



**Fort DuPont Redevelopment and Preservation Corporation
Board of Directors Meeting**

Wednesday, March 11, 2026 at 9:30 a.m.
Delaware City Library and Community Center - Surfboard Room
250 5th Street, Delaware City, DE 19706

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - a. FDRPC Corporation Meeting – February 11, 2026
4. Treasurer’s Report
5. Presentation of the FY 2025 Financial Audit by Belfint, Lyons & Shuman, PA
6. Executive Director’s Report
7. Delaware City Updates
8. Public Comment
9. **Recess Into Executive Session** {Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements, or sales or leases of real property, §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation, but only when an open meeting would have an adverse effect on the bargaining or litigation position of the public body.}
10. Actions to be voted upon from Executive Session (if applicable)
11. Next meeting date – April 8, 2026 at 9:30 a.m.
12. 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 February 11, 2026, at the Delaware City Library, 250 5th Street, Delaware City, with Chair John McMahon presiding.

CALL TO ORDER

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

BOARD MEMBERS PRESENT

Mr. John McMahon (Board Chair)
Mr. David Edgell (Office of State Planning)
Ms. Winvenia Graham (Delaware City Resident)
Mr. Michael Graci (Fort DuPont Resident)
Representative Kendra Johnson (Capital Improvements Committee)
Ms. Britany Loveland (Delaware City Manager)
Secretary Greg Patterson (DNREC)
Ms. Wendy Rogers (Fort DuPont Resident)
Mr. Bert Scoglietti (designee of Controller General of the State of Delaware)

BOARD MEMBERS ABSENT

Vacant (Secretary of State)
Vacant (Delaware Prosperity Partnership)
Mr. Doug Erickson (Delaware City Resident)
Senator Spiros Mantzavinos (Capital Improvements Committee)
Ms. Ann Visalli (Office of Management and Budget)

STAFF MEMBERS PRESENT

Mr. Tim Slavin, FDRPC Executive Director
Ms. Janice Moturi, FDRPC Deputy Director/Controller
Mr. Richard Forsten, Saul Ewing Arnstein and Lehr LLP.
Ms. Pam Scott, Saul Ewing Arnstein and Lehr LLP.
Ms. Crystal Pini-McDaniel, FDRPC Operations Manager
Ms. Valerie Miller, FDRPC Planner

**APPROVAL OF MINUTES – FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION (FDRPC) BOARD MEETING MINUTES OF
JANUARY 14, 2026**

Mr. Graci moved for approval of the FDRPC Board meeting minutes of January 14, 2026. The motion was seconded by Ms. Graham and unanimously carried.

TREASURER'S REPORT

Mr. Bert Scoglietti, Treasurer, reviewed FDRPC's Budget vs. Actuals: Budget FY26 P&L for July 2025 – June 2026, as of December 2025 and noted the following:

- **4100 Rental Income** increased by approximately \$21,000 compared to the prior month.
- **4130 CAM Revenue** is a new line item; \$25,438 is being remitted for this reporting period.
- **FEMA Grant revenue** increased by approximately \$27,000 for the month.
- **Total revenue** increased by approximately \$95,000 for the month.
- **6505-20 Branch Canal** increased by more than \$200,000 for the month, reflecting the first invoice posted for the project. Two additional invoices have been received since December; FEMA funds will be drawn down to cover eligible expenditures. This line item is expected to fluctuate throughout the year.
- **6700 Improvements** increased by more than \$85,000 for the month due to improvements completed across five to six buildings on campus.
- **6800 Site Utilities** increased by approximately \$16,000 for the month.
- **7100 Common Area Maintenance** increased by approximately \$9,000; however, **7125 Ice and Snow Removal** is expected to increase significantly next month.
- **7700 Payroll Expenditures** continue to track well against the budget.
- **Total expenses** increased by approximately \$445,000 to \$2.171 million.
- Drawdown of the remaining funds from the State appropriation is anticipated in March 2026.

Mr. Edgell moved for the acceptance of the full Treasurer's Report. The motion was seconded by Rep. Johnson and carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Tim Slavin, Executive Director, reviewed the Executive Director's Monthly Report for the period of January 1, 2026, to January 31, 2026, and noted the following:

2025 Impact Report. Mr. Slavin presented the most recent annual report to be submitted to the Legislature and noted that it reflects the work accomplished by FDRPC over the past year.

Branch Canal Revetment. Following a weather-related shutdown, crews have returned to the site. Weather delays have impacted the schedule and remain a concern; while the in-water work deadline is March 1, DNREC and the U.S. Army Corps of Engineers have granted an extension for certain activities through mid-April. A revised project schedule is being developed, and multiple agencies were consulted in support of the requested extension.

Town Center Subdivision. The subdivision application was submitted to the State's Preliminary Land Use Service (PLUS) process on February 4, 2026. Staff are awaiting agency comments, after which the review process will proceed with the City of Delaware City.

Archives Building. Delaware State Parks representatives conducted on-site inspections during the past week. The target date to return the building to operation is July 1, 2026.

South Field Request for Proposals. An internal draft RFP has been circulated for initial review to a selected group, and additional reviewers have since been identified. The draft reflects a holistic development approach for the South Field area and aligns with the Land Use Master Plan.

EPA Technical Assistance to Brownfields (TAB) Program. The kickoff meeting with EPA and the selected contractor occurred on February 5, 2026. The program will support assessment of the Parade Ground at no cost to FDRPC; the contractor is the U.S. Department of Transportation's Volpe National Transportation Systems Center (Volpe Center). EPA and the Volpe Center are scheduled to be on site on March 9, 2026, for the initial Parade Ground site visit.

FY2025 Audit. The FY2025 audit is nearing completion. Belfint, Lyons & Shuman will present the audit at the March Board meeting; the audit is expected to be issued with a qualified opinion due to the manner in which land value was initially recorded in prior years.

260 Old Elm Office. During carpet replacement, asbestos-containing floor tile was discovered, requiring remediation. Staff have been working remotely during this period and anticipate returning to the office in mid- to late-February.

Promenade and Nearby Homeowners. Minor concerns have been raised by nearby homeowners regarding the promenade and adjacent property issues. FDRPC has been addressing these concerns and continues to respond as needed.

