



Fort DuPont Redevelopment and Preservation Corporation  
Board of Directors Meeting

**September 13, 2023 6:00 p.m.**

Delaware City Community Center  
250 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 August 9, 2023
4. Audit Report (George Fournaris)
5. Treasurer's Report
6. Executive Director's Report
7. Committee Reports
  - a. FDRPC Executive Committee Meeting of July 31, 2023
8. Presentation - Strategic Plan (Delaware Alliance for Nonprofit Advancement and Strategic Planning Committee)
9. FY 2024 Draft Operating and Capital Budget FY 2024-26 Draft Capital Investment Program
10. FY 2024-26 Draft Capital Investment Program
11. Delaware City updates
12. Public comment
13. Executive Session (if necessary)
14. Actions to be voted upon from Executive Session (if applicable)
15. Next meeting date: October 11, 2023 – Time to be Determined
16. Adjournment

*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 August 9, 2023 at the Delaware City Fire Hall, 815 5th Street, Delaware City, with Chair John McMahon presiding. Board members present were Ms. Ruth Ann Miller (Controller General of the State of Delaware), Dr. Courtney Stewart (Office of Management and Budget), Mr. Rony Baltazar-Lopez (Department of State), Mr. Kevin Whittaker (Resident of Delaware City), Ms. Wendy Rogers (Resident of Fort DuPont), Mr. Michael Graci (Resident of Fort DuPont), Mr. David Baylor (Delaware City Manager) (departed at 10:13 a.m.), Mr. David Edgell (Office of State Planning Coordination), Mr. Kurt Foreman (Delaware Prosperity Partnership) (arrived at 8:44 a.m., departed at 10:17 a.m.), and Secretary Shawn Garvin (Department of Natural Resources and Environmental Control (DNREC) (arrived at 8:45 a.m.). Board members absent were Senator Spiros Mantzavinos (Capital Improvements Committee), Representative Sean Matthews (Capital Improvements Committee), and Mr. Douglas Eriksen (Resident of Delaware City).

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

Members of the public present to speak were Ms. Billie Travalini.

**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 JUNE 14, 2023**

**Dr. Stewart moved for approval of the FDRPC Board meeting minutes of June 14, 2023. The motion was seconded by Mr. Baylor and unanimously carried.**

**TREASURER’S REPORT**

Mr. Bert Scoglietti, Treasurer, advised that an operational change had been made and the reports are now being prepared by the FDRPC management team and then reviewed and presented to the Board by him as the Treasurer. He noted that this change provides necessary separation and another level of review.

Mr. Scoglietti noted that the P&L that will be presented is a little different than what they have done in the past and it will basically move some things that have been in the P&L that probably would be better reflected on the balance sheet. He advised that items such as real estate sales, drawing down from loans that they are using to finance improvements will not appear in future P&L statements, but rather will appear on the balance sheet itself. They will periodically present both the P&L and the balance sheet to keep the Board informed. Mr. Scoglietti stated that the changes will better reflect the finances of the FDRPC, as well as institute better accounting practices in terms of what is reported to the Board.

Mr. Scoglietti advised that the report represented changes for two months due to the cancellation of the July 2023 meeting. He reviewed the Budget vs. Actuals: Budget FY23, P&L Draft 1 - FY23 P&L for July 2022 - June 2023 (Exhibit 1) and noted the following:

- **4200 Real Estate Sales – Operations Funding** - \$300,000 was drawn down based on the flexibility given in the mini bond to get through fiscal year on a positive cash basis.
- **6460 Total Environmental Expenses** – this line item is up \$13,000 from \$91,000 to \$104,000.
- **6500 Professional Fees** – this line item is up \$75,000 since April, of which \$53,000, is representative of engineering fees in Marina Village and the roundabout. Approximately \$26,000 is representative of professional fees for Legal and Accounting.
- **6721 Roundabout** - the previous number discussed was \$1.61 million. \$1.66 million is an additional \$50,000, which is the retainage. This project is basically done.
- **7000 Operating Expenses** – this line item is up about \$9,000, but still well under budget.
- **7100 Common Area Maintenance (CAM)** – these charges are up \$60,000, which is expected for the spring and the summer. Approximately \$30,000 was lawn care and \$20,000 was landscaping maintenance.
- **7740 Salaries and Wages** – this line item is up \$80,000 and is still within budget.

Responding to Mr. Forsten, Mr. Scoglietti explained that Net Income shows actual net income of minus \$1.977 million. He noted that it is a fairly large minus number and reminded members that they pulled real estate and the drawdown on the proceeds for improvements out of the report, which is reflected in the numbers.

**Mr. Graci moved for acceptance of the Treasurer’s Report, seconded by Mr. Edgell and unanimously carried.**

### **FY 2024 DRAFT OPERATING AND CAPITAL BUDGET AND FY 2024-26 DRAFT CAPITAL INVESTMENT PROGRAM**

Mr. Tim Slavin, Executive Director, presented an introductory reading of the draft Fiscal 2024 Operating Capital Budget. He advised that they wanted to use this process not just to solve a math problem but to include the context by which they make decisions. Mr. Slavin noted that the draft budget includes a number of things which help to place it into context, such as a copy of the two audits that were done, a copy of their enabling legislation, and roster of their boards and committees. He added that they want to ensure that this document stands on its own over time and the people looking at what they were proposing and what was approved is presented in numbers as well as context.

Mr. Slavin stated that the numbers really represent a trueing up of the budget because they have moved from a cash-based system to an accrual system. Ms. Janice Moturi, Deputy Director/Controller noted that members would see a mix of them shifting from cash basis to accrual because they are still using the proceeds from the sales last year to balance the budget for this year. She advised that their biggest source of revenue will be appropriations funding, which is currently at 69% of everything that they have. Ms. Moturi stated that they have tried to budget through all of the projects for the year and the major projects are the dip and duplexes.

Mr. Slavin advised members that they would see the projected expenses and revenues in the draft budget and noted that they were tentatively reserving \$1.89 million for capital improvements across the campus.

He cautioned that it does not mean they will have that amount on day one of the fiscal year and would be letting it out in quarterly allotments. Mr. Slavin noted that they have projects that are ready to go now and they would see mobilization as soon as the following week. He advised that they would keep an eye on the costs and stay within their \$1.89 million.

Mr. Slavin noted that the second reading and approval of the budget would take place at the next meeting in September. He advised that they anticipate the carry forward balance will change because they have closed out the books and will have an adjusted carried forward number. Mr. Slavin stated that they also anticipate that in January or February they will be presented with the audited carry forward and that would require a budget adjustment.

Included in the budget was the Capital Investment Plan (CIP), which is a tool that gives a separate identifier to each of their capital projects. It is intended to show where attention to deferred maintenance and campus improvements are needed, how those demands are managed, and to quantify the deferred campus maintenance that was inherited. Mr. Slavin advised that the CIP also allows them to authorize or deauthorize capital projects.

Mr. Scoglietti commended Mr. Slavin on the Capital Investment Plan, noting that it is a great tool for the Board members and the public to see what is on the horizon.

**Dr. Stewart moved for acceptance of the FY 2024 Draft Operating and Capital Budget and FY 2024-26 Draft Capital Investment Program. The motion was seconded by Mr. Baylor and unanimously carried.**

#### **FINANCIAL AUDIT**

Mr. Tim Slavin, Executive Director, advised members that the Fiscal Year 2022 financial audit from Belfink, Lyons, and Shuman had been provided to members and the public for informational purposes. He noted that Mr. George Fournaris would provide a presentation of the audit at the September Board meeting. Mr. Slavin noted that there were comments by the auditor for efficiencies and practices and they have responded to each of those and fixes were already underway and would be in place for FY 2023.

**Mr. Graci moved for acceptance of the Financial Audit. The motion was seconded by Mr. Whittaker and unanimously carried.**

#### **ACTION ITEM – PURCHASING AND PROCUREMENT THRESHOLDS**

Mr. Tim Slavin, Executive Director, reminded members that the Purchasing and Procurement Thresholds was presented at their June 14, 2023 Board meeting for informational purposes and again reviewed the thresholds for members.

**Mr. Whittaker moved for approval of the Purchasing and Procurement Thresholds (Exhibit 2). The motion was seconded by Mr. Foreman and unanimously carried.**

#### **ACTION ITEM – FINANCIAL RESERVES POLICY**

Mr. Tim Slavin, Executive Director, reminded members that the Financial Reserves Policy was presented at their June 14, 2023 Board meeting for informational purposes and he again reviewed the policy for members.

**Mr. Foreman moved for approval of the Financial Reserves Policy (Exhibit 3). The motion was seconded by Mr. Edgell and unanimously carried.**

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Slavin reviewed the Executive Director's Monthly Report For the period June 1 to July 31, 2023 and noted the following project updates:

#### **Operations**

- **Legislative Year** - The legislative year was successfully closed with two minor changes added to the mini bond bill and epilogue language in the bond bill. FDRPC was level funded in the bond bill at \$2.25 million

#### **Capital Projects**

There was a pent-up demand for capital projects after the entranceway and roundabout projects were completed. Projects were put on hold to ensure that they finished the year in a healthy financial position, which they did, and they are now ready to proceed with the following projects:

- **Old Elm Avenue** - In the first quarter of Fiscal Year 2024, the Old Elm Avenue project that includes the connection to the roundabout, or the dip, and the top coat of asphalt all the way down Old Elm Avenue will be completed. An award was made to A-Del Construction and it is anticipated that the project will be complete before the weather hits in later October. Once this project is complete, all of the streets will be fully dedicated to Delaware City.
- **Chapel and Theater** – The additional funding that had been requested in the bond bill was not received and other funding is being sought. Mr. Shane Martin, FDRPC Construction Project Manager, will be the general contractor and will begin the process by testing both of the sites for any remaining hazardous materials and, if necessary, remediating the materials.

The exterior of the theater needs new doors and the chapel has some window work that has to be completed in the front porch area. The intent is to have the interior of both buildings in broom-swept condition and have the exteriors completed in the first quarter of FY24.

#### **Other Activities**

- **Strategic Plan Public Engagement** – The Delaware Alliance for Nonprofit Advancement (DANA) strategic planning process is proving to be very beneficial and has informed the Strategic Planning Committee of what the community wants from the FDRPC. They have listened to the staff and the community and have worked through the process of mission, vision, values, and some of the objective strategies. The strategic plan will be presented to the Board for discussion in September and a September 19, 2023 public session to present the plan to the community is planned.

- **Review Committees** – Chair McMahon has appointed a Finance and Audit Committee, which will be chaired by Michael Graci, a Land Use Planning Committee, which will be chaired by David Edgell, and a Maintenance Committee which will be chaired by Kevin Whittaker. The Finance and Audit Committee will oversee, guide and ensure compliance and make recommendations to the Board.

The Land Use Planning Committee will be used to re-vet and challenge the assumptions on their conceptual plan. A year ago, the conceptual plan was frozen and accepted. They are now beginning the process of looking at some of the assumptions that got them to some of the decisions that may be eligible for rethinking in that plan.

The Maintenance Committee is required by the Declaration of Covenants and it is the committee that looks at the Common Area Maintenance (CAM) fees and makes recommendations to the Board if, and only if, an assessment is necessary to property owners on the site.

The appointment of all five of the standing committees total 30 appointments. One of the criticisms and suggestions heard from the community was more opportunity for involvement from the local community. As a result, 18 of the 30 appointments across the 5 committees will be residents of Delaware City and Fort DuPont.

- **Cultivation Activities**

Campus Tours – Between 10 and 15 separate tours of the campus were given to legislators, private investors, developers, public agencies, and private support groups.

State of the County Event – The response from a five-minute overview of what they are doing at Fort DuPont has been tremendous and has resulted in a number of leads and follow up.

Community Meeting – A community meeting is being planned for the first week of September.

Fort DuPont Resident's Fall Event - October 13, 2023 has been selected as the date for a Fort DuPont resident's fall event.

- **Future FDRPC Meetings** - One of the things they have heard from the community is that a weekday meeting at 8:30 a.m. shuts people out from participating in the meeting. Members of the community have requested consideration of late afternoon or early evening meetings so that they may participate. Afternoon meetings will conflict with the legislative calendar for six months and would hinder their ability to get a quorum and participation of the Board. Mr. Slavin suggested moving the meeting times at different months or holding less frequent meetings, but one of the drivers is the need for the public to participate. He noted that they are required to hold the meetings in Delaware City. Mr. Slavin stated that he would continue to work on this issue.

**Mr. Foreman moved for acceptance of the Executive Director's Report, seconded by Mr. Whittaker and unanimously carried.**

## **COMMITTEE REPORTS**

### **Design and Historic Preservation Committee Meeting of June 6, 2023**

Mr. Tim Slavin, Executive Director, reviewed the Design and Historic Preservation Committee Report of June 6, 2023.

**By unanimous consent, the Design and Historic Preservation Committee Report of June 6, 2023 was accepted.**

### **FDRPC Executive Committee Meeting of June 30, 2023**

Dr. Courtney Stewart, (Office of Management and Budget), reviewed the FDRPC Executive Committee Report of June 30, 2023.

**Mr. Edgell moved for acceptance of the Executive Committee Report of June 30, 2023. The motion was seconded by Mr. Baylor and unanimously carried.**

## **RESOLUTION RECOGNIZING THE SERVICE OF DAVID BAYLOR TO FDRPC**

Mr. Tim Slavin, Executive Director, read the Resolution into the record, as follows:

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

Chair McMahan noted that he has known Mr. Baylor for quite a few years and recalled the various committees they served on together. He stated that he was extremely grateful for the opportunity to work with him.

Secretary Shawn Garvin, DNREC, stated that he has known Mr. Baylor for a very long time with both of them in different positions over time. He thanked Mr. Baylor for his leadership and advocacy on behalf of Delaware City and agreed that there has been an evolution and a growing partnership with Delaware City that puts them in a very good position. Secretary Garvin advised that it is still going to take a lot of conscious work on everyone's behalf to bring it to fruition. He congratulated Mr. Baylor on his new position.

Mr. Baylor thanked members for the recognition and stated that he thought Delaware City and Fort DuPont were starting to come together as one community. Noting that one of the things with leadership and community service is to try to leave a place better than you found it, Mr. Baylor stated that the FDRPC Board is in better shape than when he first stepped onto it. That's not condemning the people that were here in the past, it's just praising the current leadership that has taken them in a good direction.

