evaluated the key factors and assumptions used to develop the allocations and determined that they were reasonable in relation to the financial statements taken as a whole.

1011 Centre Road • Suite 310 | Wilmington • DE 19805 | Phone: 302.225.0600 | Fax: 302.225.0625

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Significant Audit Matters - Continued

Qualitative Aspects of Accounting Practices - Continued

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Capital Assets (Note 4) to the financial statements is sensitive due to the significance of the balances disclosed and because of the departure from GAAP in the valuation of the capital assets originally donated to the Organization from the State of Delaware (State).

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered difficulties in obtaining timely and complete information for performing and completing our audit. However, we encountered no lack of cooperation or significant difficulties in dealing with management.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements (see Appendix A).

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 19, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Audit Matters - Continued

Other Audit Findings or Issues; Modified Opinion

As described more fully in Note 1 to the financial statements, the Organization has recorded the buildings and improvements, originally donated by the State at insured value, and the land, originally donated by the State, at values assessed for property tax purposes. In our opinion, accounting principles generally accepted in the United States of America require that donated capital assets be recorded at acquisition value, which would change the assets, net position, and expenses of the Organization. The amount by which this departure would affect the assets, net position, and expenses of the Organization has not been determined.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the supplementary statements, which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed over the course of the accounting period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of management of the Organization. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Belfint, Lyons & Shuman, P.A.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Appendix A - Adjusting Journal Entries

June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
1005	YE Clearing Account		\$ 148,091	\$ -	\$ -	\$ -	\$ -
6700	IMPROVEMENTS		-	-	-	-	14,031
6505-04	PROFESSIONAL FEES: Engineering: Roads/Utilities		-	-	-	-	(8,309)
6505-11	PROFESSIONAL FEES: 6505 -> Prof Fees - Engineering: 6505-11 -> Subdivisions		-	-	-	-	(7,315)
6505-13	PROFESSIONAL FEES: 6505 -> Prof Fees - Engineering: 6505-13 -> Section 6F/106		-	-	-	-	(2,155)
6515	PROFESSIONAL FEES: 6515 -> Prof Fees - Architectural		-	-	-	-	(1,320)
6520R	PROFESSIONAL FEES: 6520R -> Prof Fees - Legal		-	-	-	-	(65,976)
6706	IMPROVEMENTS: 6706 -> Building 15-Post Headquarters		-	-	-	-	(8,340)
6716	IMPROVEMENTS: Canal District	To reverse duplicate of YE clearing a/c entries that pertain to FY 21 and to reverse YE clearing a/c entry for expense.	-	-	-	-	(33,827)
6721	IMPROVEMENTS: 6721 -> Roundabout		-	-	-	-	(16,879)
6738	IMPROVEMENTS: 6738 -> Duplexes on OBL		-	-	-	-	(2,004)
6741	IMPROVEMENTS: 6741 -> Building 30-Stable		-	-	-	-	(1,002)
6810	SITE UTILITIES: 6810 -> Electric		-	-	-	-	(8,267)
6820	SITE UTILITIES: 6820 -> Water		-	-	-	-	(242)
6825	SITE UTILITIES: 6825 -> Sewer		-	-	-	-	(1,916)
7010	OPERATING EXPENSES: 7010 -> Office Supplies		-	-	-	-	(38)
7120	COMMON AREA MAINTENANCE: 7120 -> Fire & Security Monitoring		-	-	-	-	(465)
7140	COMMON AREA MAINTENANCE: 7140 -> Landscaping Maintenance		-	-	-	-	(3,685)
7145	COMMON AREA MAINTENANCE: 7145 -> Equipment Expense		-	-	-	-	(265)
7146	COMMON AREA MAINTENANCE: 7146 -> Supplies		-	-	-	-	(92)
7830	COMMON AREA MAINTENANCE: 7830 -> Utilities		-	-	-	-	(25)
			<u>\$ 148,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (148,091)</u>
1300 CP-2B	Construction in Process: CP-2B Paynter Building	To reclassify \$22,406 capitalized expense that was recorded in error to revenue as a debit per LMood.	\$ 22,406	\$ -	\$ -	\$ -	\$ -
4500-53	HTC CREDITS: HTC - Building 53		-	-	-	(22,406)	-
			<u>\$ 22,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,406)</u>	<u>\$ -</u>
1250	Accounts Receivable (A/R)	Post Close Entry to adjust A/R and Sales for Rockwell property sale transaction added to G/L by client after TB received. Pertains to Lot 41 in Canal District.	\$ 49,998	\$ -	\$ -	\$ -	\$ -
4400	Sales		-	-	-	(49,998)	-
			<u>\$ 49,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,998)</u>	<u>\$ -</u>
1616	Tri Supply Equipment Detail		\$ -	\$ 15,120	\$ -	\$ -	\$ -
2375	WSFS Auto Loan		-	15,299	-	-	-
2400	Applied Bank Construction Loan		-	14,132	-	-	-
2401	Applied Bank Loan#0800		-	250,080	-	-	-
4800	BANK LOANS - BUDGETED PROCEEDS: 4811 -> OBL Duplexes		-	-	-	324,423	-
7206	DEBT EXPENSE: 7206 -> P & I - Applied OBL Duplexes		-	-	-	-	54,336
7207	DEBT EXPENSE: 7207 -> P & I - PH1D	To adjust debt balances and lease balances for FYE 6/30/2022.	-	-	-	-	80
7208	DEBT EXPENSE: 7208 -> P & I - OBL Duplexes		-	-	-	-	1,993
7225	DEBT EXPENSE: WSFS Loan		-	-	-	-	2,472
2400	Applied Bank Construction Loan		-	(77,056)	-	-	-
2401	Applied Bank Loan#0800		-	(80)	-	-	-
2402	Applied Bank Loan 0810		-	(324,423)	-	-	-
6627	FEES - OTHER: Bank Charges: Applied Bank Fees		-	-	-	-	(1,993)
7145	COMMON AREA MAINTENANCE: 7145 -> Equipment Expense		-	-	-	-	(32,891)
7205	DEBT EXPENSE: 7205 -> P & I - Applied Bank PH1		-	-	-	-	(41,593)
7207	DEBT EXPENSE: 7207 -> P & I - PH1D		-	-	-	-	(199,900)
			<u>\$ -</u>	<u>\$ (106,927)</u>	<u>\$ -</u>	<u>\$ 324,423</u>	<u>\$ (217,496)</u>

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Appendix A - Adjusting Journal Entries - Continued

June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
		To adjust opening retained earnings balance for PY expenses and state revenue by reversing transactions in the internal loan accounts. To remove internal loan that is liability in client QB but was a contra expense to the loan expense in PY.	\$ -	\$ -	\$ -	\$ -	\$ -
2900	FDRPC RLF		-	-	-	-	200,000
4010	State Appropriation		-	-	-	200,000	-
7000	OPERATING EXPENSES		-	-	-	-	53,101
32000	Retained Earnings		-	-	(253,101)	-	-
7220	DEBT EXPENSE:7220 -+ FDRPC RLF Repayment		-	-	-	-	(200,000)
			\$ -	\$ -	\$ (253,101)	\$ 200,000	\$ 53,101
1300 CP-10	Construction in Process:CP-10 OBL Duplexes		\$ 56,329	\$ -	\$ -	\$ -	\$ -
1300 CP-3	Construction in Process:CP-3 Canal District	To capitalize bank loan interest on construction loans.	5,185	-	-	-	-
7205	DEBT EXPENSE:7205 -+ P & I - Applied Bank PH1		-	-	-	-	(5,185)
7206	DEBT EXPENSE:7206 -+ P & I - Applied OBL Duplexes		-	-	-	-	(54,336)
7208	DEBT EXPENSE:7208 -+ P & I - OBL Duplexes		-	-	-	-	(1,993)
			\$ 61,514	\$ -	\$ -	\$ -	\$ (61,514)
1300 CP-001	Construction in Process: CP-XX Bike Path		\$ 65,085	\$ -	\$ -	\$ -	\$ -
1300 CP-002	Construction in Process: CP-XX POW Bldg 82		37,130	-	-	-	-
1300 CP-003	Construction in Process: DNREC Maintenance Shop		88,763	-	-	-	-
1300 CP-006	Construction in Process: Round-a-bout		27,021	-	-	-	-
1300 CP-007	Construction in Process: CP-XX Park Amenities		18,325	-	-	-	-
1300 CP-10	Construction in Process:CP-10 OBL Duplexes	To capitalize expenses recorded in improvement, cam and professional fee accounts.	92,093	-	-	-	-
1300 CP-18	Construction in Process:CP-18 Campground		3,669	-	-	-	-
1300 CP-21	Construction in Process:CP-21 Pump House		41,215	-	-	-	-
1300 CP-3	Construction in Process:CP-3 Canal District		573,883	-	-	-	-
1300 CP-4	Construction in Process:CP-4 Marina		10,981	-	-	-	-
1318	Building Improvements		47,713	-	-	-	-
1500	Equipment		97,020	-	-	-	-
6020	Assets Transferred to BS		-	-	-	-	(1,072,668)
7141	COMMON AREA MAINTENANCE:7141 -+ Auto		-	-	-	-	(30,230)
			\$ 1,102,898	\$ -	\$ -	\$ -	\$ (1,102,898)
1310	Land	To reclassify land costs for demolished buildings 12 and 13 in FY 22 and to reclassify land costs for building 56.	\$ 982,555	\$ -	\$ -	\$ -	\$ -
1300 CP-12	Construction in Process:CP-12 Building 56		(103,218)	-	-	-	-
1510	Other Building Assets		(773,917)	-	-	-	-
6020	Assets Transferred to BS		-	-	-	-	(105,420)
			\$ 105,420	\$ -	\$ -	\$ -	\$ (105,420)
1315	Buildings		\$ 1,107,311	\$ -	\$ -	\$ -	\$ -
1315	Buildings		-	-	-	-	-
1318	Building Improvements		103,629	-	-	-	-
1318	Building Improvements		-	-	-	-	-
1300 CP-2.15	Construction in Process:CP-2 Restoration:Building 15		(663,340)	-	-	-	-
1300 CP-2.23	Construction in Process:CP-2 Restoration:Bldg 23 Bank Barracks		(439,803)	-	-	-	-
1300 CP-2.42	Construction in Process:CP-2 Restoration:Building 42		(26,470)	-	-	-	-
1300 CP-2.43	Construction in Process:CP-2 Restoration:Building 43		(62,389)	-	-	-	-
1300 CP-2A	Construction in Process:CP-2A Admin Office Reno	To reclassify CIP to in service.	(18,938)	-	-	-	-
			\$ -	\$ -	\$ -	\$ -	\$ -

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
Appendix A - Adjusting Journal Entries - Continued
June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
8000	Value of Real Estate Sold		\$ -	\$ -	\$ -	\$ -	\$ 2,608,831
1300 CP-1	Construction in Process:CP-1 Site Development	To remove assets and transfer costs	(248,243)	-	-	-	-
1300 CP-18	Construction in Process:CP-18 Campground	to costs of real estate sold for canal	(154,492)	-	-	-	-
1300 CP-3	Construction in Process:CP-3 Canal District	district, officer row, and grassdale	(1,926,166)	-	-	-	-
1300 CP-6	Construction in Process:CP-6 Officers Row	property sold.	(124,937)	-	-	-	-
1310	Land		(154,993)	-	-	-	-
			<u>\$ (2,608,831)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,608,831</u>
1400	Note Receivable	To adjust the entry for the grassdale	2,100,000	-	-	-	-
8000	Value of Real Estate Sold	sale revenue and to record expenses,	-	-	-	-	93,072
4209	REAL ESTATE SALES: Grass Dale	expense reimbursements and the	-	-	-	(2,193,072)	-
8000	Value of Real Estate Sold	note receivable for the sale.	-	-	-	-	-
			<u>\$ 2,100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,193,072)</u>	<u>\$ 93,072</u>
4211	REAL ESTATE SALES:4211 -+ Marina Village Infrastructure	To remove revenue for a deposit	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2201	Security Deposit - Marina Village	made by Lennar on the Marina	-	(50,000)	-	-	-
		Village that is refundable per the					
		agreement.					
			<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>
7300	Depreciation Expense	To post difference in accum dep per	\$ -	\$ -	\$ -	\$ -	\$ 29,962
1317	Accumulated Depreciation	BLS calc.	(29,962)	-	-	-	-
			<u>\$ (29,962)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,962</u>
6703	IMPROVEMENTS:6703 -+ Building 43-NCO Duplex		\$ -	\$ -	\$ -	\$ -	\$ 45,498
6705	IMPROVEMENTS:6705 -+ Building 42-NCO Duplex		-	-	-	-	26,470
6706	IMPROVEMENTS:6706 -+ Building 15-Post Headquarters		-	-	-	-	14,771
6707	IMPROVEMENTS: Building 53-Barracks(Paynter)		-	-	-	-	22,406
6710	IMPROVEMENTS:6710 -+ Batteries		-	-	-	-	173,472
6712	IMPROVEMENTS:6712 -+ Building 24-Theater		-	-	-	-	26,216
6713	IMPROVEMENTS:6713 -+ Building 55-Chapel		-	-	-	-	210,989
6720	IMPROVEMENTS:6720 -+ Old Elm	To post entry to transfer fixed asset	-	-	-	-	12,600
6721	IMPROVEMENTS:6721 -+ Roundabout	additions per clients 6/30/22 entry	-	-	-	-	161,627
6722	IMPROVEMENTS: Living Shoreline	through the 6020 account for FS	-	-	-	-	108,006
6724	IMPROVEMENTS:6724 -+ Marina	presentation purposes.	-	-	-	-	41,320
6726	IMPROVEMENTS:6726 -+ Marina Village Infrastructure		-	-	-	-	750
6734	IMPROVEMENTS:6727 -+ Building 23-Band Barracks		-	-	-	-	439,803
6738	IMPROVEMENTS:6738 -+ Duplexes on OBL		-	-	-	-	20,119
6738.1	IMPROVEMENTS:6738 -+ Duplexes on OBL:6738-01 Building 26		-	-	-	-	463,386
6738.2	IMPROVEMENTS:6738 -+ Duplexes on OBL:6738-02 Building 27		-	-	-	-	402,803
6741	IMPROVEMENTS:6741 -+ Building 30-Stable		-	-	-	-	122,419
6748	IMPROVEMENTS:6748 -+ Building 52-Tilton		-	-	-	-	100,321
6020	Assets Transferred to BS						(2,392,975)
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Appendix A - Adjusting Journal Entries - Continued

June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
1260	Accrued Interest Receivable		\$ 8,966	\$ -	\$ -	\$ -	\$ -
1270	Lease Receivable		152,639	-	-	-	-
1270	Lease Receivable		(19,815)	-	-	-	-
2260	Deferred Inflow - Leases		-	(152,639)	-	-	-
2260	Deferred Inflow - Leases		-	13,290	-	-	-
32000	Retained Earnings		-	-	19,815	-	-
32000	Retained Earnings	To implement GASB 87 for leases.	-	-	(8,966)	-	-
32000	Retained Earnings		-	-	(13,290)	-	-
4100-DN	RENTAL INCOME:4100-DN -+ DNREC		-	-	-	10,500	-
4100-OM	RENTAL INCOME:4100-OM -+ OMB		-	-	-	9,315	-
1260	Accrued Interest Receivable		(732)	-	-	-	-
1270	Lease Receivable		(10,849)	-	-	-	-
2260	Deferred Inflow - Leases		-	13,290	-	-	-
4950	Lease Interest Revenue		-	-	-	(8,233)	-
4960	Lease Revenue		-	-	-	(13,290)	-
			<u>\$ 130,208</u>	<u>\$ (126,060)</u>	<u>\$ (2,440)</u>	<u>\$ (1,708)</u>	<u>\$ -</u>
Total Adjustments			<u>\$ 1,081,742</u>	<u>\$ (282,987)</u>	<u>\$ (255,541)</u>	<u>\$ (1,692,761)</u>	<u>\$ 1,149,547</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2022 AND 2021

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
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JUNE 30, 2022

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Independent Auditors' Report

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation
Delaware City, Delaware

Qualified Opinion

We have audited the accompanying financial statements of Fort DuPont Redevelopment and Preservation Corporation (a Component Unit of the State of Delaware) (the Organization) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements referred to above, present fairly, in all material respects, the financial position of Fort DuPont Redevelopment and Preservation Corporation, as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Fort Dupont Redevelopment and Preservation Corporation, 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 qualified opinion.

Matter Giving Rise to the Qualified Opinion

As described more fully in Note 1 to the financial statements, the Organization has recorded the buildings and improvements, originally donated by the State of Delaware at insured value, and the land, originally donated by the State of Delaware, at values assessed for property tax purposes. In our opinion, accounting principles generally accepted in the United States of America require that donated capital assets be recorded at acquisition value, which

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

would change the assets, net position, and expenses of the Organization. The amount by which this departure affects the assets, net position, and expenses of the Organization has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Fort Dupont Redevelopment Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may substantial doubt thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 aggregate, they would influence the judgement 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 Fort Dupont Redevelopment Corporation's internal control. Accordingly, no such opinion is expressed.

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

- 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fort Dupont Redevelopment Corporation'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages five through nine, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Fort DuPont Redevelopment and Preservation Corporation. The schedules of operating expenses and capital expenses are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The statements of operating expenses and the statements of capital expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

our opinion, except for the effects on the supplementary information of the qualified opinion on the financial statements, as explained in the *Basis for Qualified Opinion* section of our report, the statements of operating expenses and the statements of capital expenses are fairly stated, in all material respects, in relation to the 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 July 19, 2023, on our consideration of the Fort DuPont Redevelopment and Preservation Corporation'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 solely 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 the effectiveness of the Fort DuPont Redevelopment and Preservation Corporation's 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 Fort DuPont Redevelopment and Preservation Corporation's internal control over financial reporting and compliance.

Belfint, Lyons & Shurman, P.A.

July 19, 2023
Wilmington, Delaware

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

As management of Fort DuPont Preservation and Redevelopment Corporation (the Organization), we offer readers of the Organization's basic financial statements this narrative overview and analysis of the financial activities of the Organization for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with additional information detailed in the audited financial statements. Management's discussion and analysis includes the June 30, 2022, 2021, and 2020 results.

Financial Highlights

- The assets of the Organization exceeded its liabilities as of June 30, 2022, by \$58,574,902 (net position), as compared to \$55,502,388 as of June 30, 2021, and \$54,764,876 as of June 30, 2020. Included in this amount as of June 30, 2022, are net investment in capital assets of \$55,043,731 and unrestricted net position of \$3,592,685.
- The Organization's total net position increased by \$3,072,514 during fiscal year 2022.

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the Organization's basic financial statements. The Organization's basic financial statements are comprised of four components: Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and Notes to the Financial Statements.

The Statements of Net Position present information on all of the Organization's assets, including deferred outflow of resources (as applicable) and liabilities including deferred inflows of resources (as applicable), with the difference reported as Net Position. Over time, increases or decreases in Net Position, when read in conjunction with other data, may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The Statements of Revenues, Expenses, and Change in Net Position present information showing how the Organization's operations generated revenues and required expenses, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., outstanding invoices.)

The Statements of Cash Flows present information showing the Organization's cash receipts and payments during the fiscal period classified by principal sources and uses segregated into key elements.

Notes to the Financial Statements provide additional information that are essential to a full understanding of the data provided in the financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles (GAAP) applicable to governmental entities as prescribed by the GASB. The Organization is a component unit the State of Delaware. The Organization's activities are financed and operated as an enterprise fund such that costs and expenses of providing services are recovered primarily through user charges.