Sec. Patterson moved for the acceptance of the Executive Director's report, seconded by Mr. Graci and carried unanimously.

DELAWARE CITY UPDATES

Ms. Britney Loveland, Delaware City Manager, provided the following Delaware City updates:

- Reported multiple ongoing municipal projects currently in the design phase, including the Community Center, Town Hall, and Police Department.
- Noted seawall repairs are scheduled.
- Provided an update on flood mitigation efforts on Madison Street and Monroe Street.
- Advised that additional paving on Canal Street is scheduled for the spring.
- Reported the City received a grant from the Delaware Sustainable Energy Utility (DE SEU) for two new police vehicles.
- Reported the City received a DNREC grant in the amount of \$25,000 for park equipment.
- Announced a February board meeting for Main Street Delaware City; individuals interested in serving as a board member should submit an application.
- Noted senior and disabled tax exemption forms are available at Town Hall.
- Shared that the bi-centennial schedule is fully booked with celebration events, including a major event planned for May 9.
- Announced upcoming meeting dates:
 - Next meeting: March 4 at 6:30 PM
 - Next Mayor and Council meeting: February 23
 - Delaware City elections: April 7 (three Council seats open)

PUBLIC COMMENT

Delaware City Councilwoman Dilliplane raised concerns regarding recurring ice falling from rooftops and provided information on planned fixes/mitigation. Delaware City Councilmember Turley asked whether Fort DuPont State Park is planning any activities in connection with the 75th anniversary of Delaware State Parks. Fort DuPont residents asked multiple questions related to the Canal Bank Promenade, including the proposed bollards at each end, overall pathway width, emergency access and floodplain-related access constraints, and property easements along the canal bank. One attendee strongly requested that FDRPC hold a public meeting to address resident concerns; Mr. Slavin stated that FDRPC would schedule a public meeting. A final question addressed the campus bike path concept and the status of plans given its original function as a levee.

Questions were addressed by Mr. Slavin, except for the State Parks anniversary inquiry, which was addressed by Secretary Patterson.

RECESS INTO EXECUTIVE SESSION – DISCUSSIONS REGARDING SALES OR LEASES OF REAL PROPERTY

Mr. Scoglettil moved to recess into Executive Session pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements, or sales or leases of real property and §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation, but only when an open meeting would have an adverse effect on the bargaining or litigation position of the public body. The motion was seconded by Ms. Rogers and unanimously carried.

The meeting recessed at 10:07 a.m.

RECONVENE

Mr. Graci moved to reconvene the FDRPC Board meeting, seconded by Ms. Graham and unanimously carried. The meeting reconvened at 10:37 a.m.

ACTIONS TO BE VOTED UPON FROM EXECUTIVE SESSION

Mr. Edgell motioned to enter into contract for the sale of the Tilton Building and associated property for \$2.7 million, with such other final terms to be satisfactory to the FDRPC Executive Director. The motion was seconded by Mr. Graci and unanimously carried.

NEXT MEETING DATE

The next meeting is scheduled for March 11, 2026, at 9:30 a.m.

AJOURNMENT

Secretary Patterson moved for adjournment. The motion was seconded by Ms. Loveland and unanimously carried.

Meeting Adjourned at 10:38 a.m.

Approved:

Fort Dupont Redevelopment And Preservation Corporation
Budget Vs. Actuals: Budget_Fy26_P&L - Fy26 P&L
July 2025 - June 2026

	Jan 2026			% of Budget
	Actual	Budget	over Budget	
Income				
4010 State Appropriation	\$ 2,000,000.00	\$ 3,000,000.00	\$ (1,000,000.00)	66.67%
4100 Rental Income	\$ 111,469.67	\$ 250,967.00	\$ (139,497.33)	44.42%
4100- OBL Duplexes	\$ -	\$ 100,800.00	\$ (100,800.00)	0.00%
4100- DNREC	\$ 10,500.00	\$ 10,500.00	\$ -	100.00%
4100- Garden Plot Rental	\$ -	\$ 1,650.00	\$ (1,650.00)	0.00%
4100- Omb	\$ -	\$ 9,315.00	\$ (9,315.00)	0.00%
4100- Storage	\$ -	\$ -	\$ -	
4110 Special Event Revenue	\$ -	\$ -	\$ -	
4111 Misc Events	\$ 820.27	\$ -	\$ 820.27	
Total 4110 Special Event Revenue	\$ 820.27	\$ -	\$ 820.27	
4130 Cam Revenue	\$ -	\$ -	\$ -	
4131 Lawncare - Cam (State Tenants)	\$ 12,840.00	\$ 16,040.00	\$ (3,200.00)	80.05%
4132 Snow/Ice - Cam (State Tenants)	\$ 12,598.00	\$ 25,112.00	\$ (12,514.00)	50.17%
4133 Community Association	\$ -	\$ -	\$ -	
Total 4130 Cam Revenue	\$ 25,438.00	\$ 41,152.00	\$ (15,714.00)	61.81%
4150 Tenant Reimbursements	\$ -	\$ -	\$ -	
4151 Utility Reimbursements	\$ (9,098.26)	\$ 217,392.18	\$ (226,490.44)	-4.19%
Total 4150 Tenant Reimbursements	\$ (9,098.26)	\$ 217,392.18	\$ (226,490.44)	-4.19%
Total 4100 Rental Income	\$ 138,634.41	\$ 631,776.18	\$ (493,141.77)	21.94%
4300 Grants				
NTHP Grant	\$ 2,500.00	\$ 5,000.00	\$ (2,500.00)	50.00%
Fema Grant	\$ 29,113.75	\$ -	\$ 29,113.75	
4500 HTC Credits	\$ -	\$ 188,000.00	\$ (188,000.00)	0.00%
4800 Bank Loans - Budgeted Proceeds	\$ -	\$ -	\$ -	
4821 Canal District - Phase 1D	\$ -	\$ -	\$ -	
Total 4800 Bank Loans - Budgeted Proceeds	\$ -	\$ -	\$ -	
4900 Other Revenue	\$ -	\$ -	\$ -	
Utility Refund	\$ 26,738.42	\$ -	\$ 26,738.42	
Total Income	\$ 2,197,481.85	\$ 3,824,776.18	\$ (1,627,294.33)	57.45%
Gross Profit	\$ 2,197,481.85	\$ 3,824,776.18	\$ (1,627,294.33)	57.45%