### **DELAWARE CITY UPDATES**

Mr. David Baylor, Delaware City Manager, reported that a National Night Out was held on August 1, 2023 and there was a good turnout from both the Delaware City and Fort DuPont communities. He noted that DNREC Parks provided tours and it was a nice community event. Mr. Baylor also advised that Ms. Wendy Rogers has been helping them get Delaware City Day up and running.

Secretary Shawn Garvin, DNREC, reported that work with the Army Corp of Engineers on the Branch Canal issue continues. He noted Mr. Will Kassab, the DNREC attorney assigned to that discussion, just left to join the EPA and they are figuring out who will be assigned to those conversations. Secretary Garvin stated that it feeds into the larger conversation of what is going to happen at that part of the Fort DuPont site.

Mr. Baylor introduced Ms. Michelle Graham, the Finance Manager for Delaware City, and noted that she is now the acting City Manager. He advised that Ms. Graham had been a part of his team at Town Hall since he became the Acting City Manager and she is well versed on all the issues they have dealt with over time. Mr. Baylor stated that she and he would continue to remain in communication. Ms. Graham stated that she was looking forward to working with the Board.

### **PUBLIC COMMENT**

Ms. Billie Travalini advised that she was an advocate for the mentally ill and children. She stated that she was placed into foster care and Governor Bacon Health Center and noted that many of the children there had emotional problems because they were beaten or abused. Ms. Travalini implored the Fort DuPont Redevelopment and Preservation Corporation and the State of Delaware to acknowledge the 1000s of children who were placed at Governor Bacon and remember them in a meaningful way. She suggested a cultural arts center with programs for children.

### **RECESS INTO EXECUTIVE SESSION – LEGAL AND PERSONNEL MATTERS**

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

Meeting recessed at 9:19 a.m.

Meeting reconvened at 10:20 a.m.

**ACTIONS TO BE VOTED UPON FROM EXECUTIVE SESSION**

**Secretary Garvin moved for acceptance of the recommendation of the Executive Committee on the Executive Director's compensation. The motion was seconded by Dr. Stewart and unanimously carried.**

**Dr. Stewart moved to refinance with Applied Bank, as discussed in the executive session. The motion was seconded by Secretary Garvin and unanimously carried.**

**ADJOURNMENT**

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

Meeting Adjourned at 10:21 a.m.

Exhibits

Exhibit 1 – Budget vs. Actuals: Budget FY23, P&L Draft 1 - FY23 P&L for July 2022 - June 2023

Exhibit 2 – Purchasing and Procurement Thresholds

Exhibit 3 – Financial Reserves Policy

APPROVED: \* September 13, 2023

**Fort DuPont Redevelopment and Preservation Corporation**  
**Budget vs. Actuals: Budget\_FY23\_P&L Draft 1 - FY23 P&L**  
**July 2022 - June 2023**

	Total			
	Actual	Budget	over Budget	% of Budget
<b>Income</b>				
4010 State Appropriation	2,575,000.00	2,250,000.00	\$ 325,000.00	14%
4100 RENTAL INCOME	84,335.04	0.00	84,335.04	
4100-15 Building 15	5,760.00	17,280.00	(11,520.00)	-67%
4100-25 Building 25	14,800.00	42,000.00	(27,200.00)	-65%
4100-43 Building 43	11,600.00	34,800.00	(23,200.00)	-67%
4100-45 Building 45	9,650.00	46,800.00	(37,150.00)	-79%
4100-OM OMB	9,315.00	9,315.00	-	0%
4110 SPECIAL EVENT REVENUE	1,100.00	0.00	1,100.00	
4111 Misc Events	5,250.00	6,700.00	(1,450.00)	-22%
<b>Total 4110 SPECIAL EVENT REVENUE</b>	<b>\$ 6,350.00</b>	<b>\$ 6,700.00</b>	<b>\$ (350.00)</b>	<b>-5%</b>
4130 CAM REVENUE	0.00	0.00	-	
4131 Lawncare - CAM (State Tenants)	3,200.00	16,040.00	(12,840.00)	-80%
4132 Snow/Ice - CAM (State Tenants)	12,514.00	25,112.00	(12,598.00)	-50%
<b>Total 4130 CAM REVENUE</b>	<b>\$ 15,714.00</b>	<b>\$ 41,152.00</b>	<b>\$ (25,438.00)</b>	<b>-62%</b>
4150 TENANT REIMBURSEMENTS	0.00	0.00	-	
4151 Utility Reimbursements	104,182.72	100,000.00	4,182.72	4%
<b>Total 4150 TENANT REIMBURSEMENTS</b>	<b>\$ 104,182.72</b>	<b>\$ 100,000.00</b>	<b>\$ 4,182.72</b>	<b>4%</b>
<b>Total 4100 RENTAL INCOME</b>	<b>\$ 261,706.76</b>	<b>\$ 378,907.00</b>	<b>\$ (117,200.24)</b>	<b>-31%</b>
4200 REAL ESTATE SALES	-3,546.39	0.00	(3,546.39)	
Operations Funding	300,000.00			
<b>Total Income</b>	<b>\$ 3,133,160.37</b>	<b>\$ 3,807,333.00</b>	<b>\$ (674,172.63)</b>	<b>-18%</b>
<b>Gross Profit</b>	<b>\$ 3,133,160.37</b>	<b>\$ 3,807,333.00</b>	<b>\$ (674,172.63)</b>	<b>-18%</b>
<b>Expenses</b>				
			0.00	-
6030 Bank Charges	381.07	0.00	381.07	
6400 Building Improvements{77}	2,900.00	0.00	2,900.00	
6409c 09c Painting-Interior	-99.71	0.00	(99.71)	
6417 Supplies & Materials	2,426.97	0.00	2,426.97	
<b>Total 6400 Building Improvements{77}</b>	<b>\$ 5,227.26</b>	<b>\$ 0.00</b>	<b>\$ 5,227.26</b>	
6460 ENVIRONMENTAL	93,573.12	0.00	93,573.12	
6464 Soil Analysis	11,282.50	50,000.00	(38,717.50)	-77%
<b>Total 6460 ENVIRONMENTAL</b>	<b>\$ 104,855.62</b>	<b>\$ 50,000.00</b>	<b>\$ 54,855.62</b>	<b>110%</b>
6480 SPECIAL EVENT EXPENSES	500.00	0.00	500.00	

	Total			
	Actual	Budget	over Budget	% of Budget
<b>6500 PROFESSIONAL FEES</b>	4,246.70	0.00	4,246.70	
<b>6505 Prof Fees - Engineering</b>	10,287.25	0.00	10,287.25	
6505-01 Marina	1,500.00	200,000.00	(198,500.00)	-99%
6505-02 Master Planning	26,243.75	50,000.00	(23,756.25)	-48%
6505-03 Canal District	1,571.08	0.00	1,571.08	
6505-04 Roads/Utilities	940.50	100,000.00	(99,059.50)	-99%
6505-05 Bike Path	98,021.25	0.00	27,222.50	
6505-08 Geotechnical	17,055.90	0.00	17,055.90	
6505-09 Round-a-bout	52,186.25	25,000.00	27,186.25	109%
6505-12 OBL Duplexes	685.00	15,000.00	(14,315.00)	-95%
6505-14 Marina Village	68,396.25	0.00	68,396.25	
6505-15 Park & Recreation	1,850.00	50,000.00	(48,150.00)	-96%
6505-20 Branch Canal	12,894.75	0.00	12,894.75	
<b>Total 6505 Prof Fees - Engineering</b>	<b>\$ 291,631.98</b>	<b>\$ 475,000.00</b>	<b>\$ (183,368.02)</b>	<b>-39%</b>
6515 Prof Fees - Architectural	240.00	10,000.00	(9,760.00)	-98%
6520R Prof Fees - Legal	260,126.47	250,000.00	10,126.47	4%
6525R Prof Fees - Accounting	43,904.00	50,000.00	(6,096.00)	-12%
6545 Roadways/Utilities	7,986.00	0.00	7,986.00	
<b>Total 6500 PROFESSIONAL FEES</b>	<b>\$ 608,135.15</b>	<b>\$ 793,500.00</b>	<b>\$ (185,364.85)</b>	<b>-23%</b>
<b>6535 PERMITTING</b>	8,387.34	0.00	8,387.34	
<b>6600R FEES - OTHER</b>	5,499.50	0.00	5,499.50	
6606 Permit Fees	5,487.04	5,000.00	487.04	10%
6610 Bank Fees	131.72	4,000.00	(3,868.28)	-97%
6625 Bank Charges	16.95	0.00	16.95	
6627 Applied Bank Fees	8,905.53	0.00	8,905.53	
<b>Total 6625 Bank Charges</b>	<b>\$ 8,922.48</b>	<b>\$ 0.00</b>	<b>\$ 8,922.48</b>	
6631 Del City Rental Tax	3,988.68	0.00	3,988.68	
<b>Total 6600R FEES - OTHER</b>	<b>\$ 24,029.42</b>	<b>\$ 18,500.00</b>	<b>\$ 5,529.42</b>	<b>30%</b>
<b>6700 IMPROVEMENTS</b>	19,295.67	0.00	19,295.67	
6704 Building 45-1308 Officers Row	19,567.00	0.00	19,567.00	
6706 Building 15-Post Headquarters	0.00	0.00	-	
6712 Building 24-Theater	826.00	0.00	826.00	
6716 Canal District	24,354.00	0.00	24,354.00	
6716.30 Roads/Utilities	139,000.00	0.00	139,000.00	
<b>Total 6716 Canal District</b>	<b>\$ 163,354.00</b>	<b>\$ 0.00</b>	<b>\$ 163,354.00</b>	
6717 Site Utilities	2,330.56	0.00	2,330.56	
6721 Roundabout	1,660,204.20	0.00	1,660,204.20	
6724 Marina	23,517.50	0.00	23,517.50	
6734 Building 23-Band Barracks	5,090.00	0.00	5,090.00	
6735 Landscaping	120.00	0.00	120.00	
6738 Duplexes on OBL	0.00	623,426.00	(623,426.00)	-100%
6738-01 Building 26	278,612.90	0.00	278,612.90	
6738-02 Building 27	258,467.37	0.00	258,467.37	
<b>Total 6738 Duplexes on OBL</b>	<b>\$ 537,080.27</b>	<b>\$ 623,426.00</b>	<b>\$ (86,345.73)</b>	<b>-14%</b>

	Total			
	Actual	Budget	over Budget	% of Budget
6741 Building 30-Stable	370,818.27	0.00	370,818.27	
6744 Maintenance Shop	1,825.00	0.00	1,825.00	
6748 Building 52-Tilton	21,692.22	0.00	21,692.22	
6759 Community Garden	700.92	0.00	700.92	
6766 Old Battery Lane	2,586.75	0.00	2,586.75	
6767 Building 82-POW Building	575.00	0.00	575.00	
6770 DNREC Maintenance Bldg	13,785.08	500,000.00	(486,214.92)	-97%
6772 Park & Recreation Amenities	21,996.00	0.00	21,996.00	
<b>Total 6700 IMPROVEMENTS</b>	<b>\$ 2,865,364.44</b>	<b>\$ 1,223,426.00</b>	<b>\$ 1,641,938.44</b>	<b>134%</b>
6700X Site Evaluation (deleted)	0.00	0.00	-	
6735x Site Design (deleted)	365.00	0.00	365.00	
<b>Total 6700X Site Evaluation (deleted)</b>	<b>\$ 365.00</b>	<b>\$ 0.00</b>	<b>\$ 365.00</b>	
6769 DNREC Relocation	0.00	0.00	-	
6769-05 Repository	22,271.23	0.00	22,271.23	
<b>Total 6769 DNREC Relocation</b>	<b>\$ 22,271.23</b>	<b>\$ 0.00</b>	<b>22,271.23</b>	
<b>6800 SITE UTILITIES</b>	210.15	0.00	210.15	
6810 Electric	183,865.86	85,000.00	98,865.86	116%
6815 Gas	3,935.54	50,000.00	(46,064.46)	-92%
6820 Water	12,524.92	5,000.00	7,524.92	150%
6825 Sewer	11,293.97	5,000.00	6,293.97	126%
6835 Trash	3,681.23	5,000.00	(1,318.77)	-26%
<b>Total 6800 SITE UTILITIES</b>	<b>\$ 215,511.67</b>	<b>\$ 150,000.00</b>	<b>\$ 65,511.67</b>	<b>44%</b>
<b>7000 OPERATING EXPENSES</b>	0.00	0.00	-	
7009 Computer Support	1,153.17	2,500.00	(1,346.83)	-54%
7010 Office Supplies	12,048.68	15,000.00	(2,951.32)	-20%
7025 Meals and Entertainment	75.81	2,000.00	(1,924.19)	-96%
7030 Utilities - Office	8,894.97	5,000.00	3,894.97	78%
7035 Phone/Internet - Office	5,940.90	7,500.00	(1,559.10)	-21%
7040 Repairs & Maintenance	2,551.00	5,000.00	(2,449.00)	-49%
7051 Uniforms	2,801.01	5,000.00	(2,198.99)	-44%
<b>Total 7000 OPERATING EXPENSES</b>	<b>\$ 33,465.54</b>	<b>\$ 72,000.00</b>	<b>\$ (38,534.46)</b>	<b>-54%</b>
<b>7100 COMMON AREA MAINTENANCE</b>	22,253.17	0.00	22,253.17	
7105 Lawn Care	119,958.20	125,000.00	(5,041.80)	-4%
7110 Storm Water Management	3,065.00	30,000.00	(26,935.00)	-90%
7115 Pest Control	1,660.00	5,000.00	(3,340.00)	-67%
7120 Fire & Security Monitoring	4,561.23	20,000.00	(15,438.77)	-77%
7140 Landscaping Maintenance	70,965.41	75,000.00	(4,034.59)	-5%
7141 Auto	2,584.57	15,000.00	(12,415.43)	-83%
7145 Equipment Expense	31,094.11	40,000.00	(8,905.89)	-22%
7146 Supplies	17.99	15,000.00	(14,982.01)	-100%
7830 Utilities	19,047.39	7,500.00	11,547.39	154%
<b>Total 7100 COMMON AREA MAINTENANCE</b>	<b>\$ 275,207.07</b>	<b>\$ 382,500.00</b>	<b>\$ (107,292.93)</b>	<b>-28%</b>
<b>7200 DEBT EXPENSE</b>	0.00	0.00	-	
7205 P & I - Applied Bank PH1	67,945.03			
7206 P & I - Applied OBL Duplexes	55,750.80			
<b>Total 7200 DEBT EXPENSE</b>	<b>\$ 123,695.83</b>	<b>\$ 145,211.00</b>	<b>\$ (21,515.17)</b>	<b>-15%</b>