Financial Analysis

As noted earlier, Net Position, when read in conjunction with other data, may serve over time as a useful indicator of the financial position of the Organization. The Organization's assets exceeded liabilities by \$58,636,416 at the close of fiscal year 2022 and \$55,502,388 at the close of fiscal year 2021.

Statements of Net Position

	<u>2022</u>	<u>2021 (Restated)</u>	<u>2020</u>
Current Assets	\$ 2,221,028	\$ 510,790	\$ 223,234
Non-Current Assets	2,210,393	121,975	-
Capital Assets	<u>56,265,076</u>	<u>56,427,093</u>	<u>56,221,201</u>
Total Assets	<u>\$ 60,696,497</u>	<u>\$ 57,059,858</u>	<u>\$ 56,444,435</u>
Current Liabilities	\$ 812,661	\$ 229,630	\$ 719,048
Non-Current Liabilities	<u>1,182,874</u>	<u>1,188,491</u>	<u>960,511</u>
Total Liabilities	<u>\$ 1,995,535</u>	<u>\$ 1,418,121</u>	<u>\$ 1,679,559</u>
Deferred Inflows	<u>\$ 126,060</u>	<u>\$ 139,349</u>	<u>\$ -</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	\$ 54,982,217	\$ 55,159,388	\$ 54,889,335
Unrestricted	<u>3,592,685</u>	<u>343,000</u>	<u>(124,459)</u>
TOTAL NET POSITION	<u>\$ 58,574,902</u>	<u>\$ 55,502,388</u>	<u>\$ 54,764,876</u>

Net investment in capital assets constitutes 93.87% and 99.38% of the Organization's net position as of June 30, 2022 and 2021, respectively. The balance of net position \$3,592,685 and \$343,000 as of June 30, 2022 and 2021, respectively, represents unrestricted net position available for any Organization-related business use.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Organization Activities

Organization activities increased the net position by \$3,072,514 during fiscal year 2022 and by \$737,512 during fiscal year 2021. Key elements of this change are as follows:

Changes in Net Position

	<u>2022</u>	<u>2021 (Restated)</u>	<u>2020</u>
State Appropriations	\$ 3,625,000	\$ 2,250,000	\$ 2,250,000
Historic Preservation Tax Credits	127,461	-	502,710
Rental and Reimbursements Income	401,566	661,381	619,251
Lease Revenue	13,290	13,290	-
Interest Revenue from Lease	8,233	8,966	-
Special Events Income	5,700	1,100	55,216
PPP Loan Forgiveness	-	93,500	-
Sales of Properties	<u>4,891,398</u>	<u>1,865,141</u>	<u>1,505,000</u>
 Total Revenue	 <u>9,072,648</u>	 <u>4,893,378</u>	 <u>4,932,177</u>
 Personnel Services	 697,829	 523,774	 480,212
Materials, Supplies, and Contractual Services	1,381,857	1,062,654	514,530
Cost of Sales of Properties	2,701,904	1,342,568	1,208,387
Depreciation	<u>1,154,478</u>	<u>1,144,143</u>	<u>1,091,973</u>
 Total Operating Expenses	 <u>5,936,068</u>	 <u>4,073,139</u>	 <u>3,295,102</u>
 Total Operating Income	 <u>3,136,580</u>	 <u>820,239</u>	 <u>1,637,075</u>
 Total Interest Expense	 <u>64,066</u>	 <u>82,727</u>	 <u>-</u>
 Change in Net Position	 <u><u>\$ 3,072,514</u></u>	 <u><u>\$ 737,512</u></u>	 <u><u>\$ 1,637,075</u></u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Revenue

During fiscal year 2022, the Organization earned \$9,072,648 in total revenue. This is an increase of \$4,179,270 or 85.41% from the operating revenue of \$4,893,378 earned in fiscal year 2021. This is due primarily to increased sales of properties and increased State Appropriations. During fiscal year 2021, total revenue decreased by \$38,799 or 0.79% over the total revenue earned in fiscal year 2020. This is due primarily to a decrease in Historic Preservation Tax Credits received which more than offset an increase in sales of properties.

Operating Expenses

The Organization's operating expenses increased to \$5,936,068 in fiscal year 2022 from \$4,073,139 in fiscal year 2021. Fiscal year 2022's operating expenses increased due to the increase in the cost of real estate sold as compared to fiscal year 2021. Materials, Supplies, and Contractual services increased to \$1,381,857 in fiscal year 2022 from \$1,062,654 in fiscal year 2021 due to an increase in expenses related to building improvements and marketing. Fiscal year 2021's operating expenses increased due to the increase in the cost of real estate sold as compared to fiscal year 2020. Materials, Supplies, and Contractual services increased to \$1,062,654 in fiscal year 2021 from \$514,530 in fiscal year 2020 due to an increase in expenses related to building improvements.

Capital Asset and Debt

Capital Assets - The Organization's total capital assets (net of accumulated depreciation) decreased from \$56,427,093 as of June 30, 2021, to \$56,265,076 as of June 30, 2022. This \$162,017 decrease, or 0.29%, relates to an increase in accumulated depreciation which offset an increase in Capital Assets, and to the sale of improved capital assets for development.

The Organization's total capital assets (net of accumulated depreciation) increased from \$56,221,201 as of June 30, 2020, to \$56,427,093 as of June 30, 2021. This \$205,892 increase, or 0.37%, relates to an increase in construction in progress. Capital assets include land and improvements, buildings, construction in progress, properties held for development, and equipment. Additional information on the capital assets can be found in Note 4 of the Notes to Financial Statements.

Long-Term Debt - At the end of the current fiscal year, the Organization had long-term debt outstanding of \$1,282,859. This is an increase of \$15,154, or 1.20%, due to the new loan entered with Applied Bank, while a prior loan with Applied Bank was paid off with the proceeds of the sale of remaining Canal District lots to Rockwell Construction.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Capital Asset and Debt - Continued

Long-Term Debt - Continued

At the end of fiscal year 2021, the Organization had long-term debt outstanding of \$1,267,705. This is a decrease of \$64,141, or 4.82%, due to the payoff of the Parke Bank loan. The Organization also entered into new loan agreements with WSFS Bank and Applied Bank. Additional information is available in Note 5 of the Notes to Financial Statements.

The Organization accounts for its leases in accordance with GASB Statement No. 87 - *Leases*, which the Organization adopted in fiscal year 2022, retroactive to July 1, 2020. Accordingly, lease revenues and receivables previously reported for fiscal year 2021 were restated to comply with GASB Statement No. 87 - *Leases*.

Requests for Information - This financial report is designed to provide a general overview of the Fort DuPont Redevelopment and Preservation Corporation's finances to its stakeholders and other users of such information. Requests for copies of this report, questions concerning any of the information in this report should be addressed to Jeffery D. Randol, Executive Director, 260 Old Elm Avenue, PO Box 521, Delaware City, Delaware 19706.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
STATEMENTS OF NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021 (Restated)</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,984,424	\$ 472,643
Accounts Receivable	216,789	18,332
Leases Receivable - Current Portion	11,582	10,849
Accrued Interest Receivable	8,233	8,966
TOTAL CURRENT ASSETS	<u>2,221,028</u>	<u>510,790</u>
NON-CURRENT ASSETS		
Leases Receivable	110,393	121,975
Note Receivable	2,100,000	-
	<u>2,210,393</u>	<u>121,975</u>
CAPITAL ASSETS		
Land	3,277,611	2,450,049
Construction in Progress	7,731,504	8,148,361
Property Held for Development	7,558,139	8,332,056
Buildings	42,936,626	41,829,316
Land Improvements	585,520	585,520
Building Improvements	402,211	250,868
Equipment	291,289	194,269
Less: Accumulated Depreciation	(6,517,824)	(5,363,346)
NET CAPITAL ASSETS	<u>56,265,076</u>	<u>56,427,093</u>
TOTAL NON-CURRENT ASSETS	<u>58,475,469</u>	<u>56,549,068</u>
TOTAL ASSETS	<u><u>\$ 60,696,497</u></u>	<u><u>\$ 57,059,858</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 645,162	\$ 141,115
Accrued Liabilities	7,889	4,551
Earnest Deposit	50,000	-
Security Deposits	9,625	4,750
Current Portion of Long-Term Debt	99,985	79,214
TOTAL CURRENT LIABILITIES	<u>812,661</u>	<u>229,630</u>
LONG-TERM LIABILITY		
Long-Term Debt, Net of Current Portion	1,182,874	1,188,491
TOTAL LIABILITIES	<u>1,995,535</u>	<u>1,418,121</u>
DEFERRED INFLOWS	<u>126,060</u>	<u>139,349</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	54,982,217	55,159,388
Unrestricted Net Position	3,592,685	343,000
TOTAL NET POSITION	<u>58,574,902</u>	<u>55,502,388</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 60,696,497</u></u>	<u><u>\$ 57,059,858</u></u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021 (Restated)</u>
REVENUE		
State Appropriations	\$ 3,625,000	\$ 2,250,000
Historic Preservation Tax Credits	127,461	-
Rental and Reimbursements Income	401,566	661,381
Lease Revenue	13,290	13,290
Interest Revenue from Lease	8,233	8,966
Special Events Income	5,700	1,100
Paycheck Protection Program Loan Forgiveness	-	93,500
Sales of Properties	4,891,398	1,865,141
TOTAL REVENUE	<u>9,072,648</u>	<u>4,893,378</u>
OPERATING EXPENSES		
Personnel Services	697,829	523,774
Materials, Supplies, and Contractual Services	1,381,857	1,062,654
Cost of Sales of Properties	2,701,904	1,342,568
Depreciation	1,154,478	1,144,143
TOTAL OPERATING EXPENSES	<u>5,936,068</u>	<u>4,073,139</u>
OPERATING INCOME	<u>3,136,580</u>	<u>820,239</u>
TOTAL INTEREST EXPENSE	<u>64,066</u>	<u>82,727</u>
CHANGE IN NET POSITION	3,072,514	737,512
NET POSITION - Beginning of Year	<u>55,502,388</u>	<u>54,764,876</u>
NET POSITION - End of Year	<u><u>\$ 58,574,902</u></u>	<u><u>\$ 55,502,388</u></u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021 (Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Appropriations and Tax Credits Received	\$ 3,752,461	\$ 2,250,000
Rent and Reimbursements Received	244,225	669,214
Cash Received from Special Events	5,700	1,100
Proceeds from the Sale of Properties	2,791,398	1,865,141
Earnest Deposits Received	50,000	-
Additions to Property and Equipment	(3,694,365)	(2,692,603)
Cash Paid to Suppliers	(890,897)	(1,254,748)
Cash Paid to Employees	(697,829)	(523,774)
NET CASH FROM OPERATING ACTIVITIES	<u>1,560,693</u>	<u>314,330</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	324,423	580,000
Repayments of Long-Term Debt	(309,269)	(550,661)
Interest Paid	(64,066)	(82,727)
NET CASH FROM FINANCING ACTIVITIES	<u>(48,912)</u>	<u>(53,388)</u>
NET CHANGE IN CASH	1,511,781	260,942
CASH - Beginning of Year	<u>472,643</u>	<u>211,701</u>
CASH - End of Year	<u><u>\$ 1,984,424</u></u>	<u><u>\$ 472,643</u></u>
NON-CASH NON-CAPITAL FINANCING ACTIVITIES		
PPP Loan Forgiveness	<u><u>\$ -</u></u>	<u><u>\$ 93,500</u></u>
NON-CASH OPERATING ACTIVITIES		
Note Received from Sale of Properties	<u><u>\$ 2,100,000</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u> (Restated)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 3,136,580	\$ 820,239
ADJUSTMENTS TO RECONCILE CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	1,154,478	1,144,143
PPP Loan Forgiveness	-	(93,500)
Cost of Sales of Property	2,701,904	1,342,568
(Increase) Decrease in Assets		
Accounts Receivable	(198,457)	(6,799)
Lease Receivable	10,849	(132,824)
Interest Receivable	732	(8,966)
Capital Assets	(3,694,365)	(2,692,603)
Note Receivable	(2,100,000)	-
Increase (Decrease) in Liabilities		
Accounts Payable	487,623	(196,645)
Accrued Liabilities	3,338	4,551
Earnest Deposit	50,000	-
Security Deposits	4,875	(5,183)
Unearned Revenue	16,425	-
Deferred Inflow - Lease Receivable	(13,290)	139,349
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,560,693</u>	<u>\$ 314,330</u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Fort DuPont Redevelopment and Preservation Corporation (the Organization) was created on July 23, 2014, when former State of Delaware Governor, Jack Markell, signed House Bill 310 into law. As a result, the Organization is an instrumentality of the State of Delaware, and the respective legislation defines the powers of the Organization. The State of Delaware's Department of Natural Resources and Environmental Control is the Organization's sole corporate member. The Organization is a component unit of the State of Delaware.

General - Fort DuPont is a property of great historic value to the State of Delaware. Named after Rear Adm. Samuel Francis DuPont, the former military post is situated on the Reedy Point tract, land originally granted to Henry Ward in 1675. A "proposed fort" was planned in 1819, which only appeared on Delaware River charts. Fort DuPont originated during the Civil War as a heavily armed earthwork fortification. In 1864, Sgt. Bishop Crumrine wrote, "these guns command the channel and could blow to atoms any vessel rash enough to attempt to pass." In the decades to follow, "the battery at Delaware City" was gradually modernized into a formidable military post remaining active through World War II. Declared surplus, the site reopened in 1948 as the Governor Bacon Health Center. By 1996, over three-hundred acres were reestablished as Fort DuPont State Park. Fort DuPont is registered as a historic district on the National Register.

In 2013, the Department of Natural Resources and Environmental Control, in collaboration with Delaware City, conducted a planning process to revitalize the Historic Fort DuPont Complex into a vibrant mixed-use community, fully integrated with adjacent Delaware City. The General Assembly recognized that the Fort DuPont Complex along the Delaware River adjacent to Delaware City has enormous potential. It could be a sustainable, mixed-use community producing revenue, jobs, housing choices and recreational and other amenities while preserving its historic character and the surrounding environment. The Organization will act in a planning and development capacity. It can hold, own, preserve, develop, improve, construct, rent, lease, sell, or otherwise acquire or dispose of any real property, including without limitation, any real property comprising the Fort Delaware Complex or portion thereof transferred to the Organization.

Friends of Fort DuPont - On July 10, 2019, the Friends of Fort DuPont, Inc. was formed as a nonprofit corporation organized to raise funds and conduct programs dedicated to the cultural, historical, and aesthetic enhancement of the entire Fort DuPont complex. The Friends of Fort DuPont is reported as a component unit of the Organization, as required by GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*. As of June 30, 2022, the Friends of Fort DuPont was inactive.

Measurement Focus and Basis of Accounting - The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP) applicable to governmental entities as prescribed by the Government Accounting Standards Board (GASB),

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus and Basis of Accounting - Continued - except for the following matter. The Organization recorded its initial land, land improvements, and buildings received from the State of Delaware in a prior year. Such land has been recorded at assessment value. Related land improvements and buildings have been recorded at insured value. GAAP requires that capital assets donated to a government be recorded at Acquisition Value. Acquisition Value is defined as "The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date is referred to as acquisition value." At the time the State of Delaware donated the initial land, land improvements, and buildings to the Organization, acquisition values were not available; therefore, the use of assessed and insured values represents a departure from GAAP.

Under the economic resources measurement focus and the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Operating revenues and expenses generally result from State Appropriations, sale of tax credits, sales of property, and leasing. Operating expenses include the cost of sales, the cost of services and administrative expenses. Any revenues and expenses not meeting this definition are recorded as nonoperating income and expenses. When an expense is incurred that can be paid using either restricted or unrestricted resources, it is the Organization's policy to first apply the expense towards restricted resources and then towards unrestricted resources.

Income Tax Status - The Organization is exempt from income taxes under the provisions of Section 115 of the Internal Revenue Service Code.

Component Unit - The Organization is a Component Unit of the State of Delaware as defined by the Governmental Accounting Standards Board.

Depreciation - Newly acquired property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2022 and 2021, was \$1,154,478 and \$1,144,143, respectively. The Organization generally uses the following useful lives:

Buildings and Improvements	40 Years
Land Improvements	15 Years
Vehicles and Equipment	5 Years

Maintenance and repairs costs are expensed as incurred. Gains or losses on sales or retirements are reflected in income.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising and Marketing - Advertising and marketing costs total \$127,824 and \$30,625 for the years ended June 30, 2022 and 2021, respectively.

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 revenue and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

For purposes of the statement of net position and the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, exceed federally insured limits.

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to the Organization. The Organization does not have a deposit policy for custodial credit risk. As of June 30, 2022 and 2021, the Organization's deposits with financial institutions had carrying amounts of \$1,984,424 and \$472,643 and bank balances of \$2,100,955 and \$523,197, respectively. As of June 30, 2022 and 2021, \$1,598,248 and \$19,889, respectively, of the Organization's bank balances were exposed to custodial credit risk as the amounts are uninsured and uncollateralized.

NOTE 3: OPERATIONS AND CONCENTRATION OF RISK

The Organization receives a substantial amount of its revenue from State of Delaware appropriations. If a significant reduction in the level of this revenue were to occur, it would have an effect on the Organization's operations.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 4: PROPERTY AND EQUIPMENT

The following is a summary of changes in property and equipment for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Property and Equipment Not Being Depreciated				
Land	\$ 2,450,049	\$ 982,555	\$ 154,993	\$ 3,277,611
Construction in Progress	8,148,361	3,412,654	3,767,997	7,793,018
Buildings Held for Development	<u>8,332,056</u>	<u>-</u>	<u>773,917</u>	<u>7,558,139</u>
 Total Capital Assets Not Being Depreciated	 <u>18,930,466</u>	 <u>4,395,209</u>	 <u>4,696,907</u>	 <u>18,628,768</u>
Property and Equipment Being Depreciated				
Buildings	41,829,316	1,107,310	-	42,936,626
Land Improvements	585,520	-	-	585,520
Building Improvements	250,868	151,343	-	402,211
Vehicles and Equipment	<u>194,269</u>	<u>97,020</u>	<u>-</u>	<u>291,289</u>
 Total Capital Assets Being Depreciated	 <u>42,859,973</u>	 <u>1,355,673</u>	 <u>-</u>	 <u>44,215,646</u>
Less: Accumulated Depreciation for				
Land Improvements	84,149	39,035	-	123,184
Buildings and Improvements	5,226,040	1,074,713	-	6,300,753
Vehicles and Equipment	<u>53,157</u>	<u>40,730</u>	<u>-</u>	<u>93,887</u>
 Total Accumulated Depreciation	 <u>5,363,346</u>	 <u>1,154,478</u>	 <u>-</u>	 <u>6,517,824</u>
 Total Capital Assets Being Depreciated, Net	 <u>37,496,627</u>	 <u>201,195</u>	 <u>-</u>	 <u>37,697,822</u>
 Total Capital Assets, Net	 <u>\$ 56,427,093</u>	 <u>\$ 4,596,404</u>	 <u>\$ 4,696,907</u>	 <u>\$ 56,326,590</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 4: PROPERTY AND EQUIPMENT - CONTINUED

The following is a summary of changes in property and equipment for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Property and Equipment Not Being Depreciated				
Land	\$ 2,476,022	\$ -	\$ 25,973	\$ 2,450,049
Construction in Progress	6,871,487	2,593,469	1,316,595	8,148,361
Buildings Held for Development	8,332,056	-	-	8,332,056
 Total Capital Assets Not Being Depreciated	 <u>17,679,565</u>	 <u>2,593,469</u>	 <u>1,342,568</u>	 <u>18,930,466</u>
Property and Equipment Being Depreciated				
Buildings	41,829,316	-	-	41,829,316
Land Improvements	585,520	-	-	585,520
Building Improvements	250,868	-	-	250,868
Vehicles and Equipment	95,135	99,134	-	194,269
 Total Capital Assets Being Depreciated	 <u>42,760,839</u>	 <u>99,134</u>	 <u>-</u>	 <u>42,859,973</u>
Less: Accumulated Depreciation for				
Land Improvements	45,114	39,035	-	84,149
Buildings and Improvements	4,159,712	1,066,328	-	5,226,040
Vehicles and Equipment	14,377	38,780	-	53,157
 Total Accumulated Depreciation	 <u>4,219,203</u>	 <u>1,144,143</u>	 <u>-</u>	 <u>5,363,346</u>
 Total Capital Assets Being Depreciated, Net	 <u>38,541,636</u>	 <u>(1,045,009)</u>	 <u>-</u>	 <u>37,496,627</u>
 Total Capital Assets, Net	 <u>\$ 56,221,201</u>	 <u>\$ 1,548,460</u>	 <u>\$ 1,342,568</u>	 <u>\$ 56,427,093</u>

Land includes the assessed value of lots available for sale.