Jan 2026

	Actual	Budget	over Budget	% of Budget
Expenses	\$ -		\$ -	
Reserves		\$ 368,481.56	\$ (368,481.56)	0.00%
Budget Reserve Policy	\$ 180,481.56		\$ 180,481.56	
Consingency Reserve	\$ 38,000.00		\$ 38,000.00	
Capital Asset Replacement Fund	\$ 150,000.00		\$ 150,000.00	
Total Budget Reserve	\$ 368,481.56	\$ 368,481.56	\$ -	100.00%
6460 Environmental	\$ -	\$ 60,354.84	\$ (60,354.84)	0.00%
6464 Soil Analysis	\$ -	\$ 32,879.82	\$ (32,879.82)	0.00%
Total 6460 Environmental	\$ -	\$ 93,234.66	\$ (93,234.66)	0.00%
6470 Feasibility Studies	\$ -	\$ -	\$ -	
Total 6470 Feasibility Studies	\$ -	\$ -	\$ -	
6480 Special Event Expenses	\$ 700.00	\$ 2,706.67	\$ (2,006.67)	25.86%
6486 Pints & Pumpkins	\$ -	\$ 3,038.44	\$ (3,038.44)	0.00%
6487 Family Movie Night	\$ -	\$ 1,619.61	\$ (1,619.61)	0.00%
6488 Friends Group	\$ 2,646.30	\$ 45.97	\$ 2,600.33	5756.58%
Total 6480 Special Event Expenses	\$ 3,346.30	\$ 7,410.69	\$ (4,064.39)	45.16%
6500 Professional Fees	\$ 8,836.48	\$ -	\$ 8,836.48	
6501 Clerical	\$ -	\$ -	\$ -	
6505 Prof Fees - Engineering	\$ 5,573.75	\$ 48,732.89	\$ (43,159.14)	11.44%
6505-02 Master Planning	\$ 48,212.68	\$ -	\$ 48,212.68	
6505-20 Branch Canal	\$ -	\$ -	\$ -	
Total 6505 Prof Fees - Engineering	\$ 62,622.91	\$ 48,732.89	\$ 13,890.02	128.50%
6515 Prof Fees - Architectural	\$ -	\$ 1,209.17	\$ (1,209.17)	0.00%
6520R Prof Fees - Legal	\$ 40,098.59	\$ 133,929.16	\$ (93,830.57)	29.94%
6525R Prof Fees - Accounting	\$ 33,475.00	\$ 50,108.97	\$ (16,633.97)	66.80%
6545 Roadways/Utilities	\$ -	\$ 2,745.16	\$ (2,745.16)	0.00%
Total 6500 Professional Fees	\$ 136,196.50	\$ 236,725.35	\$ (100,528.85)	57.53%
6535 Permitting	\$ 1,695.00	\$ 6,496.86	\$ (4,801.86)	26.09%
6600R Fees - Other	\$ 1,500.00	\$ -	\$ 1,500.00	
6601 Professional Memberships	\$ 1,800.00	\$ 3,615.00	\$ (1,815.00)	49.79%
6606 Permit Fees	\$ -	\$ -	\$ -	
6610 Bank Fees	\$ 531.00	\$ 1,157.58	\$ (626.58)	45.87%
6621 Real Estate Fees	\$ -	\$ -	\$ -	
6625 Bank Charges	\$ 20.00	\$ 300.00	\$ (280.00)	6.67%
6627 Applied Bank Fees	\$ -	\$ 20.00	\$ (20.00)	0.00%
Total 6625 Bank Charges	\$ 20.00	\$ 320.00	\$ (300.00)	6.25%
6631 Del City Rental Tax	\$ 5,759.17	\$ 1,994.34	\$ 3,764.83	288.78%
Total 6600R Fees - Other	\$ 9,610.17	\$ 7,086.92	\$ 2,523.25	135.60%

Jan 2026

	Actual	Budget	over Budget	% of Budget
6700 IMPROVEMENTS	\$ 23,245.37	\$ 934,000.00	\$ (910,754.63)	2.49%
6709 Building 24-FDRPC Office	\$ 30,898.39	\$ -	\$ 30,898.39	
6710 Improvements:Batteries	\$ 7,971.75	\$ -	\$ 7,971.75	
6711 Building 20-Px	\$ 50,416.56	\$ -	\$ 50,416.56	
6712 Improvements:Building 24-Theater	\$ 20,966.00	\$ -	\$ 20,966.00	
6713 Building 55 Chapel	\$ 31,583.35	\$ -	\$ 31,583.35	
6720 Old Elm	\$ 6,806.42	\$ -	\$ 6,806.42	
6721 Roundabout	\$ 3,637.86	\$ -	\$ 3,637.86	
6724 Marina	\$ 243,524.22	\$ -	\$ 243,524.22	
6738 Duplexes on OBL	\$ 50,006.09	\$ -	\$ 50,006.09	
6741 Building 30-Stable	\$ 37,323.50	\$ -	\$ 37,323.50	
6744 Maintenance Shop	\$ 2,694.98	\$ -	\$ 2,694.98	
6748 Building 52-Tilton	\$ 5,675.75			
6749 Pump House	\$ 28,400.00	\$ -	\$ 28,400.00	
6773 Bio Basins	\$ 83,190.75			
6775 Canal Bank Revetement	\$ 627,485.25			
Total 6700 Improvements	\$ 1,253,826.24	\$ 934,000.00	\$ 319,826.24	134.24%
6800 Site Utilities		\$ -	\$ -	
6810 Electric	\$ 100,000.98	\$ 171,382.04	\$ (71,381.06)	58.35%
6815 Gas	\$ 16,959.16	\$ 18,921.70	\$ (1,962.54)	89.63%
6820 Water	\$ 10,396.92	\$ 31,781.14	\$ (21,384.22)	32.71%
6825 Sewer	\$ 3,874.46	\$ 24,164.27	\$ (20,289.81)	16.03%
6826 Sprinkler	\$ 443.72			
6830 Phone/Internet	\$ 202.66	\$ 435.31	\$ (232.65)	46.56%
6835 Trash	\$ 3,425.16	\$ 4,632.74	\$ (1,207.58)	73.93%
Total 6800 Site Utilities	\$ 135,303.06	\$ 251,317.20	\$ (116,014.14)	53.84%
7000 Operating Expenses	\$ -	\$ -	\$ -	
7005 Museum	\$ -	\$ -	\$ -	
7009 Computer Support	\$ 5,289.42	\$ 11,350.05	\$ (6,060.63)	46.60%
7010 Office Supplies	\$ 4,155.13	\$ 19,130.27	\$ (14,975.14)	21.72%
7015 Taxes & Licenses	\$ 1,439.00	\$ 265.00	\$ 1,174.00	543.02%
7020 Travel	\$ 2,448.19	\$ 5,000.00	\$ (2,551.81)	48.96%
7025 Meals And Entertainment	\$ 757.24	\$ 7,197.08	\$ (6,439.84)	10.52%
7030 Utilities - Office	\$ 18,041.21	\$ 47,685.23	\$ (29,644.02)	37.83%
7035 Phone/Internet - Office	\$ -	\$ 4,338.39	\$ (4,338.39)	0.00%
7040 Repairs & Maintenance	\$ 75.00	\$ 8,276.46	\$ (8,201.46)	0.91%
7045 Discretionary Expenses	\$ -	\$ -	\$ -	
7050 Equipment And Furnishings	\$ -	\$ -	\$ -	
7051 Uniforms	\$ -	\$ 5,000.00	\$ (5,000.00)	0.00%
Total 7000 Operating Expenses	\$ 32,205.19	\$ 108,242.48	\$ (76,037.29)	29.75%