	Total			
	Actual	Budget	over Budget	% of Budget
<b>7500 MARKETING EXPENSES</b>	400.00	0.00	400.00	
7510 Advertising & Promotion	128.37	24,000.00	(23,871.63)	-99%
7550 Website & Social Media	14,320.67	25,000.00	(10,679.33)	-43%
7555 Marketing - Other	456.00			
<b>Total 7500 MARKETING EXPENSES</b>	<b>\$ 15,305.04</b>	<b>\$ 61,500.00</b>	<b>\$ (46,194.96)</b>	<b>-75%</b>
<b>7700 PAYROLL EXPENDITURES</b>	0.00	0.00	-	
7710 401k	9,102.94	10,000.00	(897.06)	-9%
7720 Employee Benefits - Health	78,571.20	84,000.00	(5,428.80)	-6%
7721 Employee Benefits - Dental	91.02	0.00	91.02	
7730 Payroll Tax Expense	43,489.86	44,327.00	(837.14)	-2%
7740 Salaries & Wages	509,441.25	554,084.00	(533,891.70)	-96%
<b>Total 7740 Salaries &amp; Wages</b>	<b>\$ 509,441.25</b>	<b>\$ 554,084.00</b>	<b>\$ (44,642.75)</b>	<b>-8%</b>
7750 Payroll Service Fees	2,227.44	3,000.00	(772.56)	-26%
<b>Total 7700 PAYROLL EXPENDITURES</b>	<b>\$ 642,923.71</b>	<b>\$ 695,411.00</b>	<b>\$ (52,487.29)</b>	<b>-8%</b>
<b>7850 INSURANCE</b>	3,700.31	0.00	3,700.31	
7851 General Liability	13,445.62	13,446.00	(0.38)	0%
7852 Flood Insurance	7,587.00	0.00	7,587.00	
7853 Property	20,508.11	45,000.00	(24,491.89)	-54%
7855 Workers Comp Insurance	10,226.00	14,000.00	(3,774.00)	-27%
7856 Auto	18,680.95	13,000.00	5,680.95	44%
7857 D & O/ E&O Insurance	11,967.52	2,515.00	9,452.52	376%
7858 Business Owners	3,747.14	1,410.00	2,337.14	166%
<b>Total 7850 INSURANCE</b>	<b>\$ 89,862.65</b>	<b>\$ 93,131.00</b>	<b>\$ (3,268.35)</b>	<b>-4%</b>
<b>Administrative Expenses</b>	1,250.00	0.00	1,250.00	
<b>Legal Fees - Operating</b>	14,113.00	0.00	14,113.00	
<b>Property Management</b>	0.00	0.00	-	
7880 Repair & Maintenance	4,750.00	0.00	4,750.00	
7890 Payroll	0.00	0.00	-	
7900 Security	986.00	0.00	986.00	
7910 Supplies	2,338.54			
<b>Total Property Management</b>	<b>\$ 8,074.54</b>	<b>\$ 0.00</b>	<b>\$ 8,074.54</b>	
<b>Total Expenses</b>	<b>\$ 5,058,925.58</b>	<b>\$ 3,685,179.00</b>	<b>1,373,746.58</b>	<b>37%</b>
<b>Net Operating Income</b>	<b>-\$ 1,925,765.21</b>	<b>\$ 122,154.00</b>	<b>\$ (2,047,919.21)</b>	<b>-1677%</b>
<b>Other Income</b>		0.00	-	
Reimbursed Expenses	1,789.79	0.00	1,789.79	
<b>Total Other Income</b>	<b>\$ 1,789.79</b>	<b>\$ 0.00</b>	<b>\$ 1,789.79</b>	
<b>Other Expenses</b>		0.00	-	
<b>ASK MY ACCOUNTANT</b>	53,394.57	0.00	53,394.57	
Miscellaneous	-65.59			
<b>Total Other Expenses</b>	<b>\$ 53,328.98</b>	<b>\$ 0.00</b>	<b>\$ 53,328.98</b>	
<b>Net Other Income</b>	<b>-\$ 51,539.19</b>	<b>\$ 0.00</b>	<b>\$ (51,539.19)</b>	
<b>Net Income</b>	<b>-\$ 1,977,304.40</b>	<b>\$ 122,154.00</b>	<b>\$ (2,099,458.40)</b>	<b>-1719%</b>

Tuesday, Aug 08, 2023 11:10:52 AM GMT-7 - Accrual Basis



## **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: \_\_\_\_\_



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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.

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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	-	-	-	-	(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		-	-	-	-	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)
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ (253,101)</u>	<u>\$ 200,000</u>	<u>\$ 53,101</u>
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)
			<u>\$ 61,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,514)</u>
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)
			<u>\$ 1,102,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,102,898)</u>
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)
			<u>\$ 105,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,420)</u>
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)	-	-	-	-
			<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
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	-	-	-	-	-
2201	Security Deposit - Marina Village	made by Lennar on the Marina	-	(50,000)	-	50,000	-
		Village that is refundable per the	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>
		agreement.					
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>
	<b>Total Adjustments</b>		<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)**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022**

	<u>Page No.</u>
<b>Independent Auditors' Report</b>	1
Management's Discussion and Analysis	5
Statements of Net Position	10
Statements of Revenue, Expenses, and Change in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	14
<b>Supplementary Information</b>	
Schedules of Operating Expenses	26
Schedules of Capital Expenses	27



***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>
<b>Total Assets</b>	<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>
<b>Total Liabilities</b>	<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>
<b>NET POSITION</b>			
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>
<b>TOTAL NET POSITION</b>	<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:

	<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

	2022	2021 (Restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
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
<b>TOTAL CURRENT ASSETS</b>	<b>2,221,028</b>	<b>510,790</b>
<b>NON-CURRENT ASSETS</b>		
Leases Receivable	110,393	121,975
Note Receivable	2,100,000	-
	<b>2,210,393</b>	<b>121,975</b>
<b>CAPITAL ASSETS</b>		
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)
<b>NET CAPITAL ASSETS</b>	<b>56,265,076</b>	<b>56,427,093</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>58,475,469</b>	<b>56,549,068</b>
<b>TOTAL ASSETS</b>	<b>\$ 60,696,497</b>	<b>\$ 57,059,858</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>812,661</b>	<b>229,630</b>
<b>LONG-TERM LIABILITY</b>		
Long-Term Debt, Net of Current Portion	1,182,874	1,188,491
<b>TOTAL LIABILITIES</b>	<b>1,995,535</b>	<b>1,418,121</b>
<b>DEFERRED INFLOWS</b>	<b>126,060</b>	<b>139,349</b>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	54,982,217	55,159,388
Unrestricted Net Position	3,592,685	343,000
<b>TOTAL NET POSITION</b>	<b>58,574,902</b>	<b>55,502,388</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 60,696,497</b>	<b>\$ 57,059,858</b>

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**

	<b>2022</b>	<b>2021 (Restated)</b>
<b>REVENUE</b>		
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
	<b>9,072,648</b>	<b>4,893,378</b>
<b>OPERATING EXPENSES</b>		
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
	<b>5,936,068</b>	<b>4,073,139</b>
<b>OPERATING INCOME</b>	<b>3,136,580</b>	<b>820,239</b>
<b>TOTAL INTEREST EXPENSE</b>	<b>64,066</b>	<b>82,727</b>
<b>CHANGE IN NET POSITION</b>	<b>3,072,514</b>	<b>737,512</b>
<b>NET POSITION - Beginning of Year</b>	<b>55,502,388</b>	<b>54,764,876</b>
<b>NET POSITION - End of Year</b>	<b>\$ 58,574,902</b>	<b>\$ 55,502,388</b>

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>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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)
	<u>1,560,693</u>	<u>314,330</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	324,423	580,000
Repayments of Long-Term Debt	(309,269)	(550,661)
Interest Paid	(64,066)	(82,727)
	<u>(48,912)</u>	<u>(53,388)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		
<b>NET CHANGE IN CASH</b>	1,511,781	260,942
<b>CASH - Beginning of Year</b>	<u>472,643</u>	<u>211,701</u>
<b>CASH - End of Year</b>	<u>\$ 1,984,424</u>	<u>\$ 472,643</u>
<b>NON-CASH NON-CAPITAL FINANCING ACTIVITIES</b>		
PPP Loan Forgiveness	<u>\$ -</u>	<u>\$ 93,500</u>
<b>NON-CASH OPERATING ACTIVITIES</b>		
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**

	<b>2022</b>	<b>2021 (Restated)</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 3,136,580	\$ 820,239
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
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
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1,560,693</b>	<b>\$ 314,330</b>

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	 <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	194,269	97,020	-	291,289
 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	53,157	40,730	-	93,887
 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
	<u>17,679,565</u>	<u>2,593,469</u>	<u>1,342,568</u>	<u>18,930,466</u>
Total Capital Assets Not Being Depreciated				
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
	<u>42,760,839</u>	<u>99,134</u>	<u>-</u>	<u>42,859,973</u>
Total Capital Assets Being Depreciated				
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
	<u>4,219,203</u>	<u>1,144,143</u>	<u>-</u>	<u>5,363,346</u>
Total Accumulated Depreciation				
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
Therafter		<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>
<b>TOTAL OPERATING EXPENSES</b>	<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>
<b>TOTAL CAPITAL EXPENSE</b>	<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)**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022**

	<u>Page No.</u>
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	1
Schedule of Findings and Recommendations	3
Summary Schedule of Prior Audit Findings	8



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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

# Fort DuPont Redevelopment and Preservation Corporation

## Budget vs. Actuals: Budget\_FY24\_P&L Draft 1 - FY24 P&L

Jul-23

	Total			% of Budget
	Actual	Budget	over Budget	
<b>Income</b>				
4005 Carryforward	0.00	300,000.00	-300,000.00	0.00%
4010 State Appropriation	775,000.00	2,250,000.00	-1,475,000.00	34.44%
4015 Bike Path Funding	0.00	0.00	0.00	
4020 Roundabout	0.00	0.00	0.00	
4100 RENTAL INCOME	27,622.00	159,623.08	-132,001.08	17.30%
4100-DN DNREC	0.00	9,315.00	-9,315.00	0.00%
4100-OM OMB	0.00	10,315.00	-10,315.00	0.00%
4110 SPECIAL EVENT REVENUE	4,400.00	6,600.00	-2,200.00	66.67%
4130 CAM REVENUE	0.00	0.00	0.00	
4131 Lawncare - CAM (State Tenants)	0.00	8,000.00	-8,000.00	0.00%
4132 Snow/Ice - CAM (State Tenants)	0.00	15,000.00	-15,000.00	0.00%
4133 Community Association	0.00	730.00	-730.00	0.00%
<b>Total 4130 CAM REVENUE</b>	<b>\$ 0.00</b>	<b>\$ 23,730.00</b>	<b>-\$ 23,730.00</b>	<b>0.00%</b>
4150 TENANT REIMBURSEMENTS	0.00	15,500.00	-15,500.00	0.00%
4151 Utility Reimbursements	116.75	126,000.00	-125,883.25	0.09%
<b>Total 4150 TENANT REIMBURSEMENTS</b>	<b>\$ 116.75</b>	<b>\$ 141,500.00</b>	<b>-\$ 141,383.25</b>	<b>0.08%</b>
<b>Total 4100 RENTAL INCOME</b>	<b>\$ 32,138.75</b>	<b>\$ 351,083.08</b>	<b>-\$ 318,944.33</b>	<b>9.15%</b>
4200 REAL ESTATE SALES	226,453.61	1,216,200.00	-989,746.39	18.62%
4251 Late Payment Fee	0.00	0.00	0.00	
4300 GRANTS	0.00	0.00	0.00	
4400 Sales	40,000.00	0.00	40,000.00	
4430 Services	188,524.22	0.00	188,524.22	
4500 HTC CREDITS	0.00	185,000.00	-185,000.00	0.00%
4800 BANK LOANS - BUDGETED PROCEEDS	0.00	0.00	0.00	
<b>Total Income</b>	<b>\$ 1,262,116.58</b>	<b>\$ 4,302,283.08</b>	<b>-\$ 3,040,166.50</b>	<b>29.34%</b>
<b>Gross Profit</b>	<b>\$ 1,262,116.58</b>	<b>\$ 4,302,283.08</b>	<b>-\$ 3,040,166.50</b>	<b>29.34%</b>