Construction in progress includes costs accumulated through June 30, 2022, for various rehabilitation and construction projects currently underway.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 4: PROPERTY AND EQUIPMENT - CONTINUED

Buildings not placed in service represents the insured value of various real estate properties the Organization received from the State of Delaware in a prior year, plus certain rehabilitation and development costs paid and less certain buildings that are now in service.

NOTE 5: LONG-TERM DEBT

The following is a summary of debt transactions for the Organization for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Due Within One Year</u>
Tenant Reimbursement	\$ 19,166	\$ -	\$ -	\$ 19,166	\$ 19,166
Tri Supply Equipment	26,100	-	15,120	10,980	8,910
WSFS Loan	66,252	-	15,299	50,953	15,946
Applied Bank Loans	<u>1,156,187</u>	<u>324,423</u>	<u>278,850</u>	<u>1,201,760</u>	<u>55,963</u>
Total Debt	<u>\$ 1,267,705</u>	<u>\$ 324,423</u>	<u>\$ 309,269</u>	<u>\$ 1,282,859</u>	<u>\$ 99,985</u>

The following is a summary of debt transactions for the Organization for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Due Within One Year</u>
Tenant Reimbursement	\$ 21,666	\$ -	\$ 2,500	\$ 19,166	\$ 10,000
Paycheck Protection Program	93,500	-	93,500	-	-
Parke Bank Loan	241,063	-	241,063	-	-
Tri Supply Equipment	42,300	-	16,200	26,100	16,200
WSFS Loan	-	80,000	13,748	66,252	15,299
Applied Bank Loan	<u>933,337</u>	<u>500,000</u>	<u>277,150</u>	<u>1,156,187</u>	<u>37,715</u>
Total Debt	<u>\$ 1,331,866</u>	<u>\$ 580,000</u>	<u>\$ 644,161</u>	<u>\$ 1,267,705</u>	<u>\$ 79,214</u>

The Organization entered into a commercial construction loan agreement with Applied Bank (Applied) on July 27, 2017, for an amount up to \$1,550,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 2.00%, with a floor of 6.00%. The interest rate as of June 30, 2022, is 6.75%. The purpose of the loan is to renovate seven officers' quarters residences in the historic Fort DuPont Complex.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 5: LONG-TERM DEBT - CONTINUED

The borrowings are secured by a mortgage on these real properties owned by the Organization and the assignment of present and future leases, rents, and profits with respect to these properties to Applied. The loan term was two years' interest only during the construction period, followed by a five-year term loan, amortized over 25 years with final payment of any outstanding principal and accrued interest due on August 1, 2024. During the two-year interest only period, the Organization was required to sell certain improved real estate and apply proceeds to reduce the loan balance to \$950,000. Outstanding borrowings totaled \$877,336 and \$906,187 as of June 30, 2022 and 2021, respectively.

The Organization entered into a commercial construction loan agreement with Applied on February 5, 2021, for an amount up to \$500,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 2.00%, with a floor of 4.75%. The purpose of the loan is to renovate residences in the historic Fort DuPont Complex. The borrowings are secured by a mortgage on these real properties owned by the Organization and the assignment of present and future leases, rents, and profits with respect to these properties to Applied. The loan term was two years' interest only during the construction period, followed by a two-year term loan, amortized over 25 years with final payment of any outstanding principal and accrued interest due on January 31, 2023. Outstanding borrowings total \$0 and \$250,000 as of June 30, 2022 and 2021, respectively. Outstanding borrowings were paid off on October 6, 2021.

The Organization entered into a construction loan agreement with Parke Bank (Parke) on January 18, 2019, for \$1,200,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 1.00%, with a floor of 6.25%. The purpose of the loan is to develop 71 lots in the Canal District of the Fort Dupont Complex. The borrowings are secured by a mortgage on these real properties owned by the Organization and the assignment of present and future leases, rents, and profits with respect to these properties to Parke. The loan term was two years' interest only with final payment of any outstanding principal and accrued interest due on December 1, 2020. Outstanding borrowings were paid off on September 25, 2020.

On July 31, 2020, the Organization entered into a loan agreement with WSFS Bank, for \$80,000 for the purchase of two vehicles, secured by the vehicles. The loan has a fixed interest rate of 4.75% with a five-year term. The outstanding balance on the loan was \$50,953 and \$66,252 as of June 30, 2022 and 2021, respectively.

The Organization has an agreement with a previous tenant in connection with their restoration and rehabilitation of a building owned by the Organization. The Organization has agreed to reimburse the previous tenant \$50,000 over five years in monthly installments of \$833 starting August 1, 2017. The outstanding balance due as of June 30, 2022 and 2021, was \$19,166. The Organization is in default and did not make any installment payments during the fiscal year ended June 30, 2022.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 5: LONG-TERM DEBT - CONTINUED

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted into law. In May 2020, the Organization applied for and received a \$93,500 loan under the Paycheck Protection Program section of the CARES Act. The loan had a fixed interest rate of 1% and has a two-year term. Under the program, if the funds were used to pay payroll and other allowable costs and if certain other conditions were met, the loan could be forgiven upon application to, and approval by, the U.S. Small Business Administration. Management had determined that all conditions for forgiveness had been substantially met as of June 30, 2021, and had submitted an application for such forgiveness. As such, the loan balance as of June 30, 2022 and June 30, 2021, was zero and the loan proceeds were presented as revenue in the June 30, 2021 financial statements, under the provisions of GASB 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

The Organization entered into loan agreements with an equipment dealer to finance equipment. Under the agreements, the Organization will make monthly payments ranging from \$540 to \$810 with maturity dates ranging from September 2022 to September 2023. Interest is 0%. The outstanding balance due as of June 30, 2022 and 2021, was \$10,980 and \$26,100, respectively.

The Organization entered into a commercial construction loan agreement with Applied Bank on February 5, 2021, for an amount up to \$885,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 1.50%, with a floor of 4.75%. The interest rate as of June 30, 2022 is 6.25%. The purpose of the loan is to develop two lots on Old Battery Lane in the Fort Dupont Complex. The borrowings are secured by a mortgage on these real properties owned by the organization and the assignment of present and future leases, rents, and profits with respect to these properties to Applied. The loan term is eighteen months interest only during the construction period, followed by a five-year loan, amortized over 25 years with final payment of any outstanding principal and interest due on August 31, 2027. Outstanding borrowings total \$324,424 and \$0 as of June 30, 2022 and 2021, respectively.

Maturities of long-term debt are as follows:

2023	\$	99,985
2024		33,936
2025		34,686
2026		20,540
Thereafter		<u>1,093,712</u>
Total	\$	<u>1,282,859</u>

The total interest cost incurred during the years ended June 30, 2022 and 2021, was \$61,515 and \$80,184, respectively.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 6: RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan, covering employees who have completed 90 days of service and who are at least 21 years of age. The Organization matches 100% of the first 4% of the employees' contributions. Employees can contribute up to 100% of their compensation or the statutory limit. The Organization's contribution to the plan was \$15,882 and \$10,816 for the years ended June 30, 2022 and 2021, respectively.

NOTE 7: LEASES - LESSOR AND RESTATEMENT

The Organization leases various residential real estate properties to tenants under operating leases with one-year terms. The Organization received \$401,566 and \$661,381 in rental income during the years ended June 30, 2022 and 2021, respectively.

The Organization has also entered into two lease agreements to lease property to agencies of the State of Delaware, the primary government and a related party. The Office of Management and Budget (OMB) Federal Food Commodities Program and the Department of Natural Resources and Environmental Control, Division of Parks & Recreation and Division of Fish & Wildlife (collectively referred to as DNREC) leases began in 2018 and 2019, respectively, and provide the departments with full use of the leased property.

The Organization is recognizing leases in accordance with GASB Statement No. 87 - *Leases*, which the Organization adopted retroactively, effective July 1, 2020. Accordingly, lease revenues and receivable previously reported for fiscal year 2021 have been restated to comply with GASB Statement No. 87 - *Leases*, as follows:

- Lease Receivables - as restated: \$132,824; originally reported: \$0.
- Lease Receivable Deferred Inflow - as restated: \$139,349; originally reported: \$0.
- Accrued Interest Receivable - as restated: \$8,966; originally reported: \$0.
- Lease Revenue - as restated: \$13,290; originally reported: \$0.
- Interest Revenue - as restated: \$8,966; originally reported: \$0.
- Rental and Reimbursements Income - as restated: \$661,381; originally reported: \$681,196.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 7: LEASES - LESSOR AND RESTATEMENT - CONTINUED

The following is a schedule of minimum future annual base lease income for the lease agreements:

Year Ending June 30,	DNREC			OMB		
	Payments	Principal	Interest	Payments	Principal	Interest
2023	\$ 10,500	\$ 3,537	\$ 6,963	\$ 9,315	\$ 8,045	\$ 1,270
2024	10,500	3,775	6,725	9,315	8,588	727
2025	10,500	4,030	6,470	2,329	2,182	147
2026	10,500	4,302	6,198	-	-	-
2027	10,500	4,593	5,907	-	-	-
2028-2032	52,500	28,054	24,446	-	-	-
2033-2037	52,500	38,890	13,610	-	-	-
Thereafter	17,500	15,979	1,521	-	-	-
	<u>\$ 175,000</u>	<u>\$ 103,160</u>	<u>\$ 71,840</u>	<u>\$ 20,959</u>	<u>\$ 18,815</u>	<u>\$ 2,144</u>

Year Ending June 30,	Total		
	Payments	Principal	Interest
2023	\$ 19,815	\$ 11,582	\$ 8,233
2024	19,815	12,363	7,452
2025	12,829	6,212	6,617
2026	10,500	4,302	6,198
2027	10,500	4,593	5,907
2028-2032	52,500	28,054	24,446
2033-2037	52,500	38,890	13,610
Thereafter	17,500	15,979	1,521
	<u>\$ 195,959</u>	<u>\$ 121,975</u>	<u>\$ 73,984</u>

Lease revenues for the years ended June 30, 2022 and 2021, for the property leased to OMB were \$13,290.

Interest income from the leases revenue for the years ended June 30, 2022 and 2021, were \$8,233 and \$8,966, respectively.

Leased properties have a combined cost of \$20,557,759 and accumulated depreciation of \$2,754,939.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 8: HISTORIC PRESERVATION TAX CREDITS

The Organization has completed qualified redevelopment and rehabilitation projects on certain owned real estate and improvements, entitling it to Delaware Historic Preservation Tax Credits. During the years ended June 30, 2022 and 2021, the Organization was awarded such tax credits from the State of Delaware in the amount of \$138,545 and \$0, respectively, and sold them, at a discount, to third parties for \$127,461 and \$0 during the years ended June 30, 2022 and 2021, respectively.

NOTE 9: NOTE RECEIVABLE

On October 29, 2021, the Organization sold two parcels of land (Grassdale Conference Land and Grassdale Surrounding Land Area) as a recreational vehicle resort and campground area with RIG Acquisitions, LLC. At closing Sun Fort DuPont RV LLC, the Assignee, executed a purchase money promissory note for \$2,100,000 with the Organization. The note has an interest rate of 0% and a maturity date of October 29, 2025. The outstanding balance on the note receivable was \$2,100,000 as of June 30, 2022.

NOTE 10: COMMITMENTS AND CONTINGENCIES

The Organization has entered into various real estate sales agreements and construction agreements that are ongoing for the sale and construction of projects within Fort DuPont. The Organization's real estate sales agreements require the Organization to complete the development of certain lots for sale within a mutually agreed upon time frame with the purchaser.

The Organization has entered into several contracts for site work with Corrado Construction Co. for various phases of the development. Contracts are both fixed price and time and materials. Site work is ongoing.

On June 13, 2018, the Organization entered into a contract with Rockwell DuPont I, LLC to purchase and develop lots, for amounts between \$80,000 and \$120,000 per lot. There have been five amendments to the original contract (October 22, 2018, June 6, 2018, August 22, 2019, September 17, 2020, and May 14, 2021). Development of the lots is ongoing.

On September 30, 2020, the Organization entered into a contract with U.S. Home Corporation D/B/A Lennar Corporation to purchase and develop 13.3 acres of land as 130 twin and stacked townhouse condominium units for \$20,000 per homesite. Development of the lots is ongoing.

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated all subsequent events through the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
SCHEDULES OF OPERATING EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Administrative Expenses	\$ 99,152	\$ 100,110
Building Improvements	3,909,067	2,583,694
Common Area Maintenance	276,968	277,414
Cost of Sales of Properties	2,701,904	1,342,568
Depreciation Expenses	1,154,478	1,144,143
Marketing Expenses	127,824	30,625
Operating Expenses	109,737	41,534
Payroll Expenses	697,829	523,774
Professional Fees	217,647	456,078
Property Management Expense	200	-
Special Event Expenses	6,112	(850)
Utilities Expense	206,213	181,866
Amounts Capitalized as Property and Equipment	<u>(3,571,063)</u>	<u>(2,607,817)</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 5,936,068</u></u>	<u><u>\$ 4,073,139</u></u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
SCHEDULES OF CAPITAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Architectural	\$ -	\$ 8,262
Building Improvements	3,149,333	1,157,674
Demolition	105,420	-
Engineering	142,008	139,089
Insurance	-	14,606
Landscaping and Signage	-	52,619
Legal	-	32,320
Permitting	-	-
Roadways and Utilities	174,302	1,203,247
Amounts Capitalized as Property and Equipment	<u>(3,571,063)</u>	<u>(2,607,817)</u>
TOTAL CAPITAL EXPENSE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

JUNE 30, 2022

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

(A Component Unit of the State of Delaware)

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***Independent Auditors' 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 Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

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 Fort DuPont Redevelopment and Preservation Corporation (the Organization), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Fort DuPont Redevelopment and Preservation Corporation's basic financial statements and have issued our report thereon dated July 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fort DuPont Redevelopment and Preservation Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fort DuPont Redevelopment and Preservation Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fort DuPont Redevelopment and Preservation Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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, a misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

control, such that there is a reasonable possibility that a material misstatement of the Fort DuPont Redevelopment and Preservation Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2022-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2022-002 and 2022-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fort DuPont Redevelopment and Preservation Corporation'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 financial statements. 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*.

Fort DuPont Redevelopment and Preservation Corporation's Responses to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Fort DuPont Redevelopment and Preservation Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. The Fort DuPont Redevelopment and Preservation Corporation's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Fort DuPont Redevelopment and Preservation Corporation'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 Fort DuPont Redevelopment and Preservation Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Belfint, Lyons & Shuman, P.A.

July 19, 2023
Wilmington, Delaware

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-001

Type of Finding: Significant Deficiency

Financial Reporting Close Process

Condition: During our audit, we noted misstatements of the general ledger balances requiring material adjusting journal entries. Many of these adjustments should have been made during the year-end financial close process, but had not yet been made by the Organization, or were required as a result of our audit procedures. A similar finding was reported in the prior year.

1. An adjusting journal entry totaling \$253,101 to reconcile the opening net position.
2. An entry totaling \$696,190 to properly record debt activity during the year ended June 30, 2022.
3. Entries totaling \$1,292,238 to record capital assets that had been expensed.
4. Entries totaling \$2,088,075 to reclassify construction in progress assets that had been placed in service.
5. Entries totaling \$2,701,904 to properly record the value of real estate sold during the year ended June 30, 2022.
6. An entry totaling \$2,100,000 to record a note received as part of the sales price of a property sold.
7. Entries totaling \$2,293,070 to properly record real estate sales activity during the year ended June 30, 2022.
8. An entry totaling \$2,392,975 to reclassify capitalized expenses for the proper presentation of the Statement of Capital Expenses in the Supplementary Information to the Financial Statements.

Criteria: The Organization should require adequate review and adjustment of the year-end accounting data and financial information used to prepare the Organization's financial statements in accordance with generally accepted accounting principles (GAAP), in a timely manner, prior to the annual audit. The Organization's internal controls over financial reporting should allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Cause: While the Organization's financial closing procedures captured most routine entries, the existing procedures did not capture certain unusual or complex entries needed to present the financial statements in accordance with GAAP. Certain other entries were made, but required correction.

Effect: The misstatements that were discovered during the audit required material adjustments for the fair presentation of the financial statements. We provided management with proposed adjustments, which management accepted for posting to the Organization's general ledger to correct these misstatements.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-001 - Continued

Recommendation: We recommend that management enhance its financial closing procedures in the current year so that it captures the types of activities that were missed in fiscal year 2022. As part of the process, management should evaluate all fiscal year 2022 post-closing and audit adjustments to ensure that procedures and controls are in place to properly identify and record similar entries in the future, on a timely basis.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and appreciates the importance of providing closing journal entries to present accurate financial statements. The Corporation has recently hired a Deputy Director with overall responsibility for ensuring proper accounting of the Corporation's finances. Management expects closing journal entries for Fiscal Year 2023 to be completed no later than July 30, 2023.

Responsible Positions: Management

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-002

Type of Finding: Significant Deficiency

Allocation of Costs, Cost of Properties Sold

Condition: The Organization does not have a written policy for the capitalization of costs and the allocation of such costs incurred in preconstruction, construction, and overhead for its property development projects. Audit procedures resulted in adjusting journal entries totaling \$1,292,238 to properly capitalize such costs. The Organization also did not perform any allocation of costs to the properties it sold during the fiscal year. Full sales prices were recorded as revenue. This resulted in adjusting entries totaling \$2,701,904 to properly record the cost of real estate sold (see item 2022-001).

A similar finding was reported in the prior year.

Criteria: Written policies and procedures for the capitalization of costs and cost allocations are necessary for the consistent recording of property costs in accordance with accounting principles generally accepted in the United States of America.

Cause: This condition was brought to management's attention, for the first time, during the FY 2020 audit. Since then, the Organization has had turnover in its accounting function. The Organization does not have a formal property development cost capitalization or cost allocation policy.

Effect: The lack of written policies and procedures makes it more difficult to maintain consistent accounting over time and increases the difficulty in conducting the audit.

Recommendation: We recommend that accounting policies and procedures be written to document management's accounting for the costs incurred relating to preconstruction, construction, and overhead for the Organization's various property development projects and the allocation of such costs.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Utilizing financial best practices, the Corporation will develop property development cost capitalization policy and procedures that will allocate costs for preconstruction, construction and overhead for property development and preservation projects. The policy will be presented to the Board for review and approval no later than the fall of 2023.

Responsible Positions: Management

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-003

Type of Finding: Significant Deficiency

Cash Disbursement Documentation and Approval

Condition: Cash disbursements lacked proper documentary support approvals and recording to the correct accounts. We found the following:

- Of the 40 cash disbursements selected for testing, supporting documents could not be located for four of the transactions. Of the transactions for which support was provided, 14 had no payment approvals recorded on the documents and three were not recorded to the correct account.
- Of the 20 credit card transactions selected for testing, supporting documents could only be located for two transactions and those two had no payment approvals recorded on the documents.
- Of the 14 capital asset additions selected for testing, supporting documents could not be located for one of the transactions. Of the transactions for which support was provided, 11 had no payment approvals recorded on the documents, two were recorded in the wrong fiscal year, and three were not capital assets and were recorded incorrectly.