Jan 2026

	Actual	Budget	over Budget	% of Budget
7100 Common Area Maintenance	\$ 10,988.50	\$ -	\$ 10,988.50	
7105 Lawn Care	\$ 85,310.00	\$ 116,308.16	\$ (30,998.16)	73.35%
7110 Storm Water Management	\$ -	\$ 1,599.00	\$ (1,599.00)	0.00%
7115 Pest Control	\$ -	\$ 2,250.26	\$ (2,250.26)	0.00%
7120 Fire & Security Monitoring	\$ 1,696.00	\$ 4,362.54	\$ (2,666.54)	38.88%
7125 Snow & Ice Removal	\$ 9,599.00	\$ 26,757.20	\$ (17,158.20)	35.87%
7130 Building Repairs & Maintenance	\$ 36,747.55	\$ 8,361.16	\$ 28,386.39	439.50%
7135 Road Repairs	\$ -	\$ -	\$ -	
7140 Landscaping Maintenance	\$ 58,909.20	\$ 86,047.28	\$ (27,138.08)	68.46%
7141 Auto	\$ 18,962.93	\$ 6,000.00	\$ 12,962.93	316.05%
7145 Equipment Expense	\$ 1,294.97	\$ 9,959.16	\$ (8,664.19)	13.00%
7146 Supplies	\$ 6,725.22	\$ 2,340.97	\$ 4,384.25	287.28%
Total 7100 Common Area Maintenance	\$ 230,233.37	\$ 280,178.46	\$ (49,945.09)	82.17%
7200 Debt Expense	\$ -	\$ 23,106.96	\$ (23,106.96)	0.00%
7205 P & I - Applied Bank 810	\$ 36,023.14	\$ 50,740.54	\$ (14,717.40)	70.99%
7206 P & I - Applied 0380	\$ 54,057.15	\$ 72,076.20	\$ (18,019.05)	75.00%
7241 Del-One Line of Credit 8926	\$ 1,134.13			
7242 Del-One Vehicle Loan 8800	\$ 3,619.88			
Total 7200 Debt Expense	\$ 94,834.30	\$ 145,923.70	\$ (51,089.40)	64.99%
7300 Depreciation Expense	\$ -	\$ -	\$ -	
7500 Marketing Expenses	\$ 37,663.06	\$ 42,000.00	\$ (4,336.94)	89.67%
7510 Advertising & Promotion	\$ -	\$ -	\$ -	
7550 Website & Social Media	\$ -	\$ -	\$ -	
7555 Marketing - Other	\$ 860.00	\$ -	\$ 860.00	
Total 7500 Marketing Expenses	\$ 38,625.06	\$ 42,000.00	\$ (3,374.94)	91.96%
7700 Payroll Expenditures	\$ 644.13	\$ 9,792.25	\$ (9,148.12)	6.58%
7710 401K	\$ 12,338.07	\$ 12,215.32	\$ 122.75	101.00%
7720 Employee Benefits - Health	\$ 95,056.14	\$ 189,052.23	\$ (93,996.09)	50.28%
7721 Employee Benefits - Dental	\$ 244.39	\$ -	\$ 244.39	
7722 Employee Benefits - Vision	\$ 595.70	\$ -	\$ 595.70	
7723 Employee Benefits - Fsa	\$ 360.00	\$ 4,788.74	\$ (4,428.74)	7.52%
7725 Employee Benefits - Ancillary	\$ 1,350.98	\$ -	\$ 1,350.98	
7730 Payroll Tax Expense	\$ 34,321.54	\$ 42,031.25	\$ (7,709.71)	81.66%
7740 Salaries & Wages	\$ 426,583.50	\$ 686,282.76	\$ (259,699.26)	62.16%
7750 Payroll Service Fees	\$ 887.51	\$ 2,522.52	\$ (1,635.01)	35.18%
Total 7700 Payroll Expenditures	\$ 572,381.96	\$ 946,685.07	\$ (374,303.11)	60.46%