	Total			% of Budget
	Actual	Budget	over Budget	
<b>Expenses</b>				
6000 Capital Improvement Expenditure	0.00	0.00	0.00	
6030 Bank Charges	50.00	1,000.00	-950.00	5.00%
6300 Construction Expenditures	0.00	0.00	0.00	
6463 Office Improvements	0.00	0.00	0.00	
<b>Total 6300 Construction Expenditures</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
6400 Building Improvements{77}	0.00	0.00	0.00	
6409a 09a Doors	0.00	0.00	0.00	
6409b 09b Painting-Exterior	0.00	0.00	0.00	
6409c 09c Painting-Interior	0.00	0.00	0.00	
6412 12 Light Fixtures	0.00	0.00	0.00	
6417 Supplies & Materials	0.00	0.00	0.00	
6420 20 General Condiditons	0.00	0.00	0.00	
6456 Permitting	0.00	0.00	0.00	
<b>Total 6400 Building Improvements{77}</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
6460 ENVIRONMENTAL	3,272.25	0.00	3,272.25	
6470 FEASIBILITY STUDIES	0.00	0.00	0.00	
6730 Market Feasibility Study	0.00	0.00	0.00	
<b>Total 6470 FEASIBILITY STUDIES</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
6480 SPECIAL EVENT EXPENSES	0.00	6,600.00	-6,600.00	0.00%
6500 PROFESSIONAL FEES	420.00	414.00	6.00	101.45%
6505 Prof Fees - Engineering	0.00	0.00	0.00	
6515 Prof Fees - Architectural	1,687.50	1,456.67	230.83	115.85%
6520R Prof Fees - Legal	14,115.98	240,000.00	-225,884.02	5.88%
6525R Prof Fees - Accounting	430.00	38,196.60	-37,766.60	1.13%
6545 Roadways/Utilities	0.00	0.00	0.00	
<b>Total 6500 PROFESSIONAL FEES</b>	<b>\$ 16,653.48</b>	<b>\$ 280,067.27</b>	<b>-\$ 263,413.79</b>	<b>5.95%</b>
6510 DEMOLITION	0.00	0.00	0.00	
6535 PERMITTING	195.00	2,795.78	-2,600.78	6.97%
6600R FEES - OTHER	0.00	0.00	0.00	
6606 Permit Fees	0.00	1,418.88	-1,418.88	0.00%
6610 Bank Fees	24.37	1,838.65	-1,814.28	1.33%
6620 HTC Fees	0.00	7,668.54	-7,668.54	0.00%
6625 Bank Charges	4.95	4,200.82	-4,195.87	0.12%
6627 Applied Bank Fees	0.00	4,199.17	-4,199.17	0.00%
<b>Total 6625 Bank Charges</b>	<b>\$ 4.95</b>	<b>\$ 8,399.99</b>	<b>-\$ 8,395.04</b>	<b>0.06%</b>
6631 Del City Rental Tax	0.00	1,329.56	-1,329.56	0.00%
<b>Total 6600R FEES - OTHER</b>	<b>\$ 29.32</b>	<b>\$ 20,655.62</b>	<b>-\$ 20,626.30</b>	<b>0.14%</b>

	<b>Total</b>			<b>% of</b>
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>Budget</b>
<b>6700 IMPROVEMENTS</b>	0.00	1,850,000.00	-1,850,000.00	0.00%
<b>6702 Building 39-1303 Officers Row</b>	1,117.00	0.00	1,117.00	
<b>6712 Building 24-Theater</b>	0.00	0.00	0.00	
<b>6713 Building 55-Chapel</b>	0.00	0.00	0.00	
<b>6734 Building 23-Band Barracks</b>	840.00	0.00	840.00	
<b>6740 Building 28-Bakery</b>	0.00	0.00	0.00	
<b>6741 Building 30-Stable</b>	9,725.00	0.00	9,725.00	
<b>6749 Pump House</b>	9,485.00	0.00	9,485.00	
<b>Total 6700 IMPROVEMENTS</b>	<b>\$ 21,167.00</b>	<b>\$ 1,850,000.00</b>	<b>-\$ 1,828,833.00</b>	<b>1.14%</b>
<b>6800 SITE UTILITIES</b>	0.00	0.00	0.00	
<b>6810 Electric</b>	13,409.21	144,000.00	-130,590.79	9.31%
<b>6815 Gas</b>	395.14	4,400.00	-4,004.86	8.98%
<b>6820 Water</b>	929.37	14,000.00	-13,070.63	6.64%
<b>6825 Sewer</b>	1,699.17	20,000.00	-18,300.83	8.50%
<b>6830 Phone/Internet</b>	0.00	10,200.00	-10,200.00	0.00%
<b>6835 Trash</b>	615.00	0.00	615.00	
<b>Total 6800 SITE UTILITIES</b>	<b>\$ 17,047.89</b>	<b>\$ 192,600.00</b>	<b>-\$ 175,552.11</b>	<b>8.85%</b>
<b>7000 OPERATING EXPENSES</b>	0.00	0.00	0.00	
<b>7005 Museum</b>	0.00	0.00	0.00	
<b>7009 Computer Support</b>	797.10	0.00	797.10	
<b>7010 Office Supplies</b>	335.74	12,000.00	-11,664.26	2.80%
<b>7015 Taxes &amp; Licenses</b>	0.00	0.00	0.00	
<b>7020 Travel</b>	0.00	1,000.00	-1,000.00	0.00%
<b>7025 Meals and Entertainment</b>	114.09	1,040.00	-925.91	10.97%
<b>7030 Utilities - Office</b>	1,215.99	6,700.00	-5,484.01	18.15%
<b>7035 Phone/Internet - Office</b>	152.18	10,200.00	-10,047.82	1.49%
<b>7040 Repairs &amp; Maintenance</b>	1,222.00	5,200.00	-3,978.00	23.50%
<b>7045 Discretionary Expenses</b>	0.00	7,970.00	-7,970.00	0.00%
<b>7050 Equipment and Furnishings</b>	0.00	5,100.00	-5,100.00	0.00%
<b>7051 Uniforms</b>	279.20	0.00	279.20	
<b>Total 7000 OPERATING EXPENSES</b>	<b>\$ 4,116.30</b>	<b>\$ 49,210.00</b>	<b>-\$ 45,093.70</b>	<b>8.36%</b>

	<b>Total</b>			
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>% of Budget</b>
<b>7100 COMMON AREA MAINTENANCE</b>	0.00	0.00	0.00	
7105 Lawn Care	33,320.00	113,000.00	-79,680.00	29.49%
7110 Storm Water Management	0.00	2,200.00	-2,200.00	0.00%
7115 Pest Control	0.00	3,200.00	-3,200.00	0.00%
7120 Fire & Security Monitoring	210.00	4,600.00	-4,390.00	4.57%
7125 Snow & Ice Removal	0.00	3,800.00	-3,800.00	0.00%
7130 Building Repairs & Maintenance	0.00	19,000.00	-19,000.00	0.00%
7135 Road Repairs	0.00	3,300.00	-3,300.00	0.00%
7140 Landscaping Maintenance	4,118.76	20,000.00	-15,881.24	20.59%
7141 Auto	0.00	9,600.00	-9,600.00	0.00%
7145 Equipment Expense	791.11	42,000.00	-41,208.89	1.88%
7146 Supplies	0.00	5,900.00	-5,900.00	0.00%
7830 Utilities	0.00	17,000.00	-17,000.00	0.00%
7831 Water & Sewer	0.00	2,200.00	-2,200.00	0.00%
<b>Total 7830 Utilities</b>	<b>\$ 0.00</b>	<b>\$ 19,200.00</b>	<b>-\$ 19,200.00</b>	<b>0.00%</b>
<b>Total 7100 COMMON AREA MAINTENANCE</b>	<b>\$ 38,439.87</b>	<b>\$ 245,800.00</b>	<b>-\$ 207,360.13</b>	<b>15.64%</b>
<b>7200 DEBT EXPENSE</b>	0.00	0.00	0.00	
7205 P & I - Applied Bank PH1	0.00	0.00	0.00	
7206 P & I - Applied OBL Duplexes	7,071.46	51,180.00	-44,108.54	13.82%
7207 P & I - PH1D	0.00	72,696.00	-72,696.00	0.00%
7210 DMHEF Repayment	0.00	0.00	0.00	
7220 FDRPC RLF Repayment	0.00	273,000.00	-273,000.00	0.00%
<b>Total 7200 DEBT EXPENSE</b>	<b>\$ 7,071.46</b>	<b>\$ 396,876.00</b>	<b>-\$ 389,804.54</b>	<b>1.78%</b>
<b>7300 Depreciation Expense</b>	0.00	0.00	0.00	
<b>7500 MARKETING EXPENSES</b>	0.00	0.00	0.00	
7510 Advertising & Promotion	0.00	24,000.00	-24,000.00	0.00%
7525 Marketing Collateral	0.00	0.00	0.00	
7530 Promotional Memberships	0.00	0.00	0.00	
7540 Stationery & Printing	0.00	0.00	0.00	
7550 Website & Social Media	905.25	20,000.00	-19,094.75	4.53%
7551 Video	0.00	0.00	0.00	
7555 Marketing - Other	0.00	0.00	0.00	
<b>Total 7500 MARKETING EXPENSES</b>	<b>\$ 905.25</b>	<b>\$ 44,000.00</b>	<b>-\$ 43,094.75</b>	<b>2.06%</b>

	<b>Total</b>			<b>% of</b>
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>Budget</b>
<b>7700 PAYROLL EXPENDITURES</b>	0.00	0.00	0.00	
<b>7710 401k</b>	2,419.24	0.00	2,419.24	
<b>7720 Employee Benefits - Health</b>	6,383.40	0.00	6,383.40	
<b>7721 Employee Benefits - Dental</b>	159.26	0.00	159.26	
<b>7730 Payroll Tax Expense</b>	2,691.03	0.00	2,691.03	
<b>7740 Salaries &amp; Wages</b>	39,626.21	578,172.58	-538,546.37	6.85%
<b>7750 Payroll Service Fees</b>	163.08	2,500.00	-2,336.92	6.52%
<b>Total 7700 PAYROLL EXPENDITURES</b>	<b>\$ 51,442.22</b>	<b>\$ 580,672.58</b>	<b>-\$ 529,230.36</b>	<b>8.86%</b>
<b>7850 INSURANCE</b>	0.00	0.00	0.00	
<b>7851 General Liability</b>	0.00	9,489.00	-9,489.00	0.00%
<b>7852 Flood Insurance</b>	0.00	0.00	0.00	
<b>7853 Property</b>	94,569.93	85,080.54	9,489.39	111.15%
<b>7854 Builder's Risk</b>	0.00	3,229.00	-3,229.00	0.00%
<b>7855 Workers Comp Insurance</b>	0.00	4,404.00	-4,404.00	0.00%
<b>7856 Auto</b>	15,361.00	15,361.00	0.00	100.00%
<b>7857 D &amp; O/ E&amp;O Insurance</b>	8,855.00	12,757.52	-3,902.52	69.41%
<b>7858 Business Owners</b>	0.00	0.00	0.00	
<b>7859 Pension &amp; Crime</b>	0.00	1,900.00	-1,900.00	0.00%
<b>Total 7850 INSURANCE</b>	<b>\$ 118,785.93</b>	<b>\$ 132,221.06</b>	<b>-\$ 13,435.13</b>	<b>89.84%</b>
<b>8000 VALUE OF REAL ESTATE SOLD</b>	0.00	0.00	0.00	
<b>Administrative Expenses</b>	0.00	417.00	-417.00	0.00%
<b>Legal Fees - Operating</b>	0.00	0.00	0.00	
<b>Property Management</b>	0.00	0.00	0.00	
<b>7880 Repair &amp; Maintenance</b>	0.00	1,717.00	-1,717.00	0.00%
<b>7890 Payroll</b>	0.00	0.00	0.00	
<b>7892 Salaries</b>	0.00	0.00	0.00	
<b>Total 7890 Payroll</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
<b>7900 Security</b>	0.00	70.00	-70.00	0.00%
<b>Total Property Management</b>	<b>\$ 0.00</b>	<b>\$ 1,787.00</b>	<b>-\$ 1,787.00</b>	<b>0.00%</b>
<b>Total Expenses</b>	<b>\$ 279,175.97</b>	<b>\$ 3,804,702.31</b>	<b>-\$ 3,525,526.34</b>	<b>7.34%</b>
<b>Net Operating Income</b>	<b>\$ 982,940.61</b>	<b>\$ 497,580.77</b>	<b>\$ 485,359.84</b>	<b>197.54%</b>
<b>Other Income</b>				
<b>Reimbursed Expenses</b>	-50.00	0.00	-50.00	
<b>Total Other Income</b>	<b>-\$ 50.00</b>	<b>\$ 0.00</b>	<b>-\$ 50.00</b>	
<b>Other Expenses</b>				
<b>ASK MY ACCOUNTANT</b>	0.00	0.00	0.00	
<b>Total Other Expenses</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
<b>Net Other Income</b>	<b>-\$ 50.00</b>	<b>\$ 0.00</b>	<b>-\$ 50.00</b>	
<b>Net Income</b>	<b>\$ 982,890.61</b>	<b>\$ 497,580.77</b>	<b>\$ 485,309.84</b>	<b>197.53%</b>

Friday, Sep 08, 2023 06:33:37 AM GMT-7 - Accrual Basis



## Executive Director Monthly Report

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

Our board meeting will be held on September 13, 2023 at 6:00 p.m. at the **Delaware City Community Center**. Board packets will be distributed via email (as a pdf attachment).

## Capital Projects

- **Marina Village**
  - a. Lennar. The Executive Director met with representatives of Lennar to discuss current status of approvals.
  - b. 6f. Verdantas has been working with DNREC/State Parks on issues related to the request to transfer protections on the 6f lands. State Parks has been in touch with the National Park Service and relayed some issues for clarification requested by the National Park Service. The formal application has not been transmitted to the National Park Service as of this writing.
  - c. State Fire Marshal Office. The State Fire Marshal's Office has issued an approval for the Marina Village preliminary plan.
  
- **Old Elm Ave.** The "dip" and finish coat paving of Old Elm Avenue project is scheduled to begin on Monday, October 9, 2023. The delayed start date was agreed upon to avoid safety concerns related to two major events in Delaware City on October 7<sup>th</sup>—the Delaware Autism annual walk in the morning and the Delaware City Day celebration and parade in the afternoon and evening. Both events use the Fort DuPont campus and a later starting date will avoid detours on streets.
  
- **Branch canal bank revetment and promenade.** On August 24<sup>th</sup>, FDRCP was notified that the Branch Canal revetment and promenade project had been approved for funding

by the Federal Emergency Management Agency (FEMA). However, on August 30, FEMA notified FDRPC that all funding programs had been suspended in order to address current and expected needs from natural disasters. The project remains approved and will eventually be funded by FEMA, but no date has been communicated about when the funds would be released.

- **Building 21** (Old Battery Lane duplex). A new roof was installed on: Building 21 on Old Battery Lane. This is one of five (5) properties we have identified for moth-balling activities.
- **Environmental Testing and Remediation of Chapel, Theater, Bakery.** We have completed the environmental testing of the Chapel, Theater, and Bakery for any potential hazardous materials. Each site had a minor amount of materials in need of remediation, each of which was related to small amounts of asbestos found in old furnaces and/or floor tiles. The remediation for each site will occur by the end of September and each site will then fully cleaned out. A quote to bring new electrical service into the Theater has been approved; that work will continue in October.