Criteria: Strong internal controls over cash disbursements are necessary to safeguard the Organization's assets from misappropriation and to ensure expenses are recorded properly.

Cause: The Organization does not have a formal written policy concerning cash disbursements. The Organization has also had turnover in its accounting function and the former Executive Director separated from the Organization in March 2022. There were two interim Executive Directors during the period from April 2022 through June 2022.

Effect: The lack of controls over cash disbursements increases the Organization's risk for misappropriation of assets and the lack of written policies and procedures makes it more difficult to maintain consistent accounting processes over time and increases the difficulty in conducting the audit

Recommendation: We recommend that management implement written accounting policies over cash disbursements that include the following procedures:

- Management indicates its approval of expenditures by signing and dating the invoice or payment voucher before payments are made.
- As part of the process, the bookkeeper should also indicate the correct account coding of the payment on the invoice or payment voucher and management should review and approve the proper coding as well.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-003 - Continued

Recommendation - Continued

- For each credit card use, a receipt should be obtained and submitted to an authorizing official for review and approval. These receipts should be retained in the business office and compared with the detail in the credit card's monthly statement. Any discrepancies should be investigated.

We also recommend that the Organization create a better filing system, preferably digital, to store its paid invoices and other documentation.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. We believe the term "cash disbursement" as used in the finding refers to any payment by the Corporation in exchange for the provision of goods or services. Practically, this would mean payments made by the Corporation via check or through payroll, as the Corporation does not use cash as a means of payment. Current policies pertaining to the approval and coding of expenditures will be reviewed and, where necessary, revised consistent with the recommendation. Procedures for the administration of credit card use have already been implemented, and the formal policy will be revised to reflect such. Finally, the Corporation has already begun to redesign procedures and systems for the storage of financial documents.

Responsible Position: Management

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

Reference Number: 2020-001

Type of Finding: Significant Deficiency

Valuation of Donated Capital Assets

Condition: The Organization has recorded the buildings and improvements, originally donated by the State of Delaware at insured value, and the land, originally donated by the State of Delaware, at values assessed for property tax purposes. Accounting principles generally accepted in the United States of America (GAAP) require that donated capital assets be recorded at Acquisition Value, resulting in misstatements of the assets, net position, and expenses of the Organization. The amount by which this departure would affect the assets, net position, and expenses of the Fort DuPont Redevelopment and Preservation Corporation has not been determined.

Current Status: This condition was unchanged during the year ended June 30, 2022 and is not expected to be addressed due to the cost and effort involved in determining the donated assets' Acquisition Values.

Reference Number: 2021-001

Type of Finding: Significant Deficiency

Allocation of Costs

Condition: The Organization does not have a written policy for the allocation of costs incurred in preconstruction, construction, and related operation for its various property development projects. The allocations we examined during the audit were reasonable, but the lack of a written policy could lead to inconsistencies or errors in the future.

Current Status: A similar condition was noted during the year ended June 30, 2022. See current year finding 2022-002.

Reference Number: 2021-002

Type of Finding: Significant Deficiency

Financial Reporting Close Process

Condition: During our audit, we noted misstatements of the general ledger balances requiring material adjusting journal entries. Many of these adjustments should have been made during the year-end financial close process, but had not yet been made by the Organization, or were required as a result of our audit procedures.

Current Status: A similar condition was noted during the year ended June 30, 2022. See current year finding 2022-001

APPENDIX C

**Special Report on Residential Leases
Prepared by Belfint, Lyons, and Shuman**

June 30, 2022

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

JUNE 30, 2022



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Independent Auditors' Report

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

We have performed the procedures enumerated below on the analysis of residential leases of Fort DuPont Redevelopment and Preservation Corporation (Corporation) for the period July 1, 2016 through June 30, 2022. The Corporation's management is responsible for the analysis of residential leases.

The Corporation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of analyzing the residential leases for the review of those charged with governance. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Procedure 1: Compile a complete schedule of the Corporation's residential leases in effect from July 1, 2016 through June 30, 2022, from client records and from information accumulated in our audit workpapers.

Findings: We compiled a schedule of leases in effect during the period from July 1, 2016 through June 30, 2022. We found that, during the period, the Corporation leased out 13 different rental units to 19 tenants. Tenants paid the rent and utilities due with varying levels of completeness and consistency. We compiled a schedule, which is attached to this report and titled Attachment A, containing the residency periods and outstanding balances for all of the 19 tenants. We also evaluated tenant rental activity for the subsequent period July 1, 2022 through October 31, 2022 and updated Attachment A accordingly. During our analysis of the leases, we found the following two items of interest:

- Former employee, and tenant, Chris Robinson was refunded a rent payment on August 1, 2021. At the time, he had an outstanding balance of rent due to the Corporation.
- Former Executive Director and tenant, Jeff Randol received a \$4,000 rent credit to his outstanding balance on June 27, 2019. The Corporation could not provide supporting documentation for this transaction.

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

Procedure 2: Summarize the key terms of each Corporation lease from lease documents provided (or, have already provided) and financial records (building number, property location, property type, property size, start and end dates, responsibility for utilities, tenant name, and monthly rent.).

- a. Identify any lease payment in arrears or not paid timely.
- b. Identify any utility reimbursements due to the Corporation in arrears or not paid timely.

Findings: We summarized the key terms of each lease in effect during the period from July 1, 2016 through June 30, 2022, from lease documents and financial records provided by the Corporation in Attachment B to this report. We identified rent and utility payments in arrears (but could not identify all rent and utility payments that may have been made late). We found the lease entered by the Corporation with a tenant for Unit 45B (Macario) on June 1, 2019 did not specify a monthly rental or security deposit amount. On May 8, 2020, the Corporation extended this lease agreement for the period June 1, 2020 through May 31, 2021 for a lump sum rental payment of \$21,900.

Procedure 3: Identify Corporate officer, or employee authorizing and signing each lease.

Findings: In Attachment B, we identified the Corporate officer, or employee authorizing and signing each lease. See the appropriate columns indicating so on Attachment B, which is attached to this report. We found one lease approved by Susan Frank, Board of Directors Chair, two leases provided had no indication of approval, and the remaining 16 leases were approved by Peggy Thomas, Site Manager.

Procedure 4: Identify, to the extent possible, any leases with related parties or employees of the Corporation.

Findings: We identified leases with related parties or employees of the Corporation in Attachment B to this report. We found that four leases were executed with related parties of the Corporation. These related parties were Jeff Randol (Former Executive Director), Peggy Thomas (Site Manager), Chris Robinson (Employee), and Kodee Thompson (Employee).

We were engaged by the Corporation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the residential lease activity. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Recommendations: We have identified improvements that could be made in the execution of leasing residential properties and the resulting collection of rents and utilities owed to you.

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

We noted that several employees of the Corporation were provided with on-site housing, owned by the Corporation, and paid rent, which may have been at a below-market rate. This is not unusual for employees of historical or educational institutions. Per the Internal Revenue Code, Section 119, employee housing benefits (including the difference between fair market value and actual rent) may be non-taxable to employees if all three of these conditions are met:

- The housing is provided on the property owned by the employer.
- The housing is provided for the convenience of the employer.
- The employee must accept housing as a condition of employment. A condition of employment is an agreement at the beginning of employment by both employer and employee.

The first two conditions appear to have been met. The third may also have been met but is not formally documented. We recommend that when such special arrangements are made, as a condition of employment, they be made formally and in writing.

- We noted inconsistencies in the billing of tenants for reimbursements for utilities and the subsequent collection of those amounts. Some of these inconsistencies are due to the set-up of utilities in certain properties. We recommend enacting a policy for tenants, where possible, to assume responsibility for the utilities in the leased property, to remove the pass-through of bills and payments to the Corporation.
- We noted that residential leases contained some inconsistent terms due to differences in properties' characteristics or tenant circumstances. We recommend that the Corporation keep lease terms as consistent as possible. One way to do this would be to have each new or renewed lease approved and signed by a member of management (Executive Director or Operations Director) and the Corporation's Board (or a designated member of the Board).

This report is intended solely for the information and use of Ft. DuPont Redevelopment and Preservation Corporation and is not intended to be, and should not be, used by anyone other than the specified party.

Belfint, Lyons & Shuman, P.A.

December 14, 2022
Wilmington, Delaware

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Attachment A

Leases in Effect During the Period July 1, 2016 through June 30, 2022

Building/Unit	Tenant	Move in Month	Move out Month	Outstanding Balance Due to/(from) FDRPC
15	Thomas	March 2021	Current Tenant as of 6/30/2022	\$ 260.00
25A	Carey	December 2018	July 2020	-
25A	Evans	August 2020	January 2021	-
25A	Pincus	February 2021	Current Tenant as of 6/30/2022	-
25B	Capparell and Frye	February 2019	January 2020	-
25B	Scott	June 2020	Current Tenant as of 6/30/2022	-
36	Robinson	February 2020	March 2022	3,043.52
39	Randol	December 2017	Lease ended 6/30/2022	1,498.56
42A	Bolton	October 2017	February 2020	11,944.00
42A	Thompson	May 2020	Current Tenant as of 6/30/2022	-
42B	Waddell	October 2017	September 2018	2,588.00
42B	Garvey and Pearman	December 2018	February 2022	273.00
43A	Carlucci	November 2017	October 2018	1,337.50
43A	Imburgia	November 2018	Current Tenant as of 6/30/2022	1,325.00
43B	Kenneally	March 2018	January 2019	(800.26)
43B	Dayton	February 2019	Current Tenant as of 6/30/2022	2,900.00
45A	Johnson	June 2019	Current Tenant as of 6/30/2022	-
45B	Macario	June 2019	Current Tenant as of 6/30/2022	1,950.00
45B	Ioannoni	July 2021	July 2021	(391.00)
45B		July 2021	Current Tenant as of 6/30/2022	-

We evaluated rental activity for the above tenants for the period 7/1/2022 through 10/31/2022 and noted the following:

Thomas was current on rent from 7/1/22-10/31/22 and paid an additional \$112.10 on past-due balance.

Thompson was mostly current on rent from 7/1/22-10/31/22 but added an additional \$42 on the past-due balance.

Dayton was current on rent from 7/1/22-10/31/22 and paid off the outstanding balance.

Johnson was current on rent from 7/1/22-10/31/22.

Scott was current on rent from 7/1/22-10/31/22.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Attachment B

Leases in Effect for the Period July 1, 2016 through June 30, 2022

Tenants	Building No.	Address	Property Type	Bedrooms	Baths	Size (Sq. Ft.)	Responsibility for Normal Utilities
Thomas	15	1605 Maple Blvd.	Single Family	3	2.5	1540	Split - Landlord covers gas, sewer, and garbage. Tenant covers electricity and water.
Robinson	36	1664 Maple Blvd.	Single Family	2	1	2692	Landlord
Randol	39	1303 Officers' Row	Single Family	4	3	3456	Tenant
Carey	25A	1306A Officers' Row	Duplex	3	2.5	1982	Tenant
Pincus	25A	1306A Officers' Row	Duplex	3	2.5	1982	Tenant
Evans	25A	1306A Officers' Row	Duplex	3	2.5	1982	Tenant
Capparell and Frye	25B	1306B Officers' Row	Duplex	3	2.5	1982	Tenant
Scott	25B	1306B Officers' Row	Duplex	3	2.5	1982	Tenant
Thompson	42A	2701 Staff Lane	Duplex	3	1.5	1503	Landlord
Bolton	42A	2701 Staff Lane	Duplex	3	1.5	1503	Tenant
Garvey and Pearman	42B	2703 Staff Lane	Duplex	3	1.5	1503	Tenant
Waddell	42B	2703 Staff Lane	Duplex	3	1.5	1503	Tenant
Carluci	43A	2801 Quartermaster Rd.	Duplex	2	2.5	1503	Tenant
Imburgia	43A	2801 Quartermaster Rd.	Duplex	2	2.5	1503	Tenant
Kenneally	43B	2803 Quartermaster Rd.	Duplex	2	2.5	1503	Tenant
Dayton	43B	2803 Quartermaster Rd.	Duplex	2	2.5	1503	Tenant
Johnson	45A	1308A Officers' Row	Duplex	4	2.5	2567	Tenant
Macario	45B	1308B Officers' Row	Duplex	4	2.5	2567	Tenant
Ioannoni	45B	1308B Officers' Row	Duplex	4	2.5	2567	Tenant

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Attachment B - Continued

The Period July 1, 2016 through June 30, 2022

Tenants	Start Date	End Date	Security Deposit per Lease	Monthly Rent per Lease	Authorizer of Lease	Related Party?	Relationship to FDRPC
Thomas	3/1/2021	2/28/2022	\$ 1,700.00	\$ 1,700.00	No Signer on Lease	Yes	Employee, Site Manager
Robinson	2/1/2020	1/31/2021	Waived	500.00	Peggy Thomas	Yes	Employee
Randol	12/1/2017	11/30/2019	N/A	2,000.00	Susan Frank	Yes	Former Executive Director
Carey	12/1/2018	11/30/2019	1,850.00	1,850.00	No Signer on Lease	No	N/A
Pincus	2/1/2021	1/31/2022	1,850.00	1,850.00	Peggy Thomas	No	N/A
Evans	7/1/2020	6/30/2021	1,850.00	1,850.00	Peggy Thomas	No	N/A
Capparell and Frye	2/1/2019	1/31/2020	1,850.00	1,850.00	Peggy Thomas	No	N/A
Scott	5/20/2020	4/30/2021	1,850.00	1,850.00	Peggy Thomas	No	N/A
Thompson	5/1/2020	4/30/2021	1,000.00	1,000.00	Peggy Thomas	Yes	Employee
Bolton	9/15/2017	9/14/2018	1,350.00	1,350.00	Peggy Thomas	No	N/A
Garvey & Pearman	12/14/2018	12/13/2020	1,350.00	1,350.00	Peggy Thomas	No	N/A
Waddell	10/6/2017	10/5/2018	1,350.00	1,350.00	Peggy Thomas	No	N/A
Carluci	10/31/2017	10/30/2018	1,325.00	1,325.00	Peggy Thomas	No	N/A
Imburgia	11/1/2018	10/31/2020	1,450.00	1,450.00	Peggy Thomas	No	N/A
Kenneally	3/2/2018	1/1/2019	1,450.00	1,450.00	Peggy Thomas	No	N/A
Dayton	2/15/2019	2/14/2020	1,450.00	1,450.00	Peggy Thomas	No	N/A
Johnson	6/1/2019	5/31/2020	1,950.00	1,950.00	Peggy Thomas	No	N/A
				Prepaid \$21,900 for the year. This amount was not designated in the lease.			
Macario	6/1/2019	5/31/2020	0.00		Peggy Thomas	No	N/A
Ioannoni	8/5/2021	8/4/2022	1,950.00	1,950.00	Peggy Thomas	No	N/A

APPENDIX D

Purchasing and Procurement Thresholds Policy (draft)



Purchasing and Procurement Thresholds

Materiel and Non-Professional Services

- Less than \$50,000 – Open Market Purchase
- \$50,000 - \$99,999.99 – 3 Written Quotes
- \$100,000 and over – Formal Bid

The threshold for materiel and non-professional services is a yearly cumulative amount for a fiscal year (July 1-June 30).

Public Works

- Less than \$250,000– Open Market Purchase
- \$250,000 to \$399,999.99-- 3 Letter Bids
- \$400,000 and over – Formal Bid

The threshold for Public Works is on a contract-by-contract basis. Contracts may not be fragmented to avoid reaching the dollar amount. Annual thresholds do not apply.

Professional Services

- Less than \$200,000 Open Market
- \$200,000 and over – Formal RFP Process

The threshold for Professional Services is on a contract-by-contract basis. Contracts may not be fragmented to avoid reaching the dollar amount. Annual thresholds do not apply.

Effective Date: _____

APPENDIX E

Financial Reserves Policy (draft)



Financial Reserves Policy

FDRPC will strive to maintain a minimum **Budget Reserve**, of at least 5% of the current year's operating revenues for the Operating and Capital Project Fund, excluding the carry forward balance. The purpose of the Budget Reserve is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the final Budget Reserve exceeds the amount as approved in the budget, such funds shall be used as designated by and with the approval of the FDRPC Board of Directors.

Once achieved, at no time should FDRPC's Budget Reserve fall below their specified percentages. If a shortfall occurs in the Budget Reserve and immediately restoring the balances to the specified percentage would cause an extreme burden on FDRPC, the Budget Reserve may, with the approval of the Board of Directors, be restored to the specified percentage within one (1) year, but in any case, no longer than three (3) years.

FDRPC will establish a **Contingency Reserve**. FDRPC may only use monies in the Contingency Reserve to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget. On or before December 31, 2025, the Contingency Reserve shall maintain a balance of at least 1% of the current year's operating revenues for the Operating and Capital Project Fund, excluding the carry forward balance.

FDRPC will create a **Capital Asset Replacement Fund**. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. This fund will be initiated in FY 24 and an annual contribution of \$50,000 shall be budgeted per year until the minimum of \$250,000 is achieved.

Effective date: _____



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

July 20, 2023

Fort DuPont Redevelopment and Preservation Corporation
P.O. Box 521
260 Old Elm Avenue
Delaware City, Delaware 19706

We have audited the financial statements of the business-type activities of Fort DuPont Redevelopment and Preservation Corporation (the Organization) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under *Generally Accepted Auditing Standards* and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2022 and addenda dated December 20, 2022 and May 17, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the periods audited. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Organization's financial statements was:

- The estimate of the allocated costs that are capitalized is based on historical experience and on other factors. We evaluated the key factors and assumptions used to develop the allocations and determined that they were reasonable in relation to the financial statements taken as a whole.

Significant Audit Matters - Continued

Qualitative Aspects of Accounting Practices - Continued

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Capital Assets (Note 4) to the financial statements is sensitive due to the significance of the balances disclosed and because of the departure from GAAP in the valuation of the capital assets originally donated to the Organization from the State of Delaware (State).

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered difficulties in obtaining timely and complete information for performing and completing our audit. However, we encountered no lack of cooperation or significant difficulties in dealing with management.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements (see Appendix A).