Jan 2026

	Actual	Budget	over Budget	% of Budget
7850 Insurance	\$ 2,227.79	\$ -	\$ 2,227.79	
7851 General Liability	\$ 11,621.49	\$ 19,612.91	\$ (7,991.42)	59.25%
7852 Flood Insurance	\$ 4,621.00	\$ 6,181.00	\$ (1,560.00)	74.76%
7853 Property	\$ 80,667.54	\$ 91,530.13	\$ (10,862.59)	88.13%
7855 Workers Comp Insurance	\$ 4,680.00	\$ 8,411.81	\$ (3,731.81)	55.64%
7856 Auto	\$ 10,586.00	\$ 25,062.32	\$ (14,476.32)	42.24%
7857 D & O/ E&O Insurance	\$ 8,539.81	\$ 8,367.80	\$ 172.01	102.06%
Total 7850 Insurance	\$ 122,943.63	\$ 159,165.97	\$ (36,222.34)	77.24%
Property Management & Other Expense	\$ -	\$ 35,048.70	\$ (35,048.70)	0.00%
7810 Bank Charges	\$ -	\$ -	\$ -	
7880 Repair & Maintenance	\$ -	\$ 150,000.00	\$ (150,000.00)	0.00%
Total Property Management & Other Expense	\$ -	\$ 185,048.70	\$ (185,048.70)	0.00%
Total Expenses	\$ 2,999,682.34	\$ 3,771,997.62	\$ (772,315.28)	79.53%
Net Operating Income	\$ (802,200.49)	\$ 52,778.56	\$ (854,979.05)	-1519.94%
Other Income	\$ -		\$ -	
Interest Earned		\$ -	\$ -	
Total Other Income	\$ -	\$ -	\$ -	
Other Expenses	\$ -		\$ -	
Ask My Accountant		\$ -	\$ -	
Total Other Expenses		\$ -	\$ -	
Net Other Income	\$ (802,200.49)	\$ -	\$ (802,200.49)	
Net Income	\$ (802,200.49)	\$ 52,778.56	\$ (854,979.05)	-1519.94%

Fort DuPont Redevelopment and Preservation Corporation

Presented by:

George G. Fournaris, CPA, CGFM (gfournaris@belfint.com)

Liz Wyjadka, CPA, CFE (EWyjadka@belfint.com)

BLS

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Certified Public Accountants

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Engagement

- Audit of the financial statements for the year ended June 30, 2025.
- Audits were performed under two sets of auditing standards:
 - Generally Accepted Auditing Standards and
 - *Government Auditing Standards*
- Fort DuPont Redevelopment and Preservation Corporation is a government entity, an Enterprise Fund, engaged in business-type activities and a component unit of the State of Delaware.



FORT DUPONT

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Engagement Results and Deliverables

- Financial audit with a qualified opinion,
- Independent Auditor's Report under *Government Auditing Standards*.



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Financial Audits

Summary

- Comparative financial statements are presented.
- Audited financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP applicable to governmental entities, except for the following matter:

Significant Audit Matters

- Qualified Opinion
 - The capital assets, originally donated by the State of Delaware, are recorded at insured and assessed values rather than acquisition value, required by GAAP.
 - The amount by which this departure would affect the assets, net position, and expenses of the Organization has not been determined.

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Financial Audits (cont.)

Significant Audit Matters (cont.)

- Estimates
 - Accounting estimates are an integral part of the financial statements,
 - Proper allocation of capitalized costs with accurate cost classification and project-level records is significant to FDRPC's property development activities, particularly when construction agreements include cost recoveries or when property sales occur.
- Disclosures
 - Most sensitive disclosure is of the Capital Assets disclosure (Note 4 to the financial statements). It 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 by the State.

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Financial Audits (cont.)

Significant Audit Matters (cont.)

- Corrected and Uncorrected Misstatements
 - Provided as Attachment A and B to the Communications Letter.
- Other Significant Audit Matters
 - No disagreements with management,
 - Received all requested management representations,
 - No management consultations with other accountants.

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Audit Under Government Auditing Standards

- Performed under standards issued by the Comptroller General of the United States,
- Considers Internal Control Over Financial Reporting,
- Tests Compliance with Laws and Regulations,
- No findings reported.
 - Prior Year Significant Deficiencies:
 - 2020-001 – Valuation of Donated Capital Assets - not expected to be addressed due to the cost and effort involved in determining the donated assets' acquisition values.
 - 2024-001 - Financial Reporting Close Process – This finding has been addressed.

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Questions & Comments



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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2025 AND 2024

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

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JUNE 30, 2025 AND 2024**

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Independent Auditor's 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, 2025 and 2024, 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, 2025 and 2024, 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 audits 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 *Auditor's 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 audit 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 and Preservation Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may indicate substantial doubt thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 and Preservation 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 and Preservation 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 5 through 10 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 basic financial statements of the Fort DuPont Redevelopment and Preservation Corporation. The accompanying 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 schedules of operating expenses and the schedule 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 our opinion, except for the effects on the supplementary information of the qualified opinion on

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

the financial statements, as explained in the *Basis for Qualified Opinion* section of our report, the schedule of operating expenses and the schedule of capital expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2026, 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 & Shuman, P.A.

February 11, 2026
Wilmington, Delaware

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

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, 2025 and 2024. 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 include the June 30, 2025, 2024, and 2023 results.

Financial Highlights

- The assets of the Organization exceeded its liabilities as of June 30, 2025, by \$57,384,324 (net position), as compared to \$57,296,382 as of June 30, 2024, and \$57,815,898 as of June 30, 2023. Included in this amount as of June 30, 2025, are net investment in capital assets of \$54,407,849 and unrestricted net position of \$2,976,475.
- The Organization's total net position increased by \$87,942 during fiscal year 2025.

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.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2025

Overview of the Financial Statements - Continued

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

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 Government Accounting Standards Board (GASB). The Organization is a component unit of 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 health of the Organization. The Organization's assets exceeded liabilities by \$57,384,324 at the close of fiscal year 2025 and \$57,296,382 at the close of fiscal year 2024.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2025

Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current Assets	\$ 967,092	\$ 983,968	\$ 1,224,390
Non-Current Assets	2,187,516	2,191,818	2,202,348
Capital Assets	<u>55,860,212</u>	<u>55,870,889</u>	<u>56,445,963</u>
Total Assets	<u>\$ 59,014,820</u>	<u>\$ 59,046,675</u>	<u>\$ 59,872,701</u>
Current Liabilities	\$ 126,079	\$ 216,960	\$ 246,228
Non-Current Liabilities	<u>1,418,226</u>	<u>1,433,852</u>	<u>1,691,648</u>
Total Liabilities	<u>\$ 1,544,305</u>	<u>\$ 1,650,812</u>	<u>\$ 1,937,876</u>
Deferred Inflows	<u>\$ 86,191</u>	<u>\$ 99,481</u>	<u>\$ 118,927</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	\$ 54,407,849	\$ 54,404,218	\$ 54,688,122
Unrestricted	<u>2,976,475</u>	<u>2,892,164</u>	<u>3,127,776</u>
TOTAL NET POSITION	<u>\$ 57,384,324</u>	<u>\$ 57,296,382</u>	<u>\$ 57,815,898</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2025

Financial Analysis - Continued

Net investment in capital assets constitutes 94.81% and 94.95% of the Organization's net position as of June 30, 2025 and 2024, respectively. The balance of net position \$2,976,475 and \$2,892,164 as of June 30, 2025 and 2024, respectively, represents unrestricted net position available for any Organization-related business use.