## Operations

- **Real estate update.**
  - a. Real Estate for sale
    - 1311 Officers Row (lot) currently listed for sale.
  - b. Leasing: All residential properties are leased and being managed by NAI Emory Hill.
- **FOIA Officer.** There were no FOIA requests presented for the month of August 2023.

## Other activities:

- **Strategic Plan public presentation.** Representatives of the Delaware Alliance for Nonprofit Advancement (DANA) will present a draft of the strategic plan at the September 13<sup>th</sup>, 2023 meeting of the board of directors. A public meeting has been scheduled for September 19<sup>th</sup>, 2023 with representatives of DANA presenting the draft plan.

- **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. Secretary of State Jeff Bullock
  - b. Private developer from Wilmington, Delaware
  - c. Major General Michael Berry, Adjutant General of Delaware
  - d. Existing out-of-state business owner via Delaware Prosperity Partnership
  - e. Existing business owner.
  - f. Jessica Ball, Director of the Delaware Division of the Arts
  - g. Two prospective business owners.

## **Media**

- **How Fort DuPont project is proceeding with RV park plans on pause**

<https://www.delawareonline.com/story/money/business/2023/08/28/fort-dupont-rv-park-developer-quiet-on-when-construction-will-resume/70589776007/>

**FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION**  
**EXECUTIVE COMMITTEE MEETING**

The Fort Dupont Redevelopment and Preservation Corporation (FDRPC) Executive Committee meeting was held July 31, 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 Dr. Courtney Stewart (Office of Management and Budget) (departed at 10:07 a.m.), Mr. Bert Scoglietti (Treasurer), and Ms. Wendy Rogers (Resident of Fort DuPont).

Also present were Mr. Tim Slavin, FDRPC Executive Director, Ms. Janice Moturi, FDRPC Deputy Director/Controller, and Mr. Jeff Flynn of Applied Bank (departed at 10:34 a.m.).

**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 MEETING OF JUNE 30, 2023**

**Mr. Scoglietti moved for approval of the June 30, 2023 FDRPC Executive Committee meeting minutes. The motion was seconded by Dr. Stewart and unanimously carried.**

**STATUS ON KEY PROJECTS**

Mr. Tim Slavin, FDRPC Executive Director, provided status updates on the following key projects:

- **Fiscal Year 2022 Audit**  
The FY 2022 audit has been finalized. Because George Fournaris of Belfint, Lyons & Shuman, P.A. will be unavailable to present the audit to the board until September, a copy of the audit will be circulated to the board at the August meeting and then brought forward for discussion and acceptance in September. There were three major findings in the audit having to do with the allocation of costs from properties sold, the cash disbursement documentation and approval process, and evaluation of donated capital assets. Processes are in place to address those findings and a document library has been built to support future audits.
- **Employee Handbook**  
The Employee Handbook has been updated through a service that was offered through their employment practices liability carrier from a firm called Excelsior. They have gone through the final draft and it is now being reviewed for style and editing. There are three things that they did in the draft that will be presented to the board in September:
  - Alignment with HR best practices and filling policy gaps.
  - Changes necessary to bring the Handbook into alignment with HB 355. There were specific instructions in the Bill about employees and that is now in Delaware code.
  - Better alignment with state government practices, especially as it pertains to the length of the work week and holidays.

A red line version of the Employee Handbook will be presented to the FDRPC Board in September.

- Fiscal Year 2024 Budget

The FY 2024 Budget will be presented at the August FDRPC Board meeting. The bond bill appropriation remained unchanged from last year. There was a minor change in the epilogue language which allows them up to \$400,000 of the appropriation for administrative and operational costs. It was previously capped at \$300,000. It will be a lean, challenging year; however, they can still get things done.

The budget includes a three-year Capital Investment Plan (CIP) which represents the capital projects they envision the campus needing over time. The CIP will create a better sense of the amount of deferred maintenance that was on the campus when the FDRPC was created and help them address some of the criticism regarding state funding. They are doing their best to capitalize and monetize some of the assets and put that money back into the campus.

- Old Elm Avenue Project

They are waiting for the second of two bids for the Old Elm Avenue project, which includes the dip and the top coat. The base bid is the dip and the alternate is the top coat. Once the bids are received, they will issue a contract and plan to mobilize by the end of August. This is a four-week project that they hope to finish before any fall weather.

- Theater and Chapel

Environmental testing has begun at both the theater and the chapel in advance of the environmental clean out of those spaces, which is to simply get them broom swept, remove the unnecessary items, and, in the case of the theater, establish electrical service. The exterior of the chapel requires some window work and site work at the front near the porch. The exterior of the theater requires addressing doors on the North and South side, as well as the lighting along the ticket window at the front. Neither separate appropriation that had been requested for the chapel and the theater were funded in the bond bill and they are pursuing another line of funding.

- Old Battery Lane

They are in the final days of the 30-day publication period for the plan from DNREC for the two duplexes on Old Battery Lane. Once complete, they will connect the water and sewer lines and finish the work for those two duplexes, which have been all but ready to go. They represent lost annual income to the Corporation of \$120,000 simply because they could not be occupied. Further down on Old Battery Lane is Building 30 which is a similar two-story duplex with a caved in roof. A quote has been accepted to replace the roof and that work will be starting the next week. The single-story duplex cannot be used for residential use because it is in the flood plain. Staff is considering an adaptive reuse of the building.

- Tilton Building

The National Guard has inquired about relocating their band unit and museum function to the Tilton Building. Military and civilian members of their project, legal, and operations staff toured the building and thought that it would be a perfect fit for them.

- Real Estate

The contract on 1311 Officers Row was set to expire after three extensions because the buyer has had difficulty obtaining financing for their building project. The property will be re-listed by Emory Hill.

The FDRPC closed on 1303 Officers Row for \$730,000 and 1305 and 1307 Officers Row at \$125,000 each. All of the rental properties are occupied.

- Strategic Planning

The feedback from the strategic planning is finish what you started, such as the revetment of the canal bank, the promenade, and Marina Village. The second part of the feedback is that more community involvement is necessary. The local people feel the Board does not have broad representation from the community. Mr. Slavin advised that the Marina Village project would be discussed in executive session. He reviewed the proposed roster for committees (**Exhibit #1**) which will include more people from the community.

### **EXECUTIVE SESSION**

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

Meeting recessed at 9:56 a.m.

### **RECONVENE**

**Mr. Scoglietti moved to reconvene the FDRPC Executive Committee meeting, seconded by Ms. Rogers and unanimously carried.**

Meeting reconvened at 10:46 a.m.

### **ACTIONS TO BE VOTED UPON FROM THE EXECUTIVE SESSION**

**Mr. Scoglietti moved that the Executive Committee move forward with its recommendation to the full board at its August 9, 2023 meeting regarding refinancing of existing Fort DuPont debt on the terms discussed in executive session with the representative from Applied Bank. The motion was seconded by Ms. Rogers and unanimously carried.**

### **SCHEDULING OF FUTURE MEETINGS**

Mr. Slavin suggested that the Regular meetings of the Executive Committee occur on the last Monday of each month at 9:30 a.m.

**Mr. Scoglietti moved to hold future Regular meetings of the Executive Committee on the last Monday of each month at 9:30 a.m. The motion was seconded by Ms. Rogers and unanimously carried.**

### **ADJOURNMENT**

**Mr. Scoglietti moved for adjournment, seconded by Ms. Rogers and unanimously carried.**

Meeting Adjourned at 10:47 a.m.

### Exhibits

Exhibit #1 - Proposed Roster

APPROVED: August 28, 2023

	<b>Executive</b>	<b>Finance and Audit</b>	<b>Strategic Planning</b>	<b>Planning</b>	<b>DHPC</b>	<b>Maintenance</b>
<b>Chair</b>	John McMahon	Mike Graci	John McMahon	David Edgell	Doug Eriksen	Kevin Whitaker
	Ruth Ann Jones	Ruth Ann Jones	David Edgell	Michael Lutz	Dave Turley	Ray Gogola
	Courtney Stewart	Courtney Stewart	Courtney Stewart	Cecily Bedwell (tent.)	Roberta DeLeo	David Johnson (tent.)
	Dave Baylor	Bert Scogletti	Michael Graci	Wendy Rogers	Rob McPherson	Art Turner
	Wendy Rogers	Tim Diliplane	Wendy Rogers	Rony Baltazar Lopez (tent.)	Billie Travalini	Rob McPherson
	Bert Scogletti	Bob Lucas (tent.)		Dan Sanders (ex officio) (tent.)	Laura Lee	
DC	1	3	2	4	5	5



**Fort DuPont Redevelopment and Preservation Corporation**  
2023-2028 Strategic Plan

Submitted for the Board  
September 13, 2023

## TABLE OF CONTENTS

TABLE OF CONTENTS .....	2
BACKGROUND .....	3
PLAN PROCESS.....	3
HIGHLIGHTS FROM COMMUNITY AND STAFF INPUT.....	4
FDRPC SCOAR ANALYSIS.....	7
WHO FDRPC SERVES.....	8
FDRPC DESIRED REPUTATION.....	8
FDRPC MISSION .....	9
FDRPC VISION .....	9
FDRPC VALUES.....	9
FDRPC STRATEGIC PLAN OUTCOMES AND METRICS FOR SUCCESS.....	10
STRATEGIES TO ACHIEVE THOSE OUTCOMES .....	11
OVERARCHING ENABLES TO ACHIEVE THE PLAN .....	13
NEXT STEPS.....	13
FDRPC ORGANIZATIONAL STRATEGIC THEORY OF CHANGE 2023-2028 .....	14
FDRPC STRATEGIES AND ACTIVITIES 2023-2028 .....	15

## BACKGROUND

Fort DuPont Redevelopment and Preservation Corporation (FDRPC) is the trustee and steward of the historic Fort DuPont Military Installation and Fort DuPont State Park. Years of industrial use, along with a lack of maintenance resulted in the property and its facilities falling into disrepair. During Governor Markell's administration, there was a vision for repurposing the land and buildings to become an economic, cultural, and recreational asset for the State of Delaware. FDRPC was tasked through legislative action to redevelop the campus into a mix-use life-style community comprised of residences, historic buildings, repurposed buildings to lease for residential and commercial use, and outdoor and culture amenities. The site is located adjacent to Delaware City and sits along the Delaware River.

Since 2014, when the FDRPC was formed, a portion of the site has been redeveloped into a residential community, which is now annexed into Delaware City. A second site for residences is underway. Still to be finalized are the uses for other historic buildings. The Board and Leadership wished to embark on strategic planning with community input to help guide their priorities for the next five years. DANA, the Delaware Alliance for Nonprofit Advancement, was contracted to gather community perspectives and facilitate strategic planning with a strategic planning committee comprised of board and staff members, to assist in the planning facilitation, community feedback, and plan development.

The Board strategic planning committee is comprised of: John McMahan, Board Chair, Courtney Stewart, David Edgell, Wendy Rogers, Michael Graci, Tim Slavin, FDRPC Executive Director, and Janice Moturi, FDRPC Deputy Director-Controller.

## PLAN PROCESS

This strategic planning process included the following elements:

- Review of organization and planning documents to orient DANA to FDRPC
- Community and staff input via interviews, focus groups, community town hall, and an online survey
- Outline of FDRPC's Strengths, Challenges, Opportunities, Aspirations, and Desired Results (SCOAR)
- Clarity on FDRPC's primary and secondary stakeholders they serve
- A review and recommended revisions to FDRPC's vision, mission, and values
- Identification of desired outcomes for the next five years and metrics for success
- Key strategies to achieve those outcomes along with activities to support the strategies
- Resource requirements and conditions that need to be in place to make the plan successful

Input was gathered between March and June. The strategic planning committee met in July and August to take the findings, identify the strategic for the next five years. Upon the Board's approval, FDRPC will present the final plan to the community in mid-September.

## HIGHLIGHTS FROM COMMUNITY AND STAFF INPUT

Forty-seven individuals provided their comments via interview, focus groups, and an in-person Town Hall. These included board members, elected officials, community leaders from Delaware City and residents of Delaware City, including those who live on the Fort DuPont campus. Sixty-two responded to the survey of which the majority (76%) lived in Delaware City or on the Fort DuPont campus. In addition, all FDRPC staff provided their perspective on strategic priorities, mission, vision, and values.

### **Summary of the Interviews, Focus Groups, and Town Hall:**

- Overall, there is a common understanding that FDRPC is in the business of cleaning up the FDRPC campus to redevelop it for Delaware City. There is an appreciation for the interest in creating outdoor amenities, trails, and parks, as well as more residential and commercial properties.
- Though many identify FDRPC as the organization that is redeveloping/repurposing the Fort DuPont campus and its structures, there is an attitudinal difference between those who work closely with FDRPC and the leadership, and those who live in the community. Those who have inside knowledge understand the nuances of partnerships, challenges with previous leadership, and how decisions are made. They see the progress the new Executive Director has made with community relations, and in engaging others in the planning process. They are pleased with the property developments to date, and excited about future plans for restoration of the Chapel and Theatre.
- The community is also excited about the intent to renovate the Chapel and Theatre, but they don't have perspective on how the plans are materializing. For them, it is not clear who makes the decisions (or is responsible) for how FDRPC is developed/ repurposed. Promises were made, but not kept as it relates to the master plan. Individuals who bought property were given commitments for amenities that have not materialized or took much longer to complete. There is an acknowledgement that multiple entities and decision-makers are involved in the planning and execution of FDRPC work.
- From the Town Hall session, community members do not know who is on the board. There is a concern that the decisions that will impact their lives and quality of life are being made by people who do not live in Delaware City and will have to live with the consequences of those decisions.

### **Summary of the online community survey:**

Overall, the community believes they understand the organization's mission, but fewer understand its vision, particularly residents of Delaware City and Fort DuPont, and those survey respondents who have lived in the area less than 10 years. Community residents were not optimistic that FDRPC would prioritize community interests for living on the campus, historic preservation, protection of the environment or commercial development.

Strategic outcomes that rose to the top for most respondents included:

- Historic Building preservation
- Transparent Communication
- Development that attracts new residents and businesses.

Several write-in comments wished the FDRPC Board to consider investment in recreational and culture amenities, repairs, and water-related restoration (canal) and access.