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 19, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Audit Matters - Continued

Other Audit Findings or Issues; Modified Opinion

As described more fully in Note 1 to the financial statements, the Organization has recorded the buildings and improvements, originally donated by the State at insured value, and the land, originally donated by the State, at values assessed for property tax purposes. In our opinion, accounting principles generally accepted in the United States of America require that donated capital assets be recorded at acquisition value, which would change the assets, net position, and expenses of the Organization. The amount by which this departure would affect the assets, net position, and expenses of the Organization has not been determined.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the supplementary statements, which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed over the course of the accounting period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of management of the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Belfint, Lyons & Shuman, P.A.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Appendix A - Adjusting Journal Entries

June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
1005	YE Clearing Account		\$ 148,091	\$ -	\$ -	\$ -	\$ -
6700	IMPROVEMENTS		-	-	-	-	14,031
6505-04	PROFESSIONAL FEES: Engineering:Roads/Utilities		-	-	-	-	(8,309)
6505-11	PROFESSIONAL FEES:6505 → Prof Fees - Engineering: 6505-11 → Subdivisions		-	-	-	-	(7,315)
6505-13	PROFESSIONAL FEES:6505 → Prof Fees - Engineering: 6505-13 → Section 6F/106		-	-	-	-	(2,155)
6515	PROFESSIONAL FEES:6515 → Prof Fees - Architectural		-	-	-	-	(1,320)
6520R	PROFESSIONAL FEES:6520R → Prof Fees - Legal		-	-	-	-	(65,976)
6706	IMPROVEMENTS:6706 → Building 15-Post Headquarters		-	-	-	-	(8,340)
6716	IMPROVEMENTS: Canal District	To reverse duplicate of YE clearing	-	-	-	-	(33,827)
6721	IMPROVEMENTS:6721 → Roundabout	a/c entries that pertain to FY 21 and	-	-	-	-	(16,879)
6738	IMPROVEMENTS:6738 → Duplexes on OBL	to reverse YE clearing a/c entry for	-	-	-	-	(2,004)
6741	IMPROVEMENTS:6741 → Building 30-Stable	expense.	-	-	-	-	(1,002)
6810	SITE UTILITIES:6810 → Electric		-	-	-	-	(8,267)
6820	SITE UTILITIES:6820 → Water		-	-	-	-	(242)
6825	SITE UTILITIES:6825 → Sewer		-	-	-	-	(1,916)
7010	OPERATING EXPENSES:7010 → Office Supplies		-	-	-	-	(38)
7120	COMMON AREA MAINTENANCE:7120 → Fire & Security Monitoring		-	-	-	-	(465)
7140	COMMON AREA MAINTENANCE:7140 → Landscaping Maintenance		-	-	-	-	(3,685)
7145	COMMON AREA MAINTENANCE:7145 → Equipment Expense		-	-	-	-	(265)
7146	COMMON AREA MAINTENANCE:7146 → Supplies		-	-	-	-	(92)
7830	COMMON AREA MAINTENANCE:7830 → Utilities		-	-	-	-	(25)
			<u>\$ 148,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (148,091)</u>
1300 CP-2B	Construction in Process:CP-2B Paynter Building	To reclassify \$22,406 capitalized	\$ 22,406	\$ -	\$ -	\$ -	\$ -
4500-53	HTC CREDITS: HTC - Building 53	expense that was recorded in error to	-	-	-	(22,406)	-
		revenue as a debit per LMood.	<u>\$ 22,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,406)</u>	<u>\$ -</u>
1250	Accounts Receivable (A/R)	Post Close Entry to adjust A/R and	\$ 49,998	\$ -	\$ -	\$ -	\$ -
4400	Sales	Sales for Rockwell property sale	-	-	-	(49,998)	-
		transaction added to G/L by client	<u>\$ 49,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,998)</u>	<u>\$ -</u>
		after TB received. Pertains to Lot 41					
		in Canal District.					
1616	Tri Supply Equipment Detail		\$ -	\$ 15,120	\$ -	\$ -	\$ -
2375	WSFS Auto Loan		-	15,299	-	-	-
2400	Applied Bank Construction Loan		-	14,132	-	-	-
2401	Applied Bank Loan#0800		-	250,080	-	-	-
4800	BANK LOANS - BUDGETED PROCEEDS:4811 → OBL Duplexes		-	-	-	324,423	-
7206	DEBT EXPENSE:7206 → P & I - Applied OBL Duplexes		-	-	-	-	54,336
7207	DEBT EXPENSE:7207 → P & I - PH1D		-	-	-	-	80
7208	DEBT EXPENSE:7208 → P & I - OBL Duplexes	To adjust debt balances and lease	-	-	-	-	1,993
7225	DEBT EXPENSE: WSFS Loan	balances for FYE 6/30/2022.	-	-	-	-	2,472
2400	Applied Bank Construction Loan		-	(77,056)	-	-	-
2401	Applied Bank Loan#0800		-	(80)	-	-	-
2402	Applied Bank Loan 0810		-	(324,423)	-	-	-
6627	FEES - OTHER: Bank Charges: Applied Bank Fees		-	-	-	-	(1,993)
7145	COMMON AREA MAINTENANCE:7145 → Equipment Expense		-	-	-	-	(32,891)
7205	DEBT EXPENSE:7205 → P & I - Applied Bank PH1		-	-	-	-	(41,593)
7207	DEBT EXPENSE:7207 → P & I - PH1D		-	-	-	-	(199,900)
			<u>\$ -</u>	<u>\$ (106,927)</u>	<u>\$ -</u>	<u>\$ 324,423</u>	<u>\$ (217,496)</u>

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Appendix A - Adjusting Journal Entries - Continued

June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
		To adjust opening retained earnings balance for PY expenses and state revenue by reversing transactions in the internal loan accounts. To remove internal loan that is liability in client QB but was a contra expense to the loan expense in PY.	\$ -	\$ -	\$ -	\$ -	\$ -
2900	FDRPC RLF		-	-	-	-	-
4010	State Appropriation		-	-	-	-	200,000
7000	OPERATING EXPENSES		-	-	-	200,000	-
32000	Retained Earnings		-	-	(253,101)	-	53,101
7220	DEBT EXPENSE:7220 -+ FDRPC RLF Repayment		-	-	-	-	(200,000)
			\$ -	\$ -	\$ (253,101)	\$ 200,000	\$ 53,101
1300 CP-10	Construction in Process:CP-10 OBL Duplexes		\$ 56,329	\$ -	\$ -	\$ -	\$ -
1300 CP-3	Construction in Process:CP-3 Canal District	To capitalize bank loan interest on construction loans.	5,185	-	-	-	-
7205	DEBT EXPENSE:7205 -+ P & I - Applied Bank PH1		-	-	-	-	(5,185)
7206	DEBT EXPENSE:7206 -+ P & I - Applied OBL Duplexes		-	-	-	-	(54,336)
7208	DEBT EXPENSE:7208 -+ P & I - OBL Duplexes		-	-	-	-	(1,993)
			\$ 61,514	\$ -	\$ -	\$ -	\$ (61,514)
1300 CP-001	Construction in Process: CP-XX Bike Path		\$ 65,085	\$ -	\$ -	\$ -	\$ -
1300 CP-002	Construction in Process: CP-XX POW Bldg 82		37,130	-	-	-	-
1300 CP-003	Construction in Process: DNREC Maintenance Shop		88,763	-	-	-	-
1300 CP-006	Construction in Process: Round-a-bout		27,021	-	-	-	-
1300 CP-007	Construction in Process: CP-XX Park Amenities		18,325	-	-	-	-
1300 CP-10	Construction in Process:CP-10 OBL Duplexes	To capitalize expenses recorded in improvement, cam and professional fee accounts.	92,093	-	-	-	-
1300 CP-18	Construction in Process:CP-18 Campground		3,669	-	-	-	-
1300 CP-21	Construction in Process:CP-21 Pump House		41,215	-	-	-	-
1300 CP-3	Construction in Process:CP-3 Canal District		573,883	-	-	-	-
1300 CP-4	Construction in Process:CP-4 Marina		10,981	-	-	-	-
1318	Building Improvements		47,713	-	-	-	-
1500	Equipment		97,020	-	-	-	-
6020	Assets Transferred to BS		-	-	-	-	(1,072,668)
7141	COMMON AREA MAINTENANCE:7141 -+ Auto		-	-	-	-	(30,230)
			\$ 1,102,898	\$ -	\$ -	\$ -	\$ (1,102,898)
1310	Land	To reclassify land costs for demolished buildings 12 and 13 in FY 22 and to reclassify land costs for building 56.	\$ 982,555	\$ -	\$ -	\$ -	\$ -
1300 CP-12	Construction in Process:CP-12 Building 56		(103,218)	-	-	-	-
1510	Other Building Assets		(773,917)	-	-	-	-
6020	Assets Transferred to BS		-	-	-	-	(105,420)
			\$ 105,420	\$ -	\$ -	\$ -	\$ (105,420)
1315	Buildings		\$ 1,107,311	\$ -	\$ -	\$ -	\$ -
1315	Buildings		-	-	-	-	-
1318	Building Improvements		103,629	-	-	-	-
1318	Building Improvements		-	-	-	-	-
1300 CP-2.15	Construction in Process:CP-2 Restoration:Building 15		(663,340)	-	-	-	-
1300 CP-2.23	Construction in Process:CP-2 Restoration:Bldg 23 Bank Barracks		(439,803)	-	-	-	-
1300 CP-2.42	Construction in Process:CP-2 Restoration:Building 42		(26,470)	-	-	-	-
1300 CP-2.43	Construction in Process:CP-2 Restoration:Building 43		(62,389)	-	-	-	-
1300 CP-2A	Construction in Process:CP-2A Admin Office Reno	To reclassify CIP to in service.	(18,938)	-	-	-	-
			\$ -	\$ -	\$ -	\$ -	\$ -

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
Appendix A - Adjusting Journal Entries - Continued
June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
8000	Value of Real Estate Sold		\$ -	\$ -	\$ -	\$ -	\$ 2,608,831
1300 CP-1	Construction in Process:CP-1 Site Development	To remove assets and transfer costs	(248,243)	-	-	-	-
1300 CP-18	Construction in Process:CP-18 Campground	to costs of real estate sold for canal	(154,492)	-	-	-	-
1300 CP-3	Construction in Process:CP-3 Canal District	district, officer row, and grassdale	(1,926,166)	-	-	-	-
1300 CP-6	Construction in Process:CP-6 Officers Row	property sold.	(124,937)	-	-	-	-
1310	Land		(154,993)	-	-	-	-
			<u>\$ (2,608,831)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,608,831</u>
1400	Note Receivable	To adjust the entry for the grassdale	2,100,000	-	-	-	-
8000	Value of Real Estate Sold	sale revenue and to record expenses,	-	-	-	-	93,072
4209	REAL ESTATE SALES: Grass Dale	expense reimbursements and the	-	-	-	(2,193,072)	-
8000	Value of Real Estate Sold	note receivable for the sale.	-	-	-	-	-
			<u>\$ 2,100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,193,072)</u>	<u>\$ 93,072</u>
4211	REAL ESTATE SALES:4211 -> Marina Village Infrastructure	To remove revenue for a deposit	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2201	Security Deposit - Marina Village	made by Lennar on the Marina	-	(50,000)	-	-	-
		Village that is refundable per the					
		agreement.					
			<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>
7300	Depreciation Expense	To post difference in accum dep per	\$ -	\$ -	\$ -	\$ -	\$ 29,962
1317	Accumulated Depreciation	BLS calc.	(29,962)	-	-	-	-
			<u>\$ (29,962)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,962</u>
6703	IMPROVEMENTS:6703 -> Building 43-NCO Duplex		\$ -	\$ -	\$ -	\$ -	\$ 45,498
6705	IMPROVEMENTS:6705 -> Building 42-NCO Duplex		-	-	-	-	26,470
6706	IMPROVEMENTS:6706 -> Building 15-Post Headquarters		-	-	-	-	14,771
6707	IMPROVEMENTS: Building 53-Barracks(Paynter)		-	-	-	-	22,406
6710	IMPROVEMENTS:6710 -> Batteries		-	-	-	-	173,472
6712	IMPROVEMENTS:6712 -> Building 24-Theater		-	-	-	-	26,216
6713	IMPROVEMENTS:6713 -> Building 55-Chapel		-	-	-	-	210,989
6720	IMPROVEMENTS:6720 -> Old Elm		-	-	-	-	12,600
6721	IMPROVEMENTS:6721 -> Roundabout		-	-	-	-	161,627
6722	IMPROVEMENTS: Living Shoreline		-	-	-	-	108,006
6724	IMPROVEMENTS:6724 -> Marina	To post entry to transfer fixed asset	-	-	-	-	41,320
6726	IMPROVEMENTS:6726 -> Marina Village Infrastructure	additions per clients 6/30/22 entry	-	-	-	-	750
6734	IMPROVEMENTS:6727 -> Building 23-Band Barracks	through the 6020 account for FS	-	-	-	-	439,803
6738	IMPROVEMENTS:6738 -> Duplexes on OBL	presentation purposes.	-	-	-	-	20,119
6738.1	IMPROVEMENTS:6738 -> Duplexes on OBL:6738-01 Building 26		-	-	-	-	463,386
6738.2	IMPROVEMENTS:6738 -> Duplexes on OBL:6738-02 Building 27		-	-	-	-	402,803
6741	IMPROVEMENTS:6741 -> Building 30-Stable		-	-	-	-	122,419
6748	IMPROVEMENTS:6748 -> Building 52-Tilton		-	-	-	-	100,321
6020	Assets Transferred to BS						(2,392,975)
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION

Appendix A - Adjusting Journal Entries - Continued

June 30, 2022

Account Number	Account Name	Description	Asset	Liability	Net Position	Revenue and Other Support	Expenses
1260	Accrued Interest Receivable		\$ 8,966	\$ -	\$ -	\$ -	\$ -
1270	Lease Receivable		152,639	-	-	-	-
1270	Lease Receivable		(19,815)	-	-	-	-
2260	Deferred Inflow - Leases		-	(152,639)	-	-	-
2260	Deferred Inflow - Leases		-	13,290	-	-	-
32000	Retained Earnings		-	-	19,815	-	-
32000	Retained Earnings	To implement GASB 87 for leases.	-	-	(8,966)	-	-
32000	Retained Earnings		-	-	(13,290)	-	-
4100-DN	RENTAL INCOME:4100-DN -+ DNREC		-	-	-	10,500	-
4100-OM	RENTAL INCOME:4100-OM -+ OMB		-	-	-	9,315	-
1260	Accrued Interest Receivable		(732)	-	-	-	-
1270	Lease Receivable		(10,849)	-	-	-	-
2260	Deferred Inflow - Leases		-	13,290	-	-	-
4950	Lease Interest Revenue		-	-	-	(8,233)	-
4960	Lease Revenue		-	-	-	(13,290)	-
			<u>\$ 130,208</u>	<u>\$ (126,060)</u>	<u>\$ (2,440)</u>	<u>\$ (1,708)</u>	<u>\$ -</u>
Total Adjustments			<u>\$ 1,081,742</u>	<u>\$ (282,987)</u>	<u>\$ (255,541)</u>	<u>\$ (1,692,761)</u>	<u>\$ 1,149,547</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2022 AND 2021

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
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Independent Auditors' Report

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation
Delaware City, Delaware

Qualified Opinion

We have audited the accompanying financial statements of Fort DuPont Redevelopment and Preservation Corporation (a Component Unit of the State of Delaware) (the Organization) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements referred to above, present fairly, in all material respects, the financial position of Fort DuPont Redevelopment and Preservation Corporation, as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Fort Dupont Redevelopment and Preservation Corporation, 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 qualified opinion.

Matter Giving Rise to the Qualified Opinion

As described more fully in Note 1 to the financial statements, the Organization has recorded the buildings and improvements, originally donated by the State of Delaware at insured value, and the land, originally donated by the State of Delaware, at values assessed for property tax purposes. In our opinion, accounting principles generally accepted in the United States of America require that donated capital assets be recorded at acquisition value, which

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

would change the assets, net position, and expenses of the Organization. The amount by which this departure affects the assets, net position, and expenses of the Organization has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Fort Dupont Redevelopment Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may substantial doubt thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 aggregate, they would influence the judgement 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 Fort Dupont Redevelopment Corporation's internal control. Accordingly, no such opinion is expressed.

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

- 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fort Dupont Redevelopment Corporation'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages five through nine, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Fort DuPont Redevelopment and Preservation Corporation. The schedules of operating expenses and capital expenses are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The statements of operating expenses and the statements of capital expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

our opinion, except for the effects on the supplementary information of the qualified opinion on the financial statements, as explained in the *Basis for Qualified Opinion* section of our report, the statements of operating expenses and the statements of capital expenses are fairly stated, in all material respects, in relation to the 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 July 19, 2023, on our consideration of the Fort DuPont Redevelopment and Preservation Corporation'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 solely 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 the effectiveness of the Fort DuPont Redevelopment and Preservation Corporation's 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 Fort DuPont Redevelopment and Preservation Corporation's internal control over financial reporting and compliance.

Belfint, Lyons & Shurman, P.A.

July 19, 2023
Wilmington, Delaware

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

As management of Fort DuPont Preservation and Redevelopment Corporation (the Organization), we offer readers of the Organization's basic financial statements this narrative overview and analysis of the financial activities of the Organization for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with additional information detailed in the audited financial statements. Management's discussion and analysis includes the June 30, 2022, 2021, and 2020 results.

Financial Highlights

- The assets of the Organization exceeded its liabilities as of June 30, 2022, by \$58,574,902 (net position), as compared to \$55,502,388 as of June 30, 2021, and \$54,764,876 as of June 30, 2020. Included in this amount as of June 30, 2022, are net investment in capital assets of \$55,043,731 and unrestricted net position of \$3,592,685.
- The Organization's total net position increased by \$3,072,514 during fiscal year 2022.

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the Organization's basic financial statements. The Organization's basic financial statements are comprised of four components: Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and Notes to the Financial Statements.

The Statements of Net Position present information on all of the Organization's assets, including deferred outflow of resources (as applicable) and liabilities including deferred inflows of resources (as applicable), with the difference reported as Net Position. Over time, increases or decreases in Net Position, when read in conjunction with other data, may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The Statements of Revenues, Expenses, and Change in Net Position present information showing how the Organization's operations generated revenues and required expenses, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., outstanding invoices.)

The Statements of Cash Flows present information showing the Organization's cash receipts and payments during the fiscal period classified by principal sources and uses segregated into key elements.

Notes to the Financial Statements provide additional information that are essential to a full understanding of the data provided in the financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles (GAAP) applicable to governmental entities as prescribed by the GASB. The Organization is a component unit the State of Delaware. The Organization's activities are financed and operated as an enterprise fund such that costs and expenses of providing services are recovered primarily through user charges.

Financial Analysis

As noted earlier, Net Position, when read in conjunction with other data, may serve over time as a useful indicator of the financial position of the Organization. The Organization's assets exceeded liabilities by \$58,636,416 at the close of fiscal year 2022 and \$55,502,388 at the close of fiscal year 2021.

Statements of Net Position

	<u>2022</u>	<u>2021 (Restated)</u>	<u>2020</u>
Current Assets	\$ 2,221,028	\$ 510,790	\$ 223,234
Non-Current Assets	2,210,393	121,975	-
Capital Assets	<u>56,265,076</u>	<u>56,427,093</u>	<u>56,221,201</u>
Total Assets	<u>\$ 60,696,497</u>	<u>\$ 57,059,858</u>	<u>\$ 56,444,435</u>
Current Liabilities	\$ 812,661	\$ 229,630	\$ 719,048
Non-Current Liabilities	<u>1,182,874</u>	<u>1,188,491</u>	<u>960,511</u>
Total Liabilities	<u>\$ 1,995,535</u>	<u>\$ 1,418,121</u>	<u>\$ 1,679,559</u>
Deferred Inflows	<u>\$ 126,060</u>	<u>\$ 139,349</u>	<u>\$ -</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	\$ 54,982,217	\$ 55,159,388	\$ 54,889,335
Unrestricted	<u>3,592,685</u>	<u>343,000</u>	<u>(124,459)</u>
TOTAL NET POSITION	<u>\$ 58,574,902</u>	<u>\$ 55,502,388</u>	<u>\$ 54,764,876</u>

Net investment in capital assets constitutes 93.87% and 99.38% of the Organization's net position as of June 30, 2022 and 2021, respectively. The balance of net position \$3,592,685 and \$343,000 as of June 30, 2022 and 2021, respectively, represents unrestricted net position available for any Organization-related business use.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Organization Activities

Organization activities increased the net position by \$3,072,514 during fiscal year 2022 and by \$737,512 during fiscal year 2021. Key elements of this change are as follows:

Changes in Net Position

	2022	2021 (Restated)	2020
State Appropriations	\$ 3,625,000	\$ 2,250,000	\$ 2,250,000
Historic Preservation Tax Credits	127,461	-	502,710
Rental and Reimbursements Income	401,566	661,381	619,251
Lease Revenue	13,290	13,290	-
Interest Revenue from Lease	8,233	8,966	-
Special Events Income	5,700	1,100	55,216
PPP Loan Forgiveness	-	93,500	-
Sales of Properties	4,891,398	1,865,141	1,505,000
Total Revenue	9,072,648	4,893,378	4,932,177
Personnel Services	697,829	523,774	480,212
Materials, Supplies, and Contractual Services	1,381,857	1,062,654	514,530
Cost of Sales of Properties	2,701,904	1,342,568	1,208,387
Depreciation	1,154,478	1,144,143	1,091,973
Total Operating Expenses	5,936,068	4,073,139	3,295,102
Total Operating Income	3,136,580	820,239	1,637,075
Total Interest Expense	64,066	82,727	-
Change in Net Position	\$ 3,072,514	\$ 737,512	\$ 1,637,075

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Revenue

During fiscal year 2022, the Organization earned \$9,072,648 in total revenue. This is an increase of \$4,179,270 or 85.41% from the operating revenue of \$4,893,378 earned in fiscal year 2021. This is due primarily to increased sales of properties and increased State Appropriations. During fiscal year 2021, total revenue decreased by \$38,799 or 0.79% over the total revenue earned in fiscal year 2020. This is due primarily to a decrease in Historic Preservation Tax Credits received which more than offset an increase in sales of properties.