Organization Activities

Organization activities increased the net position by \$87,942 during fiscal year 2025 and decreased net position by \$519,516 during fiscal year 2024. Key elements of this change are as follows:

Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
State Appropriations	\$ 2,850,000	\$ 2,257,000	\$ 2,875,000
Grant Revenue	30,506	-	-
Rental and Reimbursements Income	501,153	353,347	293,717
Lease Revenue	13,290	19,446	7,133
Interest Revenue from Lease	6,198	13,341	727
Special Events Income	4,970	7,300	6,350
Sales of Properties	<u>105,000</u>	<u>255,000</u>	<u>955,000</u>
Total Revenue	<u>3,511,117</u>	<u>2,905,434</u>	<u>4,137,927</u>
Personnel Services	855,627	748,141	632,836
Materials, Supplies, and Contractual Services	1,128,337	1,088,111	1,102,816
Cost of Sales of Properties	175,494	354,365	1,884,102
Depreciation	<u>1,134,526</u>	<u>1,099,165</u>	<u>1,154,478</u>
Total Operating Expenses	<u>3,293,984</u>	<u>3,289,782</u>	<u>4,774,232</u>
Total Operating Income	<u>217,133</u>	<u>(384,348)</u>	<u>(636,305)</u>
Interest Expense	<u>(127,841)</u>	<u>(153,138)</u>	<u>(122,699)</u>
Gain on Sale of Equipment	<u>(1,350)</u>	<u>17,970</u>	<u>-</u>
Change in Net Position	<u>\$ 87,942</u>	<u>\$ (519,516)</u>	<u>\$ (759,004)</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2025

Revenue

During fiscal year 2025, the Organization earned \$3,511,117 in total revenue. This is an increase of \$605,683 or 20.85% from the operating revenue of \$2,905,434 earned in fiscal year 2024. This is due primarily to the increase in State Appropriations and Rental and Reimbursements Income, which were offset by a decrease in sales of properties. During fiscal year 2024, total revenue decreased by \$1,232,493 or 29.79% from the total revenue earned in fiscal year 2023. This is due primarily to the decrease in sales of properties and in State Appropriations.

Operating Expenses

The Organization's operating expenses increased to \$3,293,984 in fiscal year 2025 from \$3,289,782 in fiscal year 2024. Increases in fiscal year 2025's operating expenses were offset by a decrease in the cost of real estate sold as compared to fiscal year 2024. Materials, Supplies, and Contractual Services increased to \$1,128,337 in fiscal year 2025 from \$1,088,111 in fiscal year 2024 due to increases in expenses related to administration, property management, and utilities offset by decreases in expenses related to capital asset improvements. Fiscal year 2024 operating expenses decreased due to the decrease in the cost of real estate sold as compared to fiscal year 2023. Materials, Supplies, and Contractual Services decreased to \$1,088,111 in fiscal year 2024 from \$1,102,816 in fiscal year 2023 due to a decrease in expenses related to building improvements.

Capital Assets and Debt

Capital Assets - The Organization's total capital assets (net of accumulated depreciation) decreased from \$55,870,889 as of June 30, 2024, to \$55,860,212 as of June 30, 2025. This \$10,677 decrease, or 0.02%, relates to an increase in accumulated depreciation which offset an increase in construction in progress, and to the sale of improved capital assets for development and equipment.

The Organization's total capital assets (net of accumulated depreciation) increased from \$56,445,963 as of June 30, 2023, to \$55,870,889 as of June 30, 2024. This \$575,074 decrease, or 1.02%, relates to an increase in accumulated depreciation which offset an increase in construction in progress, and to the sale of improved capital assets for development

Long-Term Debt - At the end of the current fiscal year, the Organization had long-term debt outstanding of \$1,418,226. This is a decrease of \$15,626, or 1.09%, due to payments on loans entered into with Applied Bank in fiscal years 2017 and 2021.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
(A Component Unit of the State of Delaware)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2025

Capital Asset and Debt - Continued

Long-Term Debt - Continued

At the end of the prior fiscal year, the Organization had long-term debt outstanding of \$1,433,852. This is a decrease of \$257,796, or 15.24%, due to payments on a loan entered into with Applied Bank in fiscal year 2021.

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.

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 Timothy Slavin, 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, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 810,090	\$ 926,321
Accounts Receivable	118,927	30,564
Leases Receivable - Current Portion	4,302	6,212
Accrued Interest Receivable	6,198	6,617
Amounts Held by Agent	27,575	14,254
TOTAL CURRENT ASSETS	967,092	983,968
NON-CURRENT ASSETS		
Leases Receivable	87,516	91,818
Note Receivable	2,100,000	2,100,000
	2,187,516	2,191,818
CAPITAL ASSETS		
Land	3,260,443	3,263,112
Construction in Progress	7,084,197	11,060,249
Property Held for Development	7,558,139	7,558,139
Infrastructure	3,178,328	
Land Improvements	585,520	585,520
Buildings	43,179,104	41,251,608
Building Improvements	423,516	420,920
Equipment	208,284	236,214
Less: Accumulated Depreciation	(9,617,319)	(8,504,873)
NET CAPITAL ASSETS	55,860,212	55,870,889
TOTAL NON-CURRENT ASSETS	58,047,728	58,062,707
TOTAL ASSETS	\$ 59,014,820	\$ 59,046,675
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 63,904	\$ 140,499
Accrued Liabilities	463	29,388
Security Deposits Held by Agent	23,168	12,250
Prepaid Rent Held by Agent	4,407	2,004
Current Portion of Long-Term Debt	34,137	32,819
TOTAL CURRENT LIABILITIES	126,079	216,960
LONG-TERM LIABILITY		
Long-Term Debt, Net of Current Portion	1,418,226	1,433,852
TOTAL LIABILITIES	1,544,305	1,650,812
DEFERRED INFLOWS		
Deferred Inflows - Leases	86,191	99,481
NET POSITION		
Invested in Capital Assets, Net of Related Debt	54,407,849	54,404,218
Unrestricted Net Position	2,976,475	2,892,164
TOTAL NET POSITION	57,384,324	57,296,382
TOTAL LIABILITIES AND NET POSITION	\$ 59,014,820	\$ 59,046,675