Survey respondents were fairly consistent in ranking priority projects:

- Complete projects they have started/stabilize deteriorated buildings
- Environmental conservation and restoration
- Redevelop to create commercial opportunities
- Address access to the water

With these different perspectives, it is suggested the FDRPC Board consider which audiences are its priority for its work and clarify its identity and scope of responsibility in the redevelopment and ongoing stewardship of the property.

### **Summary of Staff Perspective:**

The idea of “healing” and restoration were raised as important elements, in that it is more than the buildings that need to be restored. Removal of invasive species and the reintroduction of native ones are examples. They believed there is a need to sustain this restoration for the future (both buildings and land). Staff also mentioned that a lot has been done, but perhaps the community cannot see it because the change is gradual. An idea was to begin showing before & after images, or even provide visuals along the progression of the restoration.

### Top outcomes from the staff:

- Ability to engage with and enjoy nature & the natural environment
- Historic buildings are restored and are in productive use
- Fort DuPont’s redevelopment is an attraction for new residents and businesses

### Top 3 Activities:

- Finish what has already been started
- Stabilize deteriorating buildings until ready to work on them
- Theatre & Chapel Restoration
- Create open/honest two-way communication

Overall, there was a sense that FDRPC needs to define its purpose for the future. And then define the resources needed to accomplish that purpose.

## FDRPC SCOAR ANALYSIS

From the community and staff feedback, the strategic planning committee reflected on FDRPC’s organizational **S**trengths, market and organizational **C**hallenges, **O**pportunities, its **A**spirations, and desired **R**esults. This reflection helps to identify areas for FDRPC to focus on for its strategic plan.

**Fort DuPont Redevelopment & Preservation Corporation**  
SCOAR Analysis August 2023

Strengths	Challenges	Opportunities	Aspirations	Results
Fort DuPont Assets/ Property & its potential for repurpose	Perception that FDRPC is not a good steward of property assets (sinkholes, loose tarp on roofs etc)	Common interest to "heal" the land, historic assets, and community relations	There is a plan for campus development with new assumptions, based on new market realities, and rooted in organization's values.	Historic buildings are restored and repurposed (thus economic activity increases)
Community interest in FDRPC purpose (historic preservation/ conservation/ clean up & re-use)				
Staff expertise and commitment to both FDRPC work and community interests				
Have "rebooted" legislation, staff, and engagement.	Community concerns regarding FDRPC's motives, values when it comes to its work	Create awareness of work FDRPC has done to clean up and steward	The community (Fort DuPont and Delaware City residents) is actively engaged in the process and life at Fort DuPont.	Community supports FDRPC plans and trusts our decisions
		Can leverage redevelopment to enhance Delaware City's economy and cultural quality of life	There is a shared vision of the future of the Fort DuPont campus and FDRPC.	
		Leverage community desire for FDRPC success to engage community	There is shared trust between FDRPC and the community. There is clarity about what FDRPC can/can't and should/shouldn't do.	
Partnerships with many other organizations to develop and improve area	Lack of clarity on FDRPC's role and it's accountability to the community, relative to other agencies	Clarify the Role of FDRPC vis-à-vis partners	There is clarity about the roles and responsibility of FDRPC's partners in the use and development of the campus.	There is access to Recreational/ Cultural/ Nature amenities
Carried out enabling legislation - Progress so far developing property and renovating buildings	Funding required to raise to complete all the work necessary	Can create revenue streams to support FDRPC in the future	There are diverse funding sources to support the necessary work.	FDRPC has long-term sustainability

## WHO FDRPC SERVES

Strategic planning committee members identified a list of audiences it must consider for its work and plans. They listed audiences that directly benefit from FDRPC's work and then those they need to help them get their work done. Committee members then ranked their top three audiences.

Who FDRPC Primarily Serves:

1. Current & Future Residents of Fort DuPont and Delaware City
2. The Local Economy (Employers/Business/Cultural Tourism)

Who FDRPC Primarily Needs to Partner to serve the above:

1. Private and Governmental Funders
2. Partner Agencies

Other audiences considered but are secondary when it comes to considerations for decisions: State Taxpayers, Visitors/Tourists

## FDRPC DESIRED REPUTATION

With community feedback regarding uncertainty of who/what is FDRPC, the committee focused on what it wants its desired identity and reputation with those they primarily serve:

- A responsible Steward
- Repairs (heals) the damaged land, historic buildings, and environment
- Both a developer and a preservationist

## FDRPC MISSION

The committee reviewed the existing mission statement of FDRPC and determined it could be refined to reflect its work more closely. The revised mission statement reads:

*Building a vibrant legacy: Fort DuPont Redevelopment and Preservation Corporation is dedicated to revitalizing the Fort DuPont Campus with a focus on preserving our shared history, healing the environment, developing residential and recreational spaces, and providing economic opportunities. Together, we aim to enhance our community's charm, prosperity, and quality of life.*

## FDRPC VISION

The committee developed a vision statement to guide FDRPC's work:

*Fort DuPont Redevelopment and Preservation Corporation contributes to making Delaware City a dynamic destination, captivating new businesses, residents, and historical and cultural tourists. With a vibrant community and historical heritage, our city thrives along Delaware's scenic byway, offering prosperity, inclusivity, and enriching experiences for all.*

## FDRPC VALUES

The committee believed articulating the organization's values was an important aspect of the planning. Values inform behaviors and decision-making. The following values were derived from input from the staff and strategic planning committee members:

*At Fort DuPont Redevelopment and Preservation Corporation, our core values are the foundation of our vision and mission and guide every aspect of our work. With unwavering dedication, we embrace the values of honesty, stewardship, inclusion, partnership, and progress as we preserve and redevelop the unique environmental, historic, and cultural resource that is Fort DuPont.*

**Honesty:** *Integrity is the cornerstone of our organization. We commit to conducting ourselves with honesty and transparency in our actions, communications, and decision-making processes. We value trust, and through open and candid interactions, we aspire to foster an environment in which our relationships with the community and our partners thrive.*

**Stewardship:** *As caretakers of Fort DuPont's land and historical and cultural heritage, we hold a profound sense of responsibility to preserve, repair, and develop this cherished campus. We champion sustainable practices that safeguard the environment, conserve resources, and honor the past while paving the way for a brighter future. With a focus on long-term sustainability, we can ensure that Fort DuPont thrives for generations to come.*

**Inclusion:** We believe in the power of diversity and inclusion, embracing the richness of our organization's varied voices, perspectives, and backgrounds. We seek to foster a welcoming, accessible, and inclusive environment. We actively seek input from our stakeholders with the belief that better decisions are made when diverse voices are heard.

**Partnership:** Collaboration lies at the heart of our approach. We recognize that true progress is achieved through the power of partnership. We rely on alliances with community members, local businesses, government entities, and other stakeholders, to forge strong and meaningful connections. By working together, we pool our collective strengths, expertise, and resources to make a lasting, positive impact on our community.

**Progress:** We are dedicated to continuous improvement and forward-thinking. Progress is the engine that propels us toward a brighter future for Delaware City. Embracing innovation and creativity, we adapt to evolving challenges and opportunities. By staying agile and proactive, we ensure that our efforts lead to measurable and meaningful progress for Fort DuPont's campus and the community we serve.

Through the values of honesty, stewardship, inclusion, partnership, and progress, Fort DuPont Redevelopment and Preservation Corporation remains steadfast in its commitment to fostering a vibrant and sustainable campus and supporting our community. With our collective vision and shared principles, we forge a path that honors the past, embraces the present, and creates a legacy of local and regional prosperity for the future.

## FDRPC STRATEGIC PLAN OUTCOMES AND METRICS FOR SUCCESS

- Historic buildings and campus plans are updated, and progress has been made to restore and repurpose towards those plans
- There is access to Recreational/Cultural/Nature amenities (walkways/trails are safe and navigable)
- Community supports FDRPC plans and trusts our decisions

	Desired Outcomes in 5 years	Success is Measured By
Desired Outcomes	Historic buildings and campus plans are updated, and progress has been made to restore and repurpose towards those plans	x# of buildings are back in use, historic storytelling, income generated from that use, increase in economic benefit to Delaware City, recognized as a historic destination
	There is access to Recreational/Cultural/Nature amenities	bike trails upgraded, recreational courts in use, theatre and chapel are operational, Branch canal promenade renovated, walking trails, fishing and access to the canal are possible
	Community supports FDRPC plans and trusts our decisions	more volunteers, positive reputation (measured up from 2023 survey), community supports the development plan and trusts we have their interests in mind, funding is available (government/private)

## STRATEGIES TO ACHIEVE THOSE OUTCOMES

- Identify the priority for projects over the next five years.
- Stand up an affiliated entity (friends group) so that tax-deductible grants and donations can support the efforts of FDRPC, and desired historical/cultural programming could take place.
- Strengthen stakeholder trust and engagement with FDRPC based on a shared vision.
- Establish long-term financial sustainability for FDRPC.

For each of the above strategies, the committee outlined key activities, estimated financial costs, a timeframe for completion, what partners will be necessary, whether additional staff will be necessary, and any conditions that need to be in place for success.

### Identify the priority for projects over the next five years

Strategy	Activity	Calendar Year Complete						\$ Estimate Cost	Partner Requirement	# New Staff	Conditions
		2023	2024	2025	2026	2027	2028				
<b>Identify the Priority for Projects for the next five years</b>								TBD	Government/ Private Donors/ Contractors/ DNREC	1	
1	Complete an updated campus master plan that reflects community interests with realistic expectations										Funding comes in
2	Complete Chapel & Theatre Projects										
3	Restore 7 Rental Units										
4	Explore feasibility & prep requirements of larger spaces for commercial interests										Assessments of Conditions/Reqs for Leaseholders
5	Secure Zoning/Permit & Execute plan design for branch canal abatement & Promenade										Securing Permit/funding
7	Complete Bike Path and Walking Trails										Master Plan/State DNREC partnership/ funding
8	Complete Upgrades to recreational courts (Bball/tennis etc.)										Master Plan/Marina Village - complete now even if they move later?
9	Remediate x square feet of property for future re-use purposes										Upon plan completion/regulations and costs

## Stand up an affiliated entity (friends group)

Strategy	Activity	Calendar Year Complete						\$ Estimate Cost	Partner Requirement	# New Staff	Conditions
		2023	2024	2025	2026	2027	2028				
<b>Stand up an Affiliated entity (friends group)</b>								TBD	Fundraising Consultant/Experts	1	
1	Governance Structure Established										determine affiliation with FDRPC
2	Fundraising Plan Created										FDRPC seeds the costs to start fundraising
3	Historic/Cultural Program Plan Developed										based on fundraising
4	Volunteers recruited and engaged										based on historic/cultural program plan

## Strengthen stakeholder trust and engagement with FDRPC based on a shared vision

Strategy	Activity	Calendar Year Complete						\$ Estimate Cost	Partner Requirement	# New Staff	Conditions
		2023	2024	2025	2026	2027	2028				
<b>Strengthen stakeholder trust and engagement in FDRPC based on a shared vision</b>								TBD		1	
1	Communicate Strategic Plan and convene regularly to report on progress to plan										based on board approval
2	Create and implement a communications plan for sustained and consistent messaging across communications platforms.										funding to support position
3	Provide visible before/after progress reports on long-term initiatives										
4	Communicate about the role/responsibility of FDRPC and its partners in the redevelopment, preservation, and improvement of the campus										clarify roles

## Establish long-term financial sustainability for FDRPC

Strategy	Activity	Calendar Year Complete						\$ Estimate Cost	Partner Requirement	# New Staff	Conditions
		2023	2024	2025	2026	2027	2028				
<b>Establish Long-term Financial Sustainability for FDRPC</b>								TBD	Government, Private Donors, Leaseholders	0	
1	Diversify funding streams based on the fundraising plan identified above										Fundraising success/ lease opportunities
2	Determine annual costs for maintain common areas/determine assessment plan										
3	Develop Updated Case for Support/Advocate for Appropriate funding levels										

## OVERARCHING ENABLERS TO ACHIEVE THE PLAN

Finally, the committee discussed what other key enablers needed to be in place to support the overall plan. They included:

- Approvals: Ability to secure Zoning/Permitting Requirements to complete projects
- Regulations: environmental, historic register
- Assessments: what is underground that may need to be removed or replaced to build in infrastructure for development
- Staff Retention and/or succession planning (retaining institutional knowledge)
- Board Structure: use of committees/task groups to help get the work done
- Board Engagement: leveraging expertise, networks to help achieve the plan

## NEXT STEPS

The committee has prepared this plan for the Board of Directors to review and adopt. With anticipation the board will support the committee's work, a community meeting has been scheduled in mid-September to share the strategic plan.