Operating Expenses

The Organization's operating expenses increased to \$5,936,068 in fiscal year 2022 from \$4,073,139 in fiscal year 2021. Fiscal year 2022's operating expenses increased due to the increase in the cost of real estate sold as compared to fiscal year 2021. Materials, Supplies, and Contractual services increased to \$1,381,857 in fiscal year 2022 from \$1,062,654 in fiscal year 2021 due to an increase in expenses related to building improvements and marketing. Fiscal year 2021's operating expenses increased due to the increase in the cost of real estate sold as compared to fiscal year 2020. Materials, Supplies, and Contractual services increased to \$1,062,654 in fiscal year 2021 from \$514,530 in fiscal year 2020 due to an increase in expenses related to building improvements.

Capital Asset and Debt

Capital Assets - The Organization's total capital assets (net of accumulated depreciation) decreased from \$56,427,093 as of June 30, 2021, to \$56,265,076 as of June 30, 2022. This \$162,017 decrease, or 0.29%, relates to an increase in accumulated depreciation which offset an increase in Capital Assets, and to the sale of improved capital assets for development.

The Organization's total capital assets (net of accumulated depreciation) increased from \$56,221,201 as of June 30, 2020, to \$56,427,093 as of June 30, 2021. This \$205,892 increase, or 0.37%, relates to an increase in construction in progress. Capital assets include land and improvements, buildings, construction in progress, properties held for development, and equipment. Additional information on the capital assets can be found in Note 4 of the Notes to Financial Statements.

Long-Term Debt - At the end of the current fiscal year, the Organization had long-term debt outstanding of \$1,282,859. This is an increase of \$15,154, or 1.20%, due to the new loan entered with Applied Bank, while a prior loan with Applied Bank was paid off with the proceeds of the sale of remaining Canal District lots to Rockwell Construction.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2022

Capital Asset and Debt - Continued

Long-Term Debt - Continued

At the end of fiscal year 2021, the Organization had long-term debt outstanding of \$1,267,705. This is a decrease of \$64,141, or 4.82%, due to the payoff of the Parke Bank loan. The Organization also entered into new loan agreements with WSFS Bank and Applied Bank. Additional information is available in Note 5 of the Notes to Financial Statements.

The Organization accounts for its leases in accordance with GASB Statement No. 87 - *Leases*, which the Organization adopted in fiscal year 2022, retroactive to July 1, 2020. Accordingly, lease revenues and receivables previously reported for fiscal year 2021 were restated to comply with GASB Statement No. 87 - *Leases*.

Requests for Information - This financial report is designed to provide a general overview of the Fort DuPont Redevelopment and Preservation Corporation's finances to its stakeholders and other users of such information. Requests for copies of this report, questions concerning any of the information in this report should be addressed to Jeffery D. Randol, Executive Director, 260 Old Elm Avenue, PO Box 521, Delaware City, Delaware 19706.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
STATEMENTS OF NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021 (Restated)
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,984,424	\$ 472,643
Accounts Receivable	216,789	18,332
Leases Receivable - Current Portion	11,582	10,849
Accrued Interest Receivable	8,233	8,966
TOTAL CURRENT ASSETS	2,221,028	510,790
NON-CURRENT ASSETS		
Leases Receivable	110,393	121,975
Note Receivable	2,100,000	-
	2,210,393	121,975
CAPITAL ASSETS		
Land	3,277,611	2,450,049
Construction in Progress	7,731,504	8,148,361
Property Held for Development	7,558,139	8,332,056
Buildings	42,936,626	41,829,316
Land Improvements	585,520	585,520
Building Improvements	402,211	250,868
Equipment	291,289	194,269
Less: Accumulated Depreciation	(6,517,824)	(5,363,346)
NET CAPITAL ASSETS	56,265,076	56,427,093
TOTAL NON-CURRENT ASSETS	58,475,469	56,549,068
TOTAL ASSETS	\$ 60,696,497	\$ 57,059,858
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 645,162	\$ 141,115
Accrued Liabilities	7,889	4,551
Earnest Deposit	50,000	-
Security Deposits	9,625	4,750
Current Portion of Long-Term Debt	99,985	79,214
TOTAL CURRENT LIABILITIES	812,661	229,630
LONG-TERM LIABILITY		
Long-Term Debt, Net of Current Portion	1,182,874	1,188,491
TOTAL LIABILITIES	1,995,535	1,418,121
DEFERRED INFLOWS	126,060	139,349
NET POSITION		
Invested in Capital Assets, Net of Related Debt	54,982,217	55,159,388
Unrestricted Net Position	3,592,685	343,000
TOTAL NET POSITION	58,574,902	55,502,388
TOTAL LIABILITIES AND NET POSITION	\$ 60,696,497	\$ 57,059,858

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021 (Restated)</u>
REVENUE		
State Appropriations	\$ 3,625,000	\$ 2,250,000
Historic Preservation Tax Credits	127,461	-
Rental and Reimbursements Income	401,566	661,381
Lease Revenue	13,290	13,290
Interest Revenue from Lease	8,233	8,966
Special Events Income	5,700	1,100
Paycheck Protection Program Loan Forgiveness	-	93,500
Sales of Properties	4,891,398	1,865,141
TOTAL REVENUE	<u>9,072,648</u>	<u>4,893,378</u>
OPERATING EXPENSES		
Personnel Services	697,829	523,774
Materials, Supplies, and Contractual Services	1,381,857	1,062,654
Cost of Sales of Properties	2,701,904	1,342,568
Depreciation	1,154,478	1,144,143
TOTAL OPERATING EXPENSES	<u>5,936,068</u>	<u>4,073,139</u>
OPERATING INCOME	<u>3,136,580</u>	<u>820,239</u>
TOTAL INTEREST EXPENSE	<u>64,066</u>	<u>82,727</u>
CHANGE IN NET POSITION	3,072,514	737,512
NET POSITION - Beginning of Year	<u>55,502,388</u>	<u>54,764,876</u>
NET POSITION - End of Year	<u><u>\$ 58,574,902</u></u>	<u><u>\$ 55,502,388</u></u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021 (Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Appropriations and Tax Credits Received	\$ 3,752,461	\$ 2,250,000
Rent and Reimbursements Received	244,225	669,214
Cash Received from Special Events	5,700	1,100
Proceeds from the Sale of Properties	2,791,398	1,865,141
Earnest Deposits Received	50,000	-
Additions to Property and Equipment	(3,694,365)	(2,692,603)
Cash Paid to Suppliers	(890,897)	(1,254,748)
Cash Paid to Employees	(697,829)	(523,774)
NET CASH FROM OPERATING ACTIVITIES	<u>1,560,693</u>	<u>314,330</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	324,423	580,000
Repayments of Long-Term Debt	(309,269)	(550,661)
Interest Paid	(64,066)	(82,727)
NET CASH FROM FINANCING ACTIVITIES	<u>(48,912)</u>	<u>(53,388)</u>
NET CHANGE IN CASH	1,511,781	260,942
CASH - Beginning of Year	<u>472,643</u>	<u>211,701</u>
CASH - End of Year	<u>\$ 1,984,424</u>	<u>\$ 472,643</u>
NON-CASH NON-CAPITAL FINANCING ACTIVITIES		
PPP Loan Forgiveness	<u>\$ -</u>	<u>\$ 93,500</u>
NON-CASH OPERATING ACTIVITIES		
Note Received from Sale of Properties	<u>\$ 2,100,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021 (Restated)</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 3,136,580	\$ 820,239
ADJUSTMENTS TO RECONCILE CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	1,154,478	1,144,143
PPP Loan Forgiveness	-	(93,500)
Cost of Sales of Property	2,701,904	1,342,568
(Increase) Decrease in Assets		
Accounts Receivable	(198,457)	(6,799)
Lease Receivable	10,849	(132,824)
Interest Receivable	732	(8,966)
Capital Assets	(3,694,365)	(2,692,603)
Note Receivable	(2,100,000)	-
Increase (Decrease) in Liabilities		
Accounts Payable	487,623	(196,645)
Accrued Liabilities	3,338	4,551
Earnest Deposit	50,000	-
Security Deposits	4,875	(5,183)
Unearned Revenue	16,425	-
Deferred Inflow - Lease Receivable	(13,290)	139,349
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,560,693</u>	<u>\$ 314,330</u>

The accompanying notes are an integral part of these financial statements.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Fort DuPont Redevelopment and Preservation Corporation (the Organization) was created on July 23, 2014, when former State of Delaware Governor, Jack Markell, signed House Bill 310 into law. As a result, the Organization is an instrumentality of the State of Delaware, and the respective legislation defines the powers of the Organization. The State of Delaware's Department of Natural Resources and Environmental Control is the Organization's sole corporate member. The Organization is a component unit of the State of Delaware.

General - Fort DuPont is a property of great historic value to the State of Delaware. Named after Rear Adm. Samuel Francis DuPont, the former military post is situated on the Reedy Point tract, land originally granted to Henry Ward in 1675. A "proposed fort" was planned in 1819, which only appeared on Delaware River charts. Fort DuPont originated during the Civil War as a heavily armed earthwork fortification. In 1864, Sgt. Bishop Crumrine wrote, "these guns command the channel and could blow to atoms any vessel rash enough to attempt to pass." In the decades to follow, "the battery at Delaware City" was gradually modernized into a formidable military post remaining active through World War II. Declared surplus, the site reopened in 1948 as the Governor Bacon Health Center. By 1996, over three-hundred acres were reestablished as Fort DuPont State Park. Fort DuPont is registered as a historic district on the National Register.

In 2013, the Department of Natural Resources and Environmental Control, in collaboration with Delaware City, conducted a planning process to revitalize the Historic Fort DuPont Complex into a vibrant mixed-use community, fully integrated with adjacent Delaware City. The General Assembly recognized that the Fort DuPont Complex along the Delaware River adjacent to Delaware City has enormous potential. It could be a sustainable, mixed-use community producing revenue, jobs, housing choices and recreational and other amenities while preserving its historic character and the surrounding environment. The Organization will act in a planning and development capacity. It can hold, own, preserve, develop, improve, construct, rent, lease, sell, or otherwise acquire or dispose of any real property, including without limitation, any real property comprising the Fort Delaware Complex or portion thereof transferred to the Organization.

Friends of Fort DuPont - On July 10, 2019, the Friends of Fort DuPont, Inc. was formed as a nonprofit corporation organized to raise funds and conduct programs dedicated to the cultural, historical, and aesthetic enhancement of the entire Fort DuPont complex. The Friends of Fort DuPont is reported as a component unit of the Organization, as required by GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*. As of June 30, 2022, the Friends of Fort DuPont was inactive.

Measurement Focus and Basis of Accounting - The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP) applicable to governmental entities as prescribed by the Government Accounting Standards Board (GASB),

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus and Basis of Accounting - Continued - except for the following matter. The Organization recorded its initial land, land improvements, and buildings received from the State of Delaware in a prior year. Such land has been recorded at assessment value. Related land improvements and buildings have been recorded at insured value. GAAP requires that capital assets donated to a government be recorded at Acquisition Value. Acquisition Value is defined as "The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date is referred to as acquisition value." At the time the State of Delaware donated the initial land, land improvements, and buildings to the Organization, acquisition values were not available; therefore, the use of assessed and insured values represents a departure from GAAP.

Under the economic resources measurement focus and the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Operating revenues and expenses generally result from State Appropriations, sale of tax credits, sales of property, and leasing. Operating expenses include the cost of sales, the cost of services and administrative expenses. Any revenues and expenses not meeting this definition are recorded as nonoperating income and expenses. When an expense is incurred that can be paid using either restricted or unrestricted resources, it is the Organization's policy to first apply the expense towards restricted resources and then towards unrestricted resources.

Income Tax Status - The Organization is exempt from income taxes under the provisions of Section 115 of the Internal Revenue Service Code.

Component Unit - The Organization is a Component Unit of the State of Delaware as defined by the Governmental Accounting Standards Board.

Depreciation - Newly acquired property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2022 and 2021, was \$1,154,478 and \$1,144,143, respectively. The Organization generally uses the following useful lives:

Buildings and Improvements	40 Years
Land Improvements	15 Years
Vehicles and Equipment	5 Years

Maintenance and repairs costs are expensed as incurred. Gains or losses on sales or retirements are reflected in income.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising and Marketing - Advertising and marketing costs total \$127,824 and \$30,625 for the years ended June 30, 2022 and 2021, respectively.

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 revenue and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

For purposes of the statement of net position and the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, exceed federally insured limits.

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to the Organization. The Organization does not have a deposit policy for custodial credit risk. As of June 30, 2022 and 2021, the Organization's deposits with financial institutions had carrying amounts of \$1,984,424 and \$472,643 and bank balances of \$2,100,955 and \$523,197, respectively. As of June 30, 2022 and 2021, \$1,598,248 and \$19,889, respectively, of the Organization's bank balances were exposed to custodial credit risk as the amounts are uninsured and uncollateralized.

NOTE 3: OPERATIONS AND CONCENTRATION OF RISK

The Organization receives a substantial amount of its revenue from State of Delaware appropriations. If a significant reduction in the level of this revenue were to occur, it would have an effect on the Organization's operations.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 4: PROPERTY AND EQUIPMENT

The following is a summary of changes in property and equipment for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Property and Equipment Not Being Depreciated				
Land	\$ 2,450,049	\$ 982,555	\$ 154,993	\$ 3,277,611
Construction in Progress	8,148,361	3,412,654	3,767,997	7,793,018
Buildings Held for Development	8,332,056	-	773,917	7,558,139
 Total Capital Assets Not Being Depreciated	 18,930,466	 4,395,209	 4,696,907	 18,628,768
Property and Equipment Being Depreciated				
Buildings	41,829,316	1,107,310	-	42,936,626
Land Improvements	585,520	-	-	585,520
Building Improvements	250,868	151,343	-	402,211
Vehicles and Equipment	194,269	97,020	-	291,289
 Total Capital Assets Being Depreciated	 42,859,973	 1,355,673	 -	 44,215,646
Less: Accumulated Depreciation for				
Land Improvements	84,149	39,035	-	123,184
Buildings and Improvements	5,226,040	1,074,713	-	6,300,753
Vehicles and Equipment	53,157	40,730	-	93,887
 Total Accumulated Depreciation	 5,363,346	 1,154,478	 -	 6,517,824
 Total Capital Assets Being Depreciated, Net	 37,496,627	 201,195	 -	 37,697,822
 Total Capital Assets, Net	 <u>\$ 56,427,093</u>	 <u>\$ 4,596,404</u>	 <u>\$ 4,696,907</u>	 <u>\$ 56,326,590</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 4: PROPERTY AND EQUIPMENT - CONTINUED

The following is a summary of changes in property and equipment for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Property and Equipment Not Being Depreciated				
Land	\$ 2,476,022	\$ -	\$ 25,973	\$ 2,450,049
Construction in Progress	6,871,487	2,593,469	1,316,595	8,148,361
Buildings Held for Development	8,332,056	-	-	8,332,056
 Total Capital Assets Not Being Depreciated	 17,679,565	 2,593,469	 1,342,568	 18,930,466
Property and Equipment Being Depreciated				
Buildings	41,829,316	-	-	41,829,316
Land Improvements	585,520	-	-	585,520
Building Improvements	250,868	-	-	250,868
Vehicles and Equipment	95,135	99,134	-	194,269
 Total Capital Assets Being Depreciated	 42,760,839	 99,134	 -	 42,859,973
Less: Accumulated Depreciation for				
Land Improvements	45,114	39,035	-	84,149
Buildings and Improvements	4,159,712	1,066,328	-	5,226,040
Vehicles and Equipment	14,377	38,780	-	53,157
 Total Accumulated Depreciation	 4,219,203	 1,144,143	 -	 5,363,346
 Total Capital Assets Being Depreciated, Net	 38,541,636	 (1,045,009)	 -	 37,496,627
 Total Capital Assets, Net	 \$ 56,221,201	 \$ 1,548,460	 \$ 1,342,568	 \$ 56,427,093

Land includes the assessed value of lots available for sale.

Construction in progress includes costs accumulated through June 30, 2022, for various rehabilitation and construction projects currently underway.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022

NOTE 4: PROPERTY AND EQUIPMENT - CONTINUED

Buildings not placed in service represents the insured value of various real estate properties the Organization received from the State of Delaware in a prior year, plus certain rehabilitation and development costs paid and less certain buildings that are now in service.

NOTE 5: LONG-TERM DEBT

The following is a summary of debt transactions for the Organization for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Due Within One Year</u>
Tenant Reimbursement	\$ 19,166	\$ -	\$ -	\$ 19,166	\$ 19,166
Tri Supply Equipment	26,100	-	15,120	10,980	8,910
WSFS Loan	66,252	-	15,299	50,953	15,946
Applied Bank Loans	<u>1,156,187</u>	<u>324,423</u>	<u>278,850</u>	<u>1,201,760</u>	<u>55,963</u>
Total Debt	<u>\$ 1,267,705</u>	<u>\$ 324,423</u>	<u>\$ 309,269</u>	<u>\$ 1,282,859</u>	<u>\$ 99,985</u>

The following is a summary of debt transactions for the Organization for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Due Within One Year</u>
Tenant Reimbursement	\$ 21,666	\$ -	\$ 2,500	\$ 19,166	\$ 10,000
Paycheck Protection Program	93,500	-	93,500	-	-
Parke Bank Loan	241,063	-	241,063	-	-
Tri Supply Equipment	42,300	-	16,200	26,100	16,200
WSFS Loan	-	80,000	13,748	66,252	15,299
Applied Bank Loan	<u>933,337</u>	<u>500,000</u>	<u>277,150</u>	<u>1,156,187</u>	<u>37,715</u>
Total Debt	<u>\$ 1,331,866</u>	<u>\$ 580,000</u>	<u>\$ 644,161</u>	<u>\$ 1,267,705</u>	<u>\$ 79,214</u>

The Organization entered into a commercial construction loan agreement with Applied Bank (Applied) on July 27, 2017, for an amount up to \$1,550,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 2.00%, with a floor of 6.00%. The interest rate as of June 30, 2022, is 6.75%. The purpose of the loan is to renovate seven officers' quarters residences in the historic Fort DuPont Complex.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 5: LONG-TERM DEBT - CONTINUED

The borrowings are secured by a mortgage on these real properties owned by the Organization and the assignment of present and future leases, rents, and profits with respect to these properties to Applied. The loan term was two years' interest only during the construction period, followed by a five-year term loan, amortized over 25 years with final payment of any outstanding principal and accrued interest due on August 1, 2024. During the two-year interest only period, the Organization was required to sell certain improved real estate and apply proceeds to reduce the loan balance to \$950,000. Outstanding borrowings totaled \$877,336 and \$906,187 as of June 30, 2022 and 2021, respectively.