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

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUE		
State Appropriations	\$ 2,850,000	\$ 2,257,000
Grant Revenue	30,506	-
Rental and Reimbursements Income	501,153	353,347
Lease Revenue	13,290	19,446
Interest Revenue from Lease	6,198	13,341
Special Events Income	4,970	7,300
Sales of Properties	105,000	255,000
	<u>3,511,117</u>	<u>2,905,434</u>
OPERATING EXPENSES		
Personnel Services	855,627	748,141
Materials, Supplies, and Contractual Services	1,128,337	1,088,111
Cost of Sales of Properties	175,494	354,365
Depreciation	1,134,526	1,099,165
	<u>3,293,984</u>	<u>3,289,782</u>
	<u>217,133</u>	<u>(384,348)</u>
OPERATING INCOME (LOSS)		
NON-OPERATING INCOME		
Interest Expense	(127,841)	(153,138)
Gain on Sale of Equipment	(1,350)	17,970
	<u>(129,191)</u>	<u>(135,168)</u>
TOTAL NON-OPERATING INCOME (LOSS)		
	87,942	(519,516)
CHANGE IN NET POSITION		
NET POSITION - Beginning of Year	57,296,382	57,815,898
NET POSITION - End of Year	<u>\$ 57,384,324</u>	<u>\$ 57,296,382</u>

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

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Appropriations and Tax Credits Received	\$ 2,850,000	\$ 2,257,000
Grants Received	30,506	-
Rent and Reimbursements Received	438,940	556,296
Cash Received from Special Events	4,970	7,300
Proceeds from the Sale of Properties	105,000	255,000
Earnest Deposits Disbursed	-	-
Security Deposits Received	-	-
Additions to Property and Equipment	(1,367,674)	(895,717)
Cash Paid to Suppliers	(1,171,376)	(1,073,203)
Cash Paid to Employees	(855,627)	(748,141)
	<u>34,739</u>	<u>358,535</u>
NET CASH FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Sale of Equipment	<u>4,500</u>	<u>40,000</u>
	<u>4,500</u>	<u>40,000</u>
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	-
Repayments of Long-Term Debt	(14,308)	(291,170)
Interest Paid	(127,841)	(153,138)
	<u>(142,149)</u>	<u>(444,308)</u>
NET CASH FROM FINANCING ACTIVITIES		
NET CHANGE IN CASH	<u>(102,910)</u>	<u>(45,773)</u>
CASH - Beginning of Year	<u>940,575</u>	<u>986,348</u>
CASH - End of Year	<u>\$ 837,665</u>	<u>\$ 940,575</u>
RECONCILIATION OF CASH TO STATEMENT OF NET POSITION		
Cash	\$ 810,090	\$ 926,321
Amounts Held by Agent	<u>27,575</u>	<u>14,254</u>
TOTAL CASH	<u>\$ 837,665</u>	<u>\$ 940,575</u>

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

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating (Loss) Income	\$ 217,133	\$ (384,348)
ADJUSTMENTS TO RECONCILE CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	1,134,526	1,099,165
Cost of Sales of Property	167,094	334,365
Cost of Sales of Equipment	-	-
(Increase) Decrease in Assets		
Accounts Receivable	(88,363)	188,206
Lease Receivable	6,212	15,900
Interest Receivable	419	1,073
Capital Assets	(1,367,674)	(895,717)
Note Receivable	-	-
Increase (Decrease) in Liabilities		
Accounts Payable	(5,714)	16,548
Accrued Liabilities	(28,925)	18,360
Earnest Deposit	-	-
Security Deposits	10,918	(8,075)
Prepaid Rent	2,403	(7,496)
Unearned Revenue	-	-
Deferred Inflow - Lease Receivable	(13,290)	(19,446)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 34,739	\$ 358,535
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of Capital Assets Through Accounts Payable	\$ 19,384	\$ 79,500

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

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 300 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. It appointed its initial Board of Directors in August 2024 and held its first board meeting to adopt bylaws in September 2024. Its board includes the Executive Director of the Fort DuPont Redevelopment and Preservation Corporation and a voting member of the Fort DuPont Redevelopment and Preservation Corporation Board of Directors as ex-officio members.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Friends of Fort DuPont - Continued

As required by GASBS No. 39, *Determining Whether Certain Organizations are Component Units*, Friends of Fort DuPont, Inc. is to be reported as a discretely presented component unit of the Organization, with its financial information reported separately from the Organization's financial information. The Friends of Fort DuPont was inactive during the fiscal year ended June 30, 2025, and there was minimal activity during the fiscal year ended June 30, 2025; therefore, the Friends of Fort Dupont's financial information is not discretely presented in the financial statements for the Organization.

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), 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.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2025 and 2024 was \$1,134,526 and \$1,099,165, 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.

Advertising and Marketing - Advertising and marketing costs totaled \$43,360 and \$30,893 for the years ended June 30, 2025 and 2024, respectively.

Financial Reserves Policy - On August 9, 2023, the Board of Directors adopted a Financial Reserves Policy, which became effective during fiscal year 2025. The Organization will strive to maintain a minimum Budget Reserve, of at least 5% of the current year's operating revenues. 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. The Organization will also establish a Contingency Reserve. The Organization may only use monies in the Contingency Reserve to cover emergencies of a non-recurring nature that are over and above the normal costs of operations, such as uninsured losses and storm 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. The Organization will create a Capital Asset Replacement Fund for future asset replacements. Optimally, its balance should equal the amount of annual depreciation.