## FDRPC ORGANIZATIONAL STRATEGIC THEORY OF CHANGE 2023-2028

<b>Our Vision: (DRAFT)</b>	<i>Fort DuPont Redevelopment and Preservation Corporation contributes to making Delaware City a dynamic destination, captivating new businesses, residents, and historical and cultural tourists. With a vibrant community and historical heritage, our city thrives along Delaware's scenic byway, offering prosperity, inclusivity, and enriching experiences for all.</i>	
<b>Our Mission (DRAFT):</b>	<i>Building a vibrant legacy: Fort DuPont Redevelopment and Preservation Corporation is dedicated to revitalizing the Fort DuPont Campus with a focus on preserving our shared history, healing the environment, developing residential and recreational spaces, and providing economic opportunities. Together, we aim to enhance our community's charm, prosperity, and quality of life.</i>	
<b>Our Values (DRAFT):</b>	<i>Honesty, Stewardship, Inclusion, Partnership, Progress</i>	
<b>Who we Primarily Serve &amp; Our Partners</b>	Our Beneficiaries Residents of Delaware City and Fort DuPont Future Residents Delaware City's Economy	Our Partners Private & Governmental Funders Partner Agencies
<b>Desired Outcomes</b>	<b>Desired Outcomes in 5 years</b>	<b>Success is Measured By</b>
	Historic buildings and campus plans are updated, and progress has been made to restore and repurpose towards those plans	x# of buildings are back in use, historic storytelling, income generated from that use, increase in economic benefit to Delaware City, recognized as a historic destination
	There is access to Recreational/Cultural/Nature amenities	bike trails upgraded, recreational courts in use, theatre and chapel are operational, Branch canal promenade renovated, walking trails, fishing and access to the canal are possible
Community supports FDRPC plans and trusts our decisions	more volunteers, positive reputation (measured up from 2023 survey), community supports the development plan and trusts we have their interests in mind, funding is available (government/private)	
<b>Strategies</b>	Identify the priority for projects for the next five years	
	Stand up an affiliated entity (friends group)	
	Strengthen stakeholder trust and engagement in FDRPC based on a shared vision	
	Establish Long-term Financial Sustainability for FDRPC	
<b>Key Enablers (conditions)</b>	Approvals: Ability to secure Zoning/Permitting Requirements to complete projects	
	Regulations: environmental, historic register	
	Assessments: what is underground that may need to be removed or replaced to build in infrastructure for development	
	Staff Retention and/or succession planning (retaining institutional knowledge)	
	Board Structure: use of committees/task groups to help get the work done	
	Board Engagement: leveraging expertise, networks to help achieve the plan	

# FDRPC STRATEGIES AND ACTIVITIES 2023-2028

Strategy	Activity	Calendar Year Complete						\$ Estimate Cost	Partner Requirement	# New Staff	Conditions
		2023	2024	2025	2026	2027	2028				
<b>Identify the Priority for Projects for the next five years</b>								TBD	Government/ Private Donors/ Contractors/ DNREC	1	
1	Complete an updated campus master plan that reflects community interests with realistic expectations										Funding comes in
2	Complete Chapel & Theatre Projects										
3	Restore 7 Rental Units										
4	Explore feasibility & prep requirements of larger spaces for commercial interests									Assessments of Conditions/Reqs for Leaseholders	
5	Secure Zoning/Permit & Execute plan design for branch canal abatement & Promenade									Securing Permit/funding	
7	Complete Bike Path and Walking Trails									Master Plan/State DNREC partnership/funding	
8	Complete Upgrades to recreational courts (Bball/tennis etc.)									Master Plan/Marina Village - complete now even if they move later?	
9	Remediate x square feet of property for future re-use purposes									Upon plan completion/regulations and costs	
<b>Stand up an Affiliated entity (friends group)</b>								TBD	Fundraising Consultant/Experts	1	
1	Governance Structure Established										determine affiliation with FDRPC
2	Fundraising Plan Created										FDRPC seeds the costs to start fundraising
3	Historic/Cultural Program Plan Developed										based on fundraising
4	Volunteers recruited and engaged										based on historic/cultural program plan
<b>Strengthen stakeholder trust and engagement in FDRPC based on a shared vision</b>								TBD		1	
1	Communicate Strategic Plan and convene regularly to report on progress to plan										based on board approval
2	Create and implement a communications plan for sustained and consistent messaging across communications platforms.										funding to support position
3	Provide visible before/after progress reports on long-term initiatives										
4	Communicate about the role/responsibility of FDRPC and its partners in the redevelopment, preservation, and improvement of the campus										clarify roles
<b>Establish Long-term Financial Sustainability for FDRPC</b>								TBD	Government, Private Donors, Leaseholders	0	
1	Diversify funding streams based on the fundraising plan identified above										Fundraising success/ lease opportunities
2	Determine annual costs for maintain common areas/determine assessment plan										
3	Develop Updated Case for Support/Advocate for Appropriate funding levels										



# FORT DUPONT

SHAPED BY HISTORY & ANCHORED IN NATURE

## Annual Budget

For Fiscal Year

July 1, 2023 – June 30, 2024



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



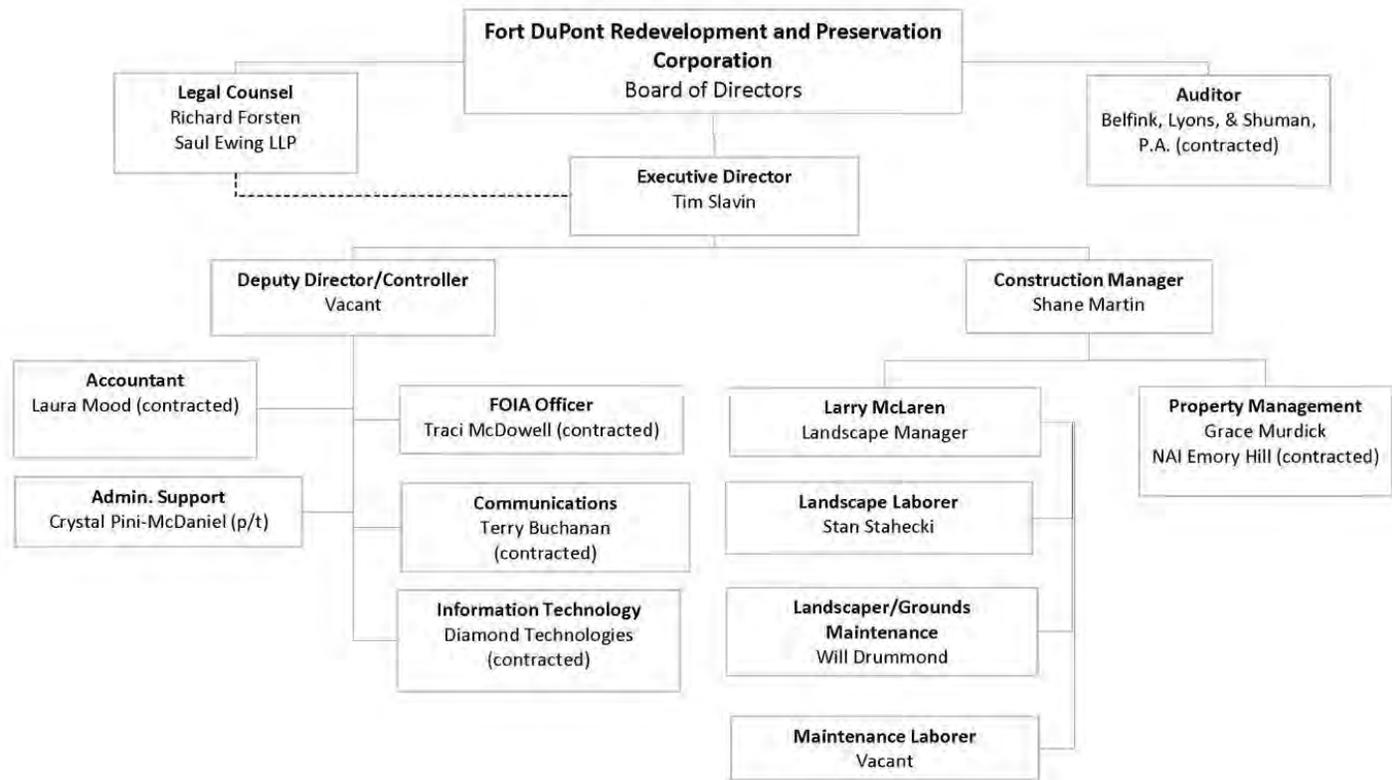
# FORT DUPONT

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)

	<b>Executive Committee</b>	<b>Finance and Audit Committee</b>	<b>Strategic Planning Committee*</b>	<b>Planning Committee (land use)</b>	<b>Design and Historic Preservation Committee</b>	<b>Maintenance Committee</b>
<b>Chair</b>	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			Vacancy		Vacancy
			<i>*Upon issuance of strategic plan in December 2023, this committee will end its service.</i>			



**Fort DuPont Redevelopment and Preservation Corporation**  
**Budget Overview: FY\_2022\_2023 - FY23 P&L**  
**July 2022 - June 2024**

	Total FY 23	FY 24 Draft	
	Actual	Budget	Difference
<b>Income</b>			
4005 Carryforward	\$300,000.00	\$0.00	\$300,000.00
4010 State Appropriation	\$2,575,000.00	\$2,250,000.00	\$325,000.00
<b>4100 RENTAL INCOME</b>	\$84,335.04	\$159,623.08	( <b>\$75,288.04</b> )
4100-15 Building 15	\$5,760.00		
4100-25 Building 25	\$14,800.00		
4100-36 Building 36			
4100-42 Building 42			
4100-43 Building 43	\$11,600.00		
4100-45 Building 45	\$9,650.00		
4100-46 OBL Duplexes			
4100-DH DHSS			
4100-DN DNREC		\$10,500.00	
4100-OM OMB	\$9,315.00	\$9,315.00	\$0.00
4100-S Storage			
<b>4110 SPECIAL EVENT REVENUE</b>	\$1,100.00	\$6,600.00	( <b>\$5,500.00</b> )
4111 Misc Events	\$5,250.00		
<b>Total 4110 SPECIAL EVENT REVENUE</b>	<b>\$6,350.00</b>		
<b>4130 CAM REVENUE</b>	\$0.00	\$0.00	\$0.00
4131 Lawncare - CAM (State Tenants)	\$3,200.00	\$3,200.00	( <b>\$0.00</b> )
4132 Snow/Ice - CAM (State Tenants)	\$12,514.00	\$15,000.00	( <b>\$2,486.00</b> )
<b>Total 4130 CAM REVENUE</b>	<b>\$15,714.00</b>	<b>\$18,930.00</b>	( <b>\$3,216.00</b> )
<b>4150 TENANT REIMBURSEMENTS</b>	\$0.00	\$0.00	\$0.00
4151 Utility Reimbursements	\$104,182.72	\$126,000.00	( <b>\$21,817.28</b> )
<b>Total 4150 TENANT REIMBURSEMENTS</b>	<b>\$104,182.72</b>	<b>\$126,000.00</b>	( <b>\$21,817.28</b> )
<b>Total 4100 RENTAL INCOME</b>	<b>\$261,706.76</b>	<b>\$330,968.08</b>	( <b>\$69,261.32</b> )
<b>4200 REAL ESTATE SALES</b>	( <b>\$3,546.39</b> )	\$1,216,200.00	( <b>\$1,219,746.39</b> )
4202 Officers Row Ph1A			
4208 OBL Duplexes			
<b>Total 4200 REAL ESTATE SALES</b>			
<b>4800 BANK LOANS - BUDGETED PROCEEDS</b>		\$0.00	
4811 OBL Duplexes			
<b>Total 4800 BANK LOANS - BUDGETED PROCEEDS</b>			

<b>Total Income</b>	<b>\$3,133,160.37</b>	<b>\$4,282,168.08</b>	<b>(\$1,149,007.71)</b>
<b>Gross Profit</b>	<b>\$3,133,160.37</b>	<b>\$4,282,168.08</b>	<b>(\$1,149,007.71)</b>
<b>Expenses</b>	\$0.00	\$0.00	\$0.00
<b>6460 ENVIRONMENTAL</b>	\$93,573.12	\$0.00	\$93,573.12
<b>6464 Soil Analysis</b>	\$11,282.50		
<b>Total 6460 ENVIRONMENTAL</b>	<b>\$104,855.62</b>		
<b>6500 PROFESSIONAL FEES</b>	\$4,246.70	\$0.00	\$4,246.70
<b>6505 Prof Fees - Engineering</b>	\$10,287.25	\$0.00	\$10,287.25
<b>6505-01 Marina</b>	\$1,500.00		
<b>6505-02 Master Planning</b>	\$26,243.75		
<b>6505-04 Roads/Utilities</b>	\$940.50		
<b>6505-06 Survey</b>			
<b>6505-09 Round-a-bout</b>	\$52,186.25		
<b>6505-11 Subdivisions</b>			
<b>6505-12 OBL Duplexes</b>	\$685.00		
<b>6505-13 Section 6F/106</b>			
<b>6505-15 Park &amp; Recreation</b>	\$1,850.00		
<b>Total 6505 Prof Fees - Engineering</b>	<b>\$291,631.98</b>		
<b>6515 Prof Fees - Architectural</b>	\$240.00	\$0.00	\$240.00
<b>6520R Prof Fees - Legal</b>	\$260,126.47	\$240,000.00	\$20,126.47
<b>6525R Prof Fees - Accounting</b>	\$43,904.00	\$38,196.60	\$5,707.40
<b>6535R Prof Fees - HR</b>			
<b>6536 Community Association</b>			
<b>Total 6500 PROFESSIONAL FEES</b>	<b>\$608,135.15</b>	<b>\$278,196.60</b>	<b>\$329,938.55</b>
<b>6600R FEES - OTHER</b>	\$5,499.50	\$0.00	\$5,499.50
<b>6606 Permit Fees</b>	\$5,487.04	\$1,418.88	\$4,068.16
<b>6610 Bank Fees</b>	\$131.72	\$1,838.65	(\$1,706.93)
<b>6620 HTC Fees</b>		\$7,668.54	
<b>Total 6600R FEES - OTHER</b>	<b>\$24,073.42</b>	<b>\$12,255.63</b>	<b>\$11,817.79</b>
<b>6700 IMPROVEMENTS</b>	\$19,295.67	\$1,850,000.00	(\$1,830,704.33)
<b>6738 Duplexes on OBL</b>	\$0.00		
<b>6768 DNREC Magazine</b>			
<b>6770 DNREC Maintenance Bldg</b>	\$13,785.08		
<b>Total 6700 IMPROVEMENTS</b>	<b>\$2,865,364.44</b>		
<b>6800 SITE UTILITIES</b>	\$210.15	\$0.00	\$210.15
<b>6810 Electric</b>	\$183,865.86	\$144,000.00	\$39,865.86
<b>6815 Gas</b>	\$3,935.54	\$4,400.00	(\$464.46)
<b>6820 Water</b>	\$12,524.92	\$14,000.00	(\$1,475.08)
<b>6825 Sewer</b>	\$11,293.97	\$20,000.00	(\$8,706.03)
<b>6835 Trash</b>	\$3,681.23		
<b>Total 6800 SITE UTILITIES</b>	<b>\$215,511.67</b>	<b>\$192,600.00</b>	<b>\$22,911.67</b>
<b>7000 OPERATING EXPENSES</b>	\$0.00	\$0.00	\$0.00
<b>7005 Museum</b>		\$0.00	
<b>7009 Computer Support</b>	\$1,153.17	\$0.00	\$1,153.17