The Organization entered into a commercial construction loan agreement with Applied on February 5, 2021, for an amount up to \$500,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 2.00%, with a floor of 4.75%. The purpose of the loan is to renovate residences in the historic Fort DuPont Complex. The borrowings are secured by a mortgage on these real properties owned by the Organization and the assignment of present and future leases, rents, and profits with respect to these properties to Applied. The loan term was two years' interest only during the construction period, followed by a two-year term loan, amortized over 25 years with final payment of any outstanding principal and accrued interest due on January 31, 2023. Outstanding borrowings total \$0 and \$250,000 as of June 30, 2022 and 2021, respectively. Outstanding borrowings were paid off on October 6, 2021.

The Organization entered into a construction loan agreement with Parke Bank (Parke) on January 18, 2019, for \$1,200,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 1.00%, with a floor of 6.25%. The purpose of the loan is to develop 71 lots in the Canal District of the Fort Dupont Complex. The borrowings are secured by a mortgage on these real properties owned by the Organization and the assignment of present and future leases, rents, and profits with respect to these properties to Parke. The loan term was two years' interest only with final payment of any outstanding principal and accrued interest due on December 1, 2020. Outstanding borrowings were paid off on September 25, 2020.

On July 31, 2020, the Organization entered into a loan agreement with WSFS Bank, for \$80,000 for the purchase of two vehicles, secured by the vehicles. The loan has a fixed interest rate of 4.75% with a five-year term. The outstanding balance on the loan was \$50,953 and \$66,252 as of June 30, 2022 and 2021, respectively.

The Organization has an agreement with a previous tenant in connection with their restoration and rehabilitation of a building owned by the Organization. The Organization has agreed to reimburse the previous tenant \$50,000 over five years in monthly installments of \$833 starting August 1, 2017. The outstanding balance due as of June 30, 2022 and 2021, was \$19,166. The Organization is in default and did not make any installment payments during the fiscal year ended June 30, 2022.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 5: LONG-TERM DEBT - CONTINUED

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted into law. In May 2020, the Organization applied for and received a \$93,500 loan under the Paycheck Protection Program section of the CARES Act. The loan had a fixed interest rate of 1% and has a two-year term. Under the program, if the funds were used to pay payroll and other allowable costs and if certain other conditions were met, the loan could be forgiven upon application to, and approval by, the U.S. Small Business Administration. Management had determined that all conditions for forgiveness had been substantially met as of June 30, 2021, and had submitted an application for such forgiveness. As such, the loan balance as of June 30, 2022 and June 30, 2021, was zero and the loan proceeds were presented as revenue in the June 30, 2021 financial statements, under the provisions of GASB 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

The Organization entered into loan agreements with an equipment dealer to finance equipment. Under the agreements, the Organization will make monthly payments ranging from \$540 to \$810 with maturity dates ranging from September 2022 to September 2023. Interest is 0%. The outstanding balance due as of June 30, 2022 and 2021, was \$10,980 and \$26,100, respectively.

The Organization entered into a commercial construction loan agreement with Applied Bank on February 5, 2021, for an amount up to \$885,000. Interest is computed based on the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" plus 1.50%, with a floor of 4.75%. The interest rate as of June 30, 2022 is 6.25%. The purpose of the loan is to develop two lots on Old Battery Lane in the Fort Dupont Complex. The borrowings are secured by a mortgage on these real properties owned by the organization and the assignment of present and future leases, rents, and profits with respect to these properties to Applied. The loan term is eighteen months interest only during the construction period, followed by a five-year loan, amortized over 25 years with final payment of any outstanding principal and interest due on August 31, 2027. Outstanding borrowings total \$324,424 and \$0 as of June 30, 2022 and 2021, respectively.

Maturities of long-term debt are as follows:

2023	\$	99,985
2024		33,936
2025		34,686
2026		20,540
Thereafter		<u>1,093,712</u>
Total	\$	<u><u>1,282,859</u></u>

The total interest cost incurred during the years ended June 30, 2022 and 2021, was \$61,515 and \$80,184, respectively.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 6: RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan, covering employees who have completed 90 days of service and who are at least 21 years of age. The Organization matches 100% of the first 4% of the employees' contributions. Employees can contribute up to 100% of their compensation or the statutory limit. The Organization's contribution to the plan was \$15,882 and \$10,816 for the years ended June 30, 2022 and 2021, respectively.

NOTE 7: LEASES - LESSOR AND RESTATEMENT

The Organization leases various residential real estate properties to tenants under operating leases with one-year terms. The Organization received \$401,566 and \$661,381 in rental income during the years ended June 30, 2022 and 2021, respectively.

The Organization has also entered into two lease agreements to lease property to agencies of the State of Delaware, the primary government and a related party. The Office of Management and Budget (OMB) Federal Food Commodities Program and the Department of Natural Resources and Environmental Control, Division of Parks & Recreation and Division of Fish & Wildlife (collectively referred to as DNREC) leases began in 2018 and 2019, respectively, and provide the departments with full use of the leased property.

The Organization is recognizing leases in accordance with GASB Statement No. 87 - *Leases*, which the Organization adopted retroactively, effective July 1, 2020. Accordingly, lease revenues and receivable previously reported for fiscal year 2021 have been restated to comply with GASB Statement No. 87 - *Leases*, as follows:

- Lease Receivables - as restated: \$132,824; originally reported: \$0.
- Lease Receivable Deferred Inflow - as restated: \$139,349; originally reported: \$0.
- Accrued Interest Receivable - as restated: \$8,966; originally reported: \$0.
- Lease Revenue - as restated: \$13,290; originally reported: \$0.
- Interest Revenue - as restated: \$8,966; originally reported: \$0.
- Rental and Reimbursements Income - as restated: \$661,381; originally reported: \$681,196.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 7: LEASES - LESSOR AND RESTATEMENT - CONTINUED

The following is a schedule of minimum future annual base lease income for the lease agreements:

Year Ending June 30,	DNREC			OMB		
	Payments	Principal	Interest	Payments	Principal	Interest
2023	\$ 10,500	\$ 3,537	\$ 6,963	\$ 9,315	\$ 8,045	\$ 1,270
2024	10,500	3,775	6,725	9,315	8,588	727
2025	10,500	4,030	6,470	2,329	2,182	147
2026	10,500	4,302	6,198	-	-	-
2027	10,500	4,593	5,907	-	-	-
2028-2032	52,500	28,054	24,446	-	-	-
2033-2037	52,500	38,890	13,610	-	-	-
Thereafter	17,500	15,979	1,521	-	-	-
	<u>\$ 175,000</u>	<u>\$ 103,160</u>	<u>\$ 71,840</u>	<u>\$ 20,959</u>	<u>\$ 18,815</u>	<u>\$ 2,144</u>

Year Ending June 30,	Total		
	Payments	Principal	Interest
2023	\$ 19,815	\$ 11,582	\$ 8,233
2024	19,815	12,363	7,452
2025	12,829	6,212	6,617
2026	10,500	4,302	6,198
2027	10,500	4,593	5,907
2028-2032	52,500	28,054	24,446
2033-2037	52,500	38,890	13,610
Thereafter	17,500	15,979	1,521
	<u>\$ 195,959</u>	<u>\$ 121,975</u>	<u>\$ 73,984</u>

Lease revenues for the years ended June 30, 2022 and 2021, for the property leased to OMB were \$13,290.

Interest income from the leases revenue for the years ended June 30, 2022 and 2021, were \$8,233 and \$8,966, respectively.

Leased properties have a combined cost of \$20,557,759 and accumulated depreciation of \$2,754,939.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022**

NOTE 8: HISTORIC PRESERVATION TAX CREDITS

The Organization has completed qualified redevelopment and rehabilitation projects on certain owned real estate and improvements, entitling it to Delaware Historic Preservation Tax Credits. During the years ended June 30, 2022 and 2021, the Organization was awarded such tax credits from the State of Delaware in the amount of \$138,545 and \$0, respectively, and sold them, at a discount, to third parties for \$127,461 and \$0 during the years ended June 30, 2022 and 2021, respectively.

NOTE 9: NOTE RECEIVABLE

On October 29, 2021, the Organization sold two parcels of land (Grassdale Conference Land and Grassdale Surrounding Land Area) as a recreational vehicle resort and campground area with RIG Acquisitions, LLC. At closing Sun Fort DuPont RV LLC, the Assignee, executed a purchase money promissory note for \$2,100,000 with the Organization. The note has an interest rate of 0% and a maturity date of October 29, 2025. The outstanding balance on the note receivable was \$2,100,000 as of June 30, 2022.

NOTE 10: COMMITMENTS AND CONTINGENCIES

The Organization has entered into various real estate sales agreements and construction agreements that are ongoing for the sale and construction of projects within Fort DuPont. The Organization's real estate sales agreements require the Organization to complete the development of certain lots for sale within a mutually agreed upon time frame with the purchaser.

The Organization has entered into several contracts for site work with Corrado Construction Co. for various phases of the development. Contracts are both fixed price and time and materials. Site work is ongoing.

On June 13, 2018, the Organization entered into a contract with Rockwell DuPont I, LLC to purchase and develop lots, for amounts between \$80,000 and \$120,000 per lot. There have been five amendments to the original contract (October 22, 2018, June 6, 2018, August 22, 2019, September 17, 2020, and May 14, 2021). Development of the lots is ongoing.

On September 30, 2020, the Organization entered into a contract with U.S. Home Corporation D/B/A Lennar Corporation to purchase and develop 13.3 acres of land as 130 twin and stacked townhouse condominium units for \$20,000 per homesite. Development of the lots is ongoing.

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated all subsequent events through the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
SCHEDULES OF OPERATING EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Administrative Expenses	\$ 99,152	\$ 100,110
Building Improvements	3,909,067	2,583,694
Common Area Maintenance	276,968	277,414
Cost of Sales of Properties	2,701,904	1,342,568
Depreciation Expenses	1,154,478	1,144,143
Marketing Expenses	127,824	30,625
Operating Expenses	109,737	41,534
Payroll Expenses	697,829	523,774
Professional Fees	217,647	456,078
Property Management Expense	200	-
Special Event Expenses	6,112	(850)
Utilities Expense	206,213	181,866
Amounts Capitalized as Property and Equipment	<u>(3,571,063)</u>	<u>(2,607,817)</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 5,936,068</u></u>	<u><u>\$ 4,073,139</u></u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
SCHEDULES OF CAPITAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Architectural	\$ -	\$ 8,262
Building Improvements	3,149,333	1,157,674
Demolition	105,420	-
Engineering	142,008	139,089
Insurance	-	14,606
Landscaping and Signage	-	52,619
Legal	-	32,320
Permitting	-	-
Roadways and Utilities	174,302	1,203,247
Amounts Capitalized as Property and Equipment	<u>(3,571,063)</u>	<u>(2,607,817)</u>
TOTAL CAPITAL EXPENSE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

JUNE 30, 2022

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
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***Independent Auditors' 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 Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

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 Fort DuPont Redevelopment and Preservation Corporation (the Organization), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Fort DuPont Redevelopment and Preservation Corporation's basic financial statements and have issued our report thereon dated July 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fort DuPont Redevelopment and Preservation Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fort DuPont Redevelopment and Preservation Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fort DuPont Redevelopment and Preservation Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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, a misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

control, such that there is a reasonable possibility that a material misstatement of the Fort DuPont Redevelopment and Preservation Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2022-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2022-002 and 2022-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fort DuPont Redevelopment and Preservation Corporation'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 financial statements. 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*.

Fort DuPont Redevelopment and Preservation Corporation's Responses to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Fort DuPont Redevelopment and Preservation Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. The Fort DuPont Redevelopment and Preservation Corporation's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Fort DuPont Redevelopment and Preservation Corporation'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 Fort DuPont Redevelopment and Preservation Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Belfint, Lyons & Shuman, P.A.

July 19, 2023
Wilmington, Delaware

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-001

Type of Finding: Significant Deficiency

Financial Reporting Close Process

Condition: During our audit, we noted misstatements of the general ledger balances requiring material adjusting journal entries. Many of these adjustments should have been made during the year-end financial close process, but had not yet been made by the Organization, or were required as a result of our audit procedures. A similar finding was reported in the prior year.

1. An adjusting journal entry totaling \$253,101 to reconcile the opening net position.
2. An entry totaling \$696,190 to properly record debt activity during the year ended June 30, 2022.
3. Entries totaling \$1,292,238 to record capital assets that had been expensed.
4. Entries totaling \$2,088,075 to reclassify construction in progress assets that had been placed in service.
5. Entries totaling \$2,701,904 to properly record the value of real estate sold during the year ended June 30, 2022.
6. An entry totaling \$2,100,000 to record a note received as part of the sales price of a property sold.
7. Entries totaling \$2,293,070 to properly record real estate sales activity during the year ended June 30, 2022.
8. An entry totaling \$2,392,975 to reclassify capitalized expenses for the proper presentation of the Statement of Capital Expenses in the Supplementary Information to the Financial Statements.

Criteria: The Organization should require adequate review and adjustment of the year-end accounting data and financial information used to prepare the Organization's financial statements in accordance with generally accepted accounting principles (GAAP), in a timely manner, prior to the annual audit. The Organization's internal controls over financial reporting should allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Cause: While the Organization's financial closing procedures captured most routine entries, the existing procedures did not capture certain unusual or complex entries needed to present the financial statements in accordance with GAAP. Certain other entries were made, but required correction.

Effect: The misstatements that were discovered during the audit required material adjustments for the fair presentation of the financial statements. We provided management with proposed adjustments, which management accepted for posting to the Organization's general ledger to correct these misstatements.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-001 - Continued

Recommendation: We recommend that management enhance its financial closing procedures in the current year so that it captures the types of activities that were missed in fiscal year 2022. As part of the process, management should evaluate all fiscal year 2022 post-closing and audit adjustments to ensure that procedures and controls are in place to properly identify and record similar entries in the future, on a timely basis.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and appreciates the importance of providing closing journal entries to present accurate financial statements. The Corporation has recently hired a Deputy Director with overall responsibility for ensuring proper accounting of the Corporation's finances. Management expects closing journal entries for Fiscal Year 2023 to be completed no later than July 30, 2023.

Responsible Positions: Management

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-002

Type of Finding: Significant Deficiency

Allocation of Costs, Cost of Properties Sold

Condition: The Organization does not have a written policy for the capitalization of costs and the allocation of such costs incurred in preconstruction, construction, and overhead for its property development projects. Audit procedures resulted in adjusting journal entries totaling \$1,292,238 to properly capitalize such costs. The Organization also did not perform any allocation of costs to the properties it sold during the fiscal year. Full sales prices were recorded as revenue. This resulted in adjusting entries totaling \$2,701,904 to properly record the cost of real estate sold (see item 2022-001).

A similar finding was reported in the prior year.

Criteria: Written policies and procedures for the capitalization of costs and cost allocations are necessary for the consistent recording of property costs in accordance with accounting principles generally accepted in the United States of America.

Cause: This condition was brought to management's attention, for the first time, during the FY 2020 audit. Since then, the Organization has had turnover in its accounting function. The Organization does not have a formal property development cost capitalization or cost allocation policy.

Effect: The lack of written policies and procedures makes it more difficult to maintain consistent accounting over time and increases the difficulty in conducting the audit.

Recommendation: We recommend that accounting policies and procedures be written to document management's accounting for the costs incurred relating to preconstruction, construction, and overhead for the Organization's various property development projects and the allocation of such costs.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Utilizing financial best practices, the Corporation will develop property development cost capitalization policy and procedures that will allocate costs for preconstruction, construction and overhead for property development and preservation projects. The policy will be presented to the Board for review and approval no later than the fall of 2023.

Responsible Positions: Management

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-003

Type of Finding: Significant Deficiency

Cash Disbursement Documentation and Approval

Condition: Cash disbursements lacked proper documentary support approvals and recording to the correct accounts. We found the following:

- Of the 40 cash disbursements selected for testing, supporting documents could not be located for four of the transactions. Of the transactions for which support was provided, 14 had no payment approvals recorded on the documents and three were not recorded to the correct account.
- Of the 20 credit card transactions selected for testing, supporting documents could only be located for two transactions and those two had no payment approvals recorded on the documents.
- Of the 14 capital asset additions selected for testing, supporting documents could not be located for one of the transactions. Of the transactions for which support was provided, 11 had no payment approvals recorded on the documents, two were recorded in the wrong fiscal year, and three were not capital assets and were recorded incorrectly.

Criteria: Strong internal controls over cash disbursements are necessary to safeguard the Organization's assets from misappropriation and to ensure expenses are recorded properly.

Cause: The Organization does not have a formal written policy concerning cash disbursements. The Organization has also had turnover in its accounting function and the former Executive Director separated from the Organization in March 2022. There were two interim Executive Directors during the period from April 2022 through June 2022.

Effect: The lack of controls over cash disbursements increases the Organization's risk for misappropriation of assets and the lack of written policies and procedures makes it more difficult to maintain consistent accounting processes over time and increases the difficulty in conducting the audit

Recommendation: We recommend that management implement written accounting policies over cash disbursements that include the following procedures:

- Management indicates its approval of expenditures by signing and dating the invoice or payment voucher before payments are made.
- As part of the process, the bookkeeper should also indicate the correct account coding of the payment on the invoice or payment voucher and management should review and approve the proper coding as well.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SCHEDULE OF FINDINGS AND RECOMMENDATIONS - CONTINUED
YEAR ENDED JUNE 30, 2022

Reference Number: 2022-003 - Continued

Recommendation - Continued

- For each credit card use, a receipt should be obtained and submitted to an authorizing official for review and approval. These receipts should be retained in the business office and compared with the detail in the credit card's monthly statement. Any discrepancies should be investigated.

We also recommend that the Organization create a better filing system, preferably digital, to store its paid invoices and other documentation.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. We believe the term "cash disbursement" as used in the finding refers to any payment by the Corporation in exchange for the provision of goods or services. Practically, this would mean payments made by the Corporation via check or through payroll, as the Corporation does not use cash as a means of payment. Current policies pertaining to the approval and coding of expenditures will be reviewed and, where necessary, revised consistent with the recommendation. Procedures for the administration of credit card use have already been implemented, and the formal policy will be revised to reflect such. Finally, the Corporation has already begun to redesign procedures and systems for the storage of financial documents.

Responsible Position: Management

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

Reference Number: 2020-001

Type of Finding: Significant Deficiency

Valuation of Donated Capital Assets

Condition: The Organization has recorded the buildings and improvements, originally donated by the State of Delaware at insured value, and the land, originally donated by the State of Delaware, at values assessed for property tax purposes. Accounting principles generally accepted in the United States of America (GAAP) require that donated capital assets be recorded at Acquisition Value, resulting in misstatements of the assets, net position, and expenses of the Organization. The amount by which this departure would affect the assets, net position, and expenses of the Fort DuPont Redevelopment and Preservation Corporation has not been determined.

Current Status: This condition was unchanged during the year ended June 30, 2022 and is not expected to be addressed due to the cost and effort involved in determining the donated assets' Acquisition Values.

Reference Number: 2021-001

Type of Finding: Significant Deficiency

Allocation of Costs

Condition: The Organization does not have a written policy for the allocation of costs incurred in preconstruction, construction, and related operation for its various property development projects. The allocations we examined during the audit were reasonable, but the lack of a written policy could lead to inconsistencies or errors in the future.