7010 Office Supplies	\$7,069.45	\$12,000.00	(\$4,930.55)
7020 Travel		\$1,000.00	
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	\$0.00	\$5,940.90
7040 Repairs & Maintenance	\$2,551.00	\$5,200.00	(\$2,649.00)
7045 Discretionary Expenses		\$7,970.00	
7050 Equipment and Furnishings		\$5,100.00	
7051 Uniforms	\$2,801.01		
<b>Total 7000 OPERATING EXPENSES</b>	<b>\$28,486.31</b>	<b>\$39,010.00</b>	<b>(\$10,523.69)</b>
<b>7100 COMMON AREA MAINTENANCE</b>	\$22,253.17	\$0.00	\$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)
7125 Snow & Ice Removal		\$3,800.00	
7130 Building Repairs & Maintenance		\$19,000.00	
7135 Road Repairs		\$3,300.00	
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
<b>Total 7100 COMMON AREA MAINTENANCE</b>	<b>\$275,177.08</b>	<b>\$245,800.00</b>	<b>\$29,377.08</b>
<b>7200 DEBT EXPENSE</b>	\$0.00	\$0.00	\$0.00
7210 DMHEF Repayment		\$20,834.45	
7215 Applied Ph 1 Principal Repymt			
7225 DEBT EXPENSE WSFS LOAN			
<b>Total 7200 DEBT EXPENSE</b>	<b>\$123,695.83</b>	<b>\$417,710.45</b>	<b>(\$294,014.62)</b>
<b>7500 MARKETING EXPENSES</b>	\$400.00	\$0.00	\$400.00
7510 Advertising & Promotion	\$128.37	\$24,000.00	(\$23,871.63)
7520 Graphics/Branding/Messaging			
7525 Marketing Collateral		\$0.00	
7550 Website & Social Media	\$14,320.67	\$20,000.00	(\$5,679.33)
<b>Total 7500 MARKETING EXPENSES</b>	<b>\$15,305.04</b>	<b>\$44,000.00</b>	<b>(\$28,694.96)</b>
<b>7700 PAYROLL EXPENDITURES</b>	\$0.00	\$0.00	\$0.00
7710 401k		\$8,634.00	
7720 Employee Benefits - Health		\$80,004.00	
7730 Payroll Tax Expense		\$17,809.80	
7740 Salaries & Wages		\$578,172.58	
7750 Payroll Service Fees	\$2,227.44	\$2,500.00	(\$272.56)

<b>Total 7700 PAYROLL EXPENDITURES</b>	<b>\$642,923.71</b>	<b>\$691,170.38</b>	<b>(\$48,246.67)</b>
<b>7850 INSURANCE</b>	\$2,333.52	\$0.00	\$2,333.52
<b>7851 General Liability</b>	\$13,445.62	\$9,489.00	\$3,956.62
<b>7853 Property</b>	\$20,508.11	\$85,080.54	(\$64,572.43)
<b>7854 Builder's Risk</b>		\$3,229.00	
<b>7855 Workers Comp Insurance</b>	\$10,226.00	\$4,404.00	\$5,822.00
<b>7856 Auto</b>	\$18,680.95	\$15,361.00	\$3,319.95
<b>7857 D &amp; O/ E&amp;O Insurance</b>	\$11,967.52	\$12,757.52	(\$790.00)
<b>7858 Business Owners</b>	\$3,747.14	\$0.00	\$3,747.14
<b>7859 Pension &amp; Crime</b>		\$1,900.00	
<b>Total 7850 INSURANCE</b>	<b>\$88,495.86</b>	<b>\$132,221.06</b>	<b>(\$43,725.20)</b>
<b>Total Expenses</b>	<b>\$5,049,913.83</b>	<b>\$3,908,963.90</b>	<b>\$1,140,949.93</b>
<b>Net Operating Income</b>	<b>(\$1,916,753.46)</b>	<b>\$373,204.18</b>	<b>(\$2,289,957.64)</b>
<b>Net Income</b>	<b>(\$1,968,292.65)</b>	<b>\$373,204.18</b>	<b>(\$2,341,496.83)</b>

Thursday, Sep 07, 2023 08:51:52 AM GMT-7 - Accrual Basis

## **APPENDIX A**

**Delaware Code**

**Title 7 Chapter 47 Subchapter II**



[TITLE 7 \(../INDEX.HTML\)](#) > [CHAPTER 47 \(../INDEX.HTML\)](#)

[Authenticated PDF \(../Title7.Pdf\)](#)

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

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

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

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

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

[Twitter](https://twitter.com/delaware_gov/) ([https://twitter.com/delaware\\_gov/](https://twitter.com/delaware_gov/))

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

**APPENDIX B**

**FY 2022 Audit by Belfint, Lyons, Shuman**

**July 20, 2023**



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					
		after TB received. Pertains to Lot 41					
		in Canal District.					
			<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		-	-	-	-	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		-	-	-	-	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)
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ (253,101)</u>	<u>\$ 200,000</u>	<u>\$ 53,101</u>
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)
			<u>\$ 61,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,514)</u>
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, earn 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)
			<u>\$ 1,102,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,102,898)</u>
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)
			<u>\$ 105,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,420)</u>
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)	-	-	-	-
			<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
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	-	-	-	-	-
2201	Security Deposit - Marina Village	made by Lennar on the Marina	-	(50,000)	-	50,000	-
		Village that is refundable per the	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>
		agreement.					
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		-	-	(8,966)	-	-
32000	Retained Earnings	To implement GASB 87 for leases.	-	-	(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>
	<b>Total Adjustments</b>		<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)**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022**

	<u>Page No.</u>
<b>Independent Auditors' Report</b>	1
Management's Discussion and Analysis	5
Statements of Net Position	10
Statements of Revenue, Expenses, and Change in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	14
<b>Supplementary Information</b>	
Schedules of Operating Expenses	26
Schedules of Capital Expenses	27



***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>
 <b>NET POSITION</b>			
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>
 <b>TOTAL NET POSITION</b>	 <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	4,891,398	1,865,141	1,505,000
	<u>9,072,648</u>	<u>4,893,378</u>	<u>4,932,177</u>
Total Revenue			
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
	<u>5,936,068</u>	<u>4,073,139</u>	<u>3,295,102</u>
Total Operating Expenses			
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>\$ 3,072,514</u>	<u>\$ 737,512</u>	<u>\$ 1,637,075</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</u> <u>(Restated)</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
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
<b>TOTAL CURRENT ASSETS</b>	<u>2,221,028</u>	<u>510,790</u>
<b>NON-CURRENT ASSETS</b>		
Leases Receivable	110,393	121,975
Note Receivable	2,100,000	-
	<u>2,210,393</u>	<u>121,975</u>
<b>CAPITAL ASSETS</b>		
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)
<b>NET CAPITAL ASSETS</b>	<u>56,265,076</u>	<u>56,427,093</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>58,475,469</u>	<u>56,549,068</u>
<b>TOTAL ASSETS</b>	<u>\$ 60,696,497</u>	<u>\$ 57,059,858</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
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
<b>TOTAL CURRENT LIABILITIES</b>	<u>812,661</u>	<u>229,630</u>
<b>LONG-TERM LIABILITY</b>		
Long-Term Debt, Net of Current Portion	<u>1,182,874</u>	<u>1,188,491</u>
<b>TOTAL LIABILITIES</b>	<u>1,995,535</u>	<u>1,418,121</u>
<b>DEFERRED INFLOWS</b>	<u>126,060</u>	<u>139,349</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	54,982,217	55,159,388
Unrestricted Net Position	<u>3,592,685</u>	<u>343,000</u>
<b>TOTAL NET POSITION</b>	<u>58,574,902</u>	<u>55,502,388</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 60,696,497</u>	<u>\$ 57,059,858</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

	<b>2022</b>	<b>2021 (Restated)</b>
<b>REVENUE</b>		
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
	<b>9,072,648</b>	<b>4,893,378</b>
<b>OPERATING EXPENSES</b>		
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
	<b>5,936,068</b>	<b>4,073,139</b>
<b>OPERATING INCOME</b>	<b>3,136,580</b>	<b>820,239</b>
<b>TOTAL INTEREST EXPENSE</b>	<b>64,066</b>	<b>82,727</b>
<b>CHANGE IN NET POSITION</b>	<b>3,072,514</b>	<b>737,512</b>
<b>NET POSITION - Beginning of Year</b>	<b>55,502,388</b>	<b>54,764,876</b>
<b>NET POSITION - End of Year</b>	<b>\$ 58,574,902</b>	<b>\$ 55,502,388</b>

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>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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)
	<u>1,560,693</u>	<u>314,330</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	324,423	580,000
Repayments of Long-Term Debt	(309,269)	(550,661)
Interest Paid	(64,066)	(82,727)
	<u>(48,912)</u>	<u>(53,388)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		
<b>NET CHANGE IN CASH</b>	1,511,781	260,942
<b>CASH - Beginning of Year</b>	<u>472,643</u>	<u>211,701</u>
<b>CASH - End of Year</b>	<u>\$ 1,984,424</u>	<u>\$ 472,643</u>
<b>NON-CASH NON-CAPITAL FINANCING ACTIVITIES</b>		
PPP Loan Forgiveness	<u>\$ -</u>	<u>\$ 93,500</u>
<b>NON-CASH OPERATING ACTIVITIES</b>		
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**

	<b>2022</b>	<b>2021 (Restated)</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 3,136,580	\$ 820,239
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
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
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1,560,693</b>	<b>\$ 314,330</b>

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:

	June 30, 2020	Increases	Decreases	June 30, 2021
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
<b>Total Capital Assets Not Being Depreciated</b>	<b>17,679,565</b>	<b>2,593,469</b>	<b>1,342,568</b>	<b>18,930,466</b>
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
<b>Total Capital Assets Being Depreciated</b>	<b>42,760,839</b>	<b>99,134</b>	<b>-</b>	<b>42,859,973</b>
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
<b>Total Accumulated Depreciation</b>	<b>4,219,203</b>	<b>1,144,143</b>	<b>-</b>	<b>5,363,346</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>38,541,636</b>	<b>(1,045,009)</b>	<b>-</b>	<b>37,496,627</b>
<b>Total Capital Assets, Net</b>	<b>\$ 56,221,201</b>	<b>\$ 1,548,460</b>	<b>\$ 1,342,568</b>	<b>\$ 56,427,093</b>

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>
<b>TOTAL OPERATING EXPENSES</b>	<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>
<b>TOTAL CAPITAL EXPENSE</b>	<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)**

**TABLE OF CONTENTS**

**JUNE 30, 2022**

	<u>Page No.</u>
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	1
Schedule of Findings and Recommendations	3
Summary Schedule of Prior Audit Findings	8



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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**



*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**

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

<b>Tenants</b>	<b>Building No.</b>	<b>Address</b>	<b>Property Type</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Size (Sq. Ft.)</b>	<b>Responsibility for Normal Utilities</b>
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**

<u>Tenants</u>	<u>Start Date</u>	<u>End Date</u>	<u>Security Deposit per Lease</u>	<u>Monthly Rent per Lease</u>	<u>Authorizer of Lease</u>	<u>Related Party?</u>	<u>Relationship to FDRPC</u>
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			
Macario	6/1/2019	5/31/2020	0.00	lease.	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)**



# FORT DUPONT

SHAPED BY HISTORY & ANCHORED IN NATURE

## Purchasing and Procurement Thresholds

### Material 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 material 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)**



# FORT DUPONT

SHAPED BY HISTORY & ANCHORED IN NATURE

## 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: \_\_\_\_\_

# 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.

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

## Funding Sources

Appropriation						
<b>Total</b>		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.

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

### Funding Sources

Appropriation						
<b>Total</b>	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:

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

### Funding Sources

Appropriation						
<b>Total</b>		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.

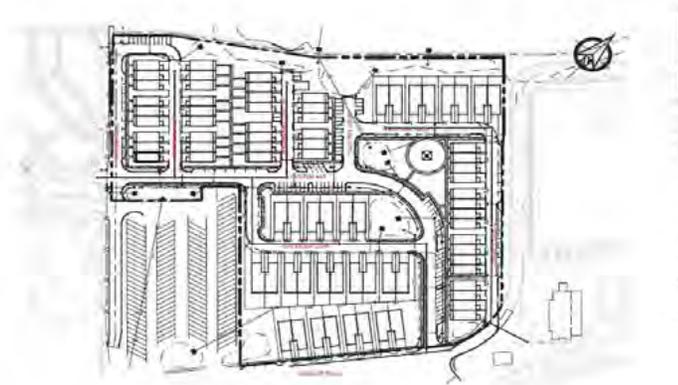
### Justification:

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

### Funding Sources

Appropriation						
<b>Total</b>		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.

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:

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

### Funding Sources

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:

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

### Funding Sources

Appropriation						
<b>Total</b>	<b>383,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>383,000.0</b>

### 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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:**

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

**Funding Sources**

Appropriation						
<b>Total</b>	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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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.

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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.

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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.

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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**



**Concept 1 - Overlay**  
**Fort DuPont Park Design**  
 Delaware City, Delaware

**DRAFT**  
**05/31/2023**

Delaware City, Delaware

## 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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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.

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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.

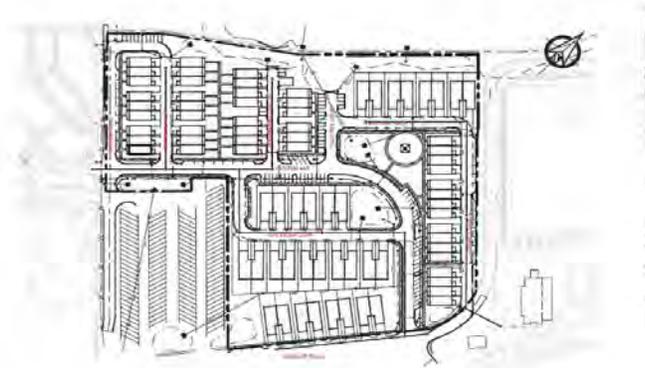
### Justification:

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:

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

### Funding Sources

Appropriation						
<b>Total</b>	<b>50,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>50,000.0</b>

### 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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
<b>Total</b>	0.0					0.0

### Funding Sources

Appropriation						
<b>Total</b>		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:

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
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:**

<b>Expenditures</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>Total</b>
Design						0.0
Remediation						0.0
Construction						0.0
Contingency						0.0
<b>Total</b>	0.0					0.0

### Funding Sources

Appropriation						
<b>Total</b>		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:**

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

## Funding Sources

Appropriation						
<b>Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Budget Impact/Other**