Current Status: A similar condition was noted during the year ended June 30, 2022. See current year finding 2022-002.

Reference Number: 2021-002

Type of Finding: Significant Deficiency

Financial Reporting Close Process

Condition: During our audit, we noted misstatements of the general ledger balances requiring material adjusting journal entries. Many of these adjustments should have been made during the year-end financial close process, but had not yet been made by the Organization, or were required as a result of our audit procedures.

Current Status: A similar condition was noted during the year ended June 30, 2022. See current year finding 2022-001



Purchasing and Procurement Thresholds

Materiel and Non-Professional Services

- Less than \$50,000 – Open Market Purchase
- \$50,000 - \$99,999.99 – 3 Written Quotes
- \$100,000 and over – Formal Bid

The threshold for materiel and non-professional services is a yearly cumulative amount for a fiscal year (July 1-June 30).

Public Works

- Less than \$250,000– Open Market Purchase
- \$250,000 to \$399,999.99-- 3 Letter Bids
- \$400,000 and over – Formal Bid

The threshold for Public Works is on a contract-by-contract basis. Contracts may not be fragmented to avoid reaching the dollar amount. Annual thresholds do not apply.

Professional Services

- Less than \$200,000 Open Market
- \$200,000 and over – Formal RFP Process

The threshold for Professional Services is on a contract-by-contract basis. Contracts may not be fragmented to avoid reaching the dollar amount. Annual thresholds do not apply.

Effective Date: _____



Financial Reserves Policy

FDRPC will strive to maintain a minimum **Budget Reserve**, of at least 5% of the current year's operating revenues for the Operating and Capital Project Fund, excluding the carry forward balance. The purpose of the Budget Reserve is to meet temporary fluctuations in cash flows and to provide a cushion for loss of revenues until operating changes can be implemented. If the final Budget Reserve exceeds the amount as approved in the budget, such funds shall be used as designated by and with the approval of the FDRPC Board of Directors.

Once achieved, at no time should FDRPC's Budget Reserve fall below their specified percentages. If a shortfall occurs in the Budget Reserve and immediately restoring the balances to the specified percentage would cause an extreme burden on FDRPC, the Budget Reserve may, with the approval of the Board of Directors, be restored to the specified percentage within one (1) year, but in any case, no longer than three (3) years.

FDRPC will establish a **Contingency Reserve**. FDRPC may only use monies in the Contingency Reserve to cover emergencies of a non-recurring nature that are over and above the normal course of operations. Examples are uninsured losses, storms or hurricane damages. The Contingency Reserve will not be used to balance the operating budget. On or before December 31, 2025, the Contingency Reserve shall maintain a balance of at least 1% of the current year's operating revenues for the Operating and Capital Project Fund, excluding the carry forward balance.

FDRPC will create a **Capital Asset Replacement Fund**. Optimally, the amount set aside for future asset replacements should equal the annual depreciation of the current assets. This fund will be initiated in FY 24 and an annual contribution of \$50,000 shall be budgeted per year until the minimum of \$250,000 is achieved.

Effective date: _____



Executive Director Monthly Report

For the period June 1, 2023 to August 31, 2023

Our board meeting will be held on August 9, 2023 at 8:30 a.m. at the **Delaware City Fire Hall**. Board packets will be distributed via email (as a pdf attachment).

Capital Projects

- **Marina Village**

- a. Plan of Record. FDRPC has been attempting to obtain Plan Approval for Marina Village. The preliminary plan has been submitted to Delaware City for consideration by the Planning Commission. AECOM (acting in the capacity of Delaware City engineer) submitted comments stating it would not support a recommendation and citing issues related to the design of streets. (Note: The comments submitted by AECOM were after the deadline for submission of review comments.) Additionally, the plan requires Board of Adjustment approval to address the parking requirements for the stacked condominiums. Additional approvals (Office of State Fire Marshal, DeIDOT, DNREC) are pending.
- b. Remediation plan pending. The remediation plan to address a small hot-spot of naturally-occurring arsenic is currently under review by DNREC.
- c. Test surcharge plan approved. The test surcharge plan has been approved by DNREC (pending completion of the remediation cited above). The test period for the settling of the soils is expected to take up to 12 months.
- d. Section 6f application. The application to the National Park Service requesting the transfer of 6f protection is pending.

- e. Variance for off-street parking. The Delaware City Board of Adjustment held a meeting on the variance applied for by FDRPC for the Marina Village project. FDRPC is seeking a variance to allow for off-street parking to be counted toward the parking requirements for stacked condominiums. During the hearing, it was determined that the proper notification (via signage) had not occurred by FDRPC and the issue was continued by the Board of Adjustment.

- **Old Elm Ave.** This project connects the roundabout to Old Elm Ave., eliminating the 'dip' between the two, and finishes all of Old Elm Ave. with top coat of asphalt. The project has been letter bid and an award has been made to A-Del Construction. A project schedule will be issued by A-Del by August 15, 2023.

- **Canal bank revetment and promenade.** This project involves the removal of all existing riprap and invasive tree growth along the south canal bank, and secures the bank with the placement of new riprap. The project also includes finishing the grading and paving of the promenade which runs between the canal bank and the private property lines along Cook Street. The project is awaiting notification of funding from the Federal Emergency Management Agency (FEMA).
- **Buidling 21 (Old Battery Lane duplex).** This project involves the replacement of an existing failed roof on Building 21. Additionally, further measures will be taken to ensure that the property is mothballed according to U.S. Secretary of the Interior Standards for Historic Preservation. An award has been made to McClain Roofing with expected mobilization to occur on or before August 31, 2023.
- **Brady duplexes.** The final plan approval was for establishing the sewer and water connections has been made by DNREC, and is currently in the 30-day peroid for public notice of that approval. Upon issuance of the permit by DNREC, FDRPC will bid the project for the connections. Once connections are established, site work will be completed and a Certificate of Occupancy will be applied for.

- **DNREC Archive building.** This project is an adaptive re-use of a stable building for use by DNREC for the storage of cultural resources. The project requires the issuance of a permit by DNREC (as previously cited). Work will then move to complete the sewer and water connections, the interior and exterior rehabilitation, as well as the site work.

- **Chapel.** FDRPC has begun environmental testing of the Chapel building to identify any possible presence of any hazardous materials. If testing is positive, materials will be remediated. FDRPC intends to finish the exterior of the building in the first quarter of FY 24.

- **Theater.** FDRPC FDRPC has begun environmental testing of the Theater building to identify any possible presence of any hazardous materials. If testing is positive, materials will be remediated. FDRPC intends to finish the exterior of the building in the first quarter of FY 24. Additionally, FDRPC will contract for a broom-swept clean out of the facility, including the removal (and storage of) all theater seats, as well as bringing new electrical service into the building.

Operations

- **Real estate update.**
 - a. Real Estate sold
 - 1305 and 1307 Officers Row (lots) were sold on July 12, 2023 for \$125,000 per lot.
 - 1303 Officers Row (residence) was sold on June 26, 2023 \$730,000.
 - b. Real Estate for sale
 - 1311 Officers Row (lot) had been under contract since April 2023 with a series of buyer-requested extensions. FDRPC Executive Director rejected the last extension and the contract expired on July 31 2023. The property was re-listed by Emory Hill NAI on August 1, 2023.
 - c. Leasing: All residential properties are leased and being managed by NAI Emory Hill.

- **FOIA Officer.** A total of three FOIA requests were received for the period June 1- July 31 2023 as follows and all FOIA requests have been fulfilled.

Self-reported FOIA violation. Due to an administrative error, proper notice of a Strategic Planning Committee meeting was not made to the state calendar system (although it was posted otherwise). FDRPC Executive Director self-reported this potential violation to the Delaware Department of Justice. No response has been received.

- **Audit.** The audit of FDRPC financials for the fiscal year ending June 30, 2022 with Belfink, Lyons and Shuman is now complete and will be presented at the September 13, 2023 board meeting. A copy of the audit is presented in meeting packet for the August 9, 2023 meeting.
- **FY 24 Proposed budget.** A draft of the FY 24 Operating and Capital Budget will be presented to the Board at the August 9, 2023 meeting. Adoption of the budget will be considered at the September 13, 2023 meeting of the Board. The budget includes a three-year (FY24-26) Capital Investment Program (CIP) in draft form. The CIP is intended to create a long horizon of potential capital projects.
- **Employee Handbook.** FDPRC has received the redline version of a revised Employee Handbook from Excelerator HR Consulting. Excelerator is a service provided by the Employment Practices Liability insurance policy carried by FDRPC. The draft will be presented to the Executive Committee on August 28, 2023 and to the Board for approval on September 13, 2023.

Other activities:

- **State of the County July 12, 2023.** Tim Slavin presented at the “State of the County” event sponsored by the New Castle County Chamber of Commerce at the University of Delaware. The presentation was an overview of the Fort DuPont project and was part of a panel which discussed similar development projects underway in Wilmington and Claymont.
- **Strategic Plan public engagement continues.** The Strategic Planning Committee has been working with the Delaware Alliance for Nonprofit Advancement (DANA) to create the mission, vision, value statements, and

preliminary outcomes which will populate the strategic plan. Two additional working sessions are planned prior to drafting. It is anticipated that the draft plan will be brought before the Board in September for discussion.

- **Community meeting.** FDRPC sponsored a community meeting on June 5 on two topics: policing of streets on the Fort DuPont campus, and the declaration of covenants. Chief of Police Michael Henderson and (then) City Manager David Baylor presented the plan for streets in the Canal District for parking restrictions, speeding, curb painting, and signage. It was anticipated that this will be initiated by the City upon the completion of the Old Elm Ave. Project. The Declaration of Covenants issue was presented by Pam Scott of Saul Ewing and provided an overview of the requirements in the document, which applies to every property in the Canal District and Officers Row district.

- **ABC Crab Feast hosted on FDRPC campus.** The Association for Builders and Contractors held its annual Crab Feast on June 22nd on the FDRPC campus. ABC had signed a 10-year contract for use of the campus with (then) FDRPC Property Manager Peggy Thomas on February 1, 2022. The agreement calls for a payment to FDRPC based on the amount of ticket sales made by ABC. Payment for the 2023 event was \$4,400.

- **Cultivation tours.** FDRPC Chair John McMahon and Executive Director Tim Slavin conducted a series of cultivation tours of the campus. The tours are meant to introduce the campus to individuals, institutions, public agencies, and private investors. Tours have included:
 - a. Private client of Emory Hill NAI
 - b. Private real estate investor/developer from Delaware.
 - c. Autism Delaware
 - d. Real estate developer from West Conshohocken, Pennsylvania.
 - e. Delaware City Tree Commission member.
 - f. State Historic Preservation Office representatives.
 - g. Energize Delaware representative.
 - h. Delaware National Guard representatives.
 - i. Delaware State University representatives.
 - j. Friends of Cooch's Bridge representative.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
DESIGN AND HISTORIC PRESERVATION COMMITTEE MEETING

The Fort Dupont Redevelopment and Preservation Corporation (FDRPC) Design and Historic Preservation Committee meeting was held on June 6, 2023 via Zoom with the anchor location at the FDRPC Administrative Office at 260 Old Elm Avenue, Delaware City, Delaware with Chair Doug Eriksen presiding. Committee members present were Ms. Laura Lee (via Zoom), Ms. Roberta DeLeo, Mr. Rob McPherson, and Mr. Dave Turley.

Staff members present were Mr. Tim Slavin, FDRPC Executive Director, and Mr. Richard Forsten of Saul Ewing Arnstein and Lehr LLP (via Zoom).

CALL TO ORDER

Chair Doug Eriksen called the FDRPC Design and Historic Preservation Committee (DHPC) meeting to order at 4:02 p.m.

APPROVAL OF MINUTES – DHP COMMITTEE MEETING OF MAY 22, 2023

Mr. Turley moved for approval of the May 22, 2023 DHP Committee meeting minutes. The motion was seconded by Ms. DeLeo and unanimously carried.

OLD BUSINESS – PATIO DESIGN REVIEW - 533 COOK STREET (LINDA AND JOSEPH BALDT)

During their meeting of May 22, 2023, members reviewed the request of Linda and Joseph Baldt to construct a concrete stamped patio in the back yard approximately 33' x 19' and 10' x 10' grading with 2 square steps at the base of the patio to the Promenade approximately 6'. The patio will be trimmed in river rock to prevent the outgrowth of grass and weeds. The work is to be completed by Cipolloni Concrete. Ms. Baldt provided a Community Change Request Form and a site plan for the proposed patio. Mr. Turley noted that a list of materials was not included.

After a lengthy review of the patio design, members determined that there were pending questions regarding the materials, patio height, setbacks, slope, drainage, and Delaware City and Fort DuPont requirements. Consideration of the patio design review for 533 Cook Street (Linda and Joseph Baldt) was deferred to a future meeting.

Mr. Turley advised that he met with Linda and Joseph Baldt at 533 Cook Street for approximately 30 to 45 minutes after the last meeting. He looked at the Baldt property and the modifications made to the surrounding properties. Mr. Turley stated that the Baldt's plan is to pour a concrete pad that will level what is now an undulating sloped grassy area. He noted that one of their concerns was that the grassy area was deep enough that one of them had fallen after a rain when their feet went out from under them on the grass. Mr. Turley advised that the Baldt's have done some filling and planted some additional grass to try and level the area but, ultimately, because of the steepness of the slope they cannot put a table or chairs or anything out there to enjoy the canal and the eventual Promenade. He noted that they're proposal is to pour a concrete pad that would be roughly at ground level at the house and, with the slope that exists in the yard, they were saying it would be less than 24 inches above grade level at the outer end or at the Promenade end. Mr. Turley stated that he checked with Delaware City and they do not require a permit or an inspection for a pad unless it is more than 30 inches above grade, which would require a safety railing.

He also advised that the Baldt's plan to match the next-door neighbor's white vinyl fencing and to have a gate for access in and out. They also plan to put steps down at the end of the patio onto the Promenade area.

Chair Eriksen asked if the pad was plus or minus 24 inches above grade at the Promenade, what that exposed face would look like. Mr. Turley replied that the Baldt's were going to do gravel and maybe some plants along the edge. The request indicated that they would use river rock trim to keep out the growth of grass and weeds.

Mr. Turley asked how the property owners determine where they're property line stops and suggested that could be another discussion. He also asked how what the people do there might impact Fort DuPont's development process of that Promenade.

Mr. Turley advised that the Baldt's plan is to slope the slab enough to provide minimal drainage away from the house so it won't be enough of a slope to have water coming off of it but it would move water away from the house and towards the Promenade.

Members discussed stormwater runoff/drainage, impervious surface regulations, and who would be responsible for ensuring that residents were in compliance with that Code. Mr. Slavin, FDRPC Executive Director, suggested adding language to any approval based on DHPC's purview that the property owner is responsible for compliance with State, County and local regulations.

Mr. Slavin indicated that he thought the Promenade design took into account plumbing the runoff water underneath the Promenade. He suggested inviting Mr. Steve Gorski to the next meeting to discuss the Promenade design and answering questions about handling the pervious surfaces.

Mr. Turley, noting that the DHPC has no requirements for the back sides of the properties, suggested giving an approval with the caveat that DHPC was in the process of developing standards that they may have to comply with after the fact. Mr. Slavin suggested requiring a clean finished vertical edge for the patio.

Mr. Slavin requested Mr. Richard Forsten, FDRPC/DHPC legal counsel, to draft boilerplate language that the scope of the DHPC review is limited to design and that they approve the design, citing the Declaration of Covenants, with the caveat that the applicant must adhere to all additional regulations and it is not considered approval from Delaware City nor the County.

Mr. Turley moved to approve the design application as written, with the caveat that the homeowner will be required to ensure that all Code and drainage requirements are complied with and that the finish of the vertical facings will comply with requirements currently being established by the DHPC. The motion was seconded by Mr. McPherson.

Chair Erikson moved to amend the motion to state that the DHPC would make recommendations as to the finish of the exposed vertical faces. Mr. Turley and Mr. McPherson agreed to the amendment.

The amended motion to approve the design application as written, with the caveat that the homeowner will be required to ensure that all Code and drainage requirements are complied with

and the DHPC will make recommendations regarding the facing and appearance of the vertical faces of the poured concrete slab was unanimously carried.

UPDATES

None.

PUBLIC COMMENT

None.

NEXT MEETING DATE – JUNE 28, 2023 AT 4:00 P.M.

Chair Eriksen advised that he had begun a new job and he was uncertain of his availability at this point in time. Ms. DeLeo advised that she would be out of town the week of June 28th.

Mr. Tim Slavin, FDRPC Executive Director, advised that there was a conflict with the Mayor and Council meeting on June 26, 2023 so the next DHPC meeting was scheduled for June 28, 2023 at 4:00 p.m.

ADJOURNMENT

Mr. McPherson moved for adjournment, seconded by Mr. Turley and unanimously carried.

Meeting Adjourned at 4:38 p.m.

APPROVED: JULY 25, 2023

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
EXECUTIVE COMMITTEE MEETING

The Fort Dupont Redevelopment and Preservation Corporation (FDRPC) Executive Committee meeting was held June 30, 2023 via Zoom with the anchor location at the FDRPC office at 260 Old Elm Avenue, Delaware City, Delaware with Chair John McMahon presiding. Committee members present were Mr. Bert Scoglietti (designee of Ruth Ann Jones - Controller General of the State of Delaware), Dr. Courtney Stewart (Office of Management and Budget), and Ms. Wendy Rogers (Resident of Fort DuPont).

CALL TO ORDER

Chair McMahon called the Fort DuPont Redevelopment and Preservation Corporation (FDRPC) Executive Committee meeting to order at 9:32 a.m.

APPROVAL OF MINUTES – FDRPC EXECUTIVE COMMITTEE MEETINGS OF FEBRUARY 27, 2023 AND MARCH 28, 2023

Dr. Stewart moved for approval of the February 27, 2023 and March 28, 2023 FDRPC Executive Committee meeting minutes. The motion was seconded by Mr. Scoglietti and unanimously carried.

EXECUTIVE SESSION - PERSONNEL

Dr. Stewart moved to recess into executive session, seconded by Mr. Scoglietti and unanimously carried.

Meeting recessed at 9:32 a.m.

RECONVENE

Mr. Scoglietti moved to reconvene the FDRPC Executive Committee meeting, seconded by Dr. Stewart and unanimously carried.

Meeting reconvened at 10:03 a.m.

ACTIONS TO BE VOTED UPON FROM THE EXECUTIVE SESSION – PERSONNEL MATTERS

There was no action to be taken as a result of the executive session.

ADJOURNMENT

Mr. Scoglietti moved for adjournment, seconded by Dr. Stewart and unanimously carried.

Meeting Adjourned at 10:03 a.m.

APPROVED: JULY 31, 2023



WHEREAS, David Baylor has served the Fort DuPont and Redevelopment Corporation since August 13, 2019, and has served with distinction until August 9, 2023; and

WHEREAS, during his years of service to the Fort DuPont Redevelopment and Preservation Corporation he has served in the position of Vice-Chair and Acting Chair of the Board of Directors; and

WHEREAS, throughout his tenure, David Baylor has displayed a professional approach to his duties and a quality of leadership that fostered civility and respect for his colleagues and for members of the public; and

WHEREAS, throughout his tenure served a model public servant, always allowing for public dialogue and representing the needs of Delaware City; and

WHEREAS, the Fort DuPont Redevelopment and Preservation Corporation has benefitted from David Baylor's insight and knowledge and character; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Fort DuPont Redevelopment and Preservation Corporation express their gratitude to David Baylor for the many hours of public service he gave and express their sincere appreciation to him.

ADOPTED: AUGUST 9, 2023

Signed: _____

John McMahon, Chair