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.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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, 2025 and 2024, the Organization's deposits with financial institutions had carrying amounts of \$837,665 and \$940,575 and bank balances of \$858,839 and \$963,359, respectively. As of June 30, 2025 and 2024, \$588,547 and \$671,491, 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. For the years ended June 30, 2025 and 2024, State appropriations accounted for 81.2% and 77.7% of its total revenues, respectively. If a significant reduction in the level of this revenue were to occur, it would result in a risk of loss and have an effect on the Organization's operations. Management believes that the risk associated with this concentration is low.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 4: PROPERTY AND EQUIPMENT

The following is a summary of changes in property and equipment for the year ended June 30, 2025:

	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Property and Equipment Not Being Depreciated				
Land	\$ 3,263,112	\$ -	\$ 2,669	\$ 3,260,443
Construction in Progress	11,060,249	1,322,471	5,298,523	7,084,197
Property Held for Development	<u>7,558,139</u>	<u>-</u>	<u>-</u>	<u>7,558,139</u>
 Total Capital Assets Not Being Depreciated	 <u>21,881,500</u>	 <u>1,322,471</u>	 <u>5,301,192</u>	 <u>17,902,779</u>
Property and Equipment Being Depreciated				
Infrastructure	-	3,178,328	-	3,178,328
Land Improvements	585,520	-	-	585,520
Buildings	41,251,608	1,927,496	-	43,179,104
Building Improvements	420,920	2,596	-	423,516
Vehicles and Equipment	<u>236,214</u>	<u>-</u>	<u>27,930</u>	<u>208,284</u>
 Total Capital Assets Being Depreciated	 <u>42,494,262</u>	 <u>5,108,420</u>	 <u>27,930</u>	 <u>47,574,752</u>
Less: Accumulated Depreciation for				
Land Improvements	201,254	39,035	-	240,289
Buildings and Improvements	8,174,505	1,047,560	-	9,222,065
Vehicles and Equipment	<u>129,114</u>	<u>47,931</u>	<u>22,080</u>	<u>154,965</u>
 Total Accumulated Depreciation	 <u>8,504,873</u>	 <u>1,134,526</u>	 <u>22,080</u>	 <u>9,617,319</u>
 Total Capital Assets Being Depreciated, Net	 <u>33,989,389</u>	 <u>3,973,894</u>	 <u>5,850</u>	 <u>37,957,433</u>
 Total Capital Assets, Net	 <u>\$ 55,870,889</u>	 <u>\$ 5,296,365</u>	 <u>\$ 5,307,042</u>	 <u>\$ 55,860,212</u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 4: PROPERTY AND EQUIPMENT - CONTINUED

The following is a summary of changes in property and equipment for the year ended June 30, 2024:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Property and Equipment Not Being Depreciated				
Land	\$ 3,268,627	\$ -	\$ 5,515	\$ 3,263,112
Construction in Progress	10,538,137	850,962	328,850	11,060,249
Property Held for Development	<u>7,558,139</u>	<u>-</u>	<u>-</u>	<u>7,558,139</u>
 Total Capital Assets Not Being Depreciated	 <u>21,364,903</u>	 <u>850,962</u>	 <u>334,365</u>	 <u>21,881,500</u>
Property and Equipment Being Depreciated				
Buildings	41,251,608	-	-	41,251,608
Land Improvements	585,520	-	-	585,520
Building Improvements	391,396	29,524	-	420,920
Vehicles and Equipment	<u>291,289</u>	<u>-</u>	<u>55,075</u>	<u>236,214</u>
 Total Capital Assets Being Depreciated	 <u>42,519,813</u>	 <u>29,524</u>	 <u>55,075</u>	 <u>42,494,262</u>
Less: Accumulated Depreciation for				
Land Improvements	162,219	39,035	-	201,254
Buildings and Improvements	7,141,917	1,032,588	-	8,174,505
Vehicles and Equipment	<u>134,617</u>	<u>27,542</u>	<u>33,045</u>	<u>129,114</u>
 Total Accumulated Depreciation	 <u>7,438,753</u>	 <u>1,099,165</u>	 <u>-</u>	 <u>8,504,873</u>
 Total Capital Assets Being Depreciated, Net	 <u>35,081,060</u>	 <u>(1,069,641)</u>	 <u>55,075</u>	 <u>33,989,389</u>
 Total Capital Assets, Net	 <u>\$ 56,445,963</u>	 <u>\$ (218,679)</u>	 <u>\$ 389,440</u>	 <u>\$ 55,870,889</u>

Land is reported at the assessed value of lots available for sale, based on the 1983 New Castle County general assessment.

Construction in progress includes costs accumulated through June 30, 2025, for various rehabilitation and construction projects currently underway.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 4: PROPERTY AND EQUIPMENT - CONTINUED

Buildings held for Development 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.

NOTE 5: LONG-TERM DEBT

The following is a summary of debt transactions for the Organization for the year ended June 30, 2025:

	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
Applied Bank Loans	\$ 1,466,671	\$ -	\$ 14,308	\$ 1,452,363	\$ 34,137
Total Debt	<u>\$ 1,466,671</u>	<u>\$ -</u>	<u>\$ 14,308</u>	<u>\$ 1,452,363</u>	<u>\$ 34,137</u>

The following is a summary of debt transactions for the Organization for the year ended June 30, 2024:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Tenant Reimbursement	\$ 19,166	\$ -	\$ 19,166	\$ -	\$ -
Applied Bank Loans	1,738,675	-	272,004	1,466,671	32,819
Total Debt	<u>\$ 1,757,841</u>	<u>\$ -</u>	<u>\$ 291,170</u>	<u>\$ 1,466,671</u>	<u>\$ 32,819</u>

Applied Bank - 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. The purpose of the loan is to renovate seven officers' quarters 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 original 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. Under the original loan terms, the interest was 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%.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 5: LONG-TERM DEBT - CONTINUED

Applied Bank - Continued

On June 4, 2024, the Organization entered into an agreement with Applied to modify the terms of the loan. Under the modification agreement, the balance of the loan was re-amortized over 25 years at a fixed interest rate of 6.75% beginning on June 1, 2024, with final payment of any outstanding principal and accrued interest due on August 31, 2028.

The interest rate as of both June 30, 2025 and 2024, was 6.75%. Outstanding borrowings totaled \$865,029 and \$869,337, as of June 30, 2025 and 2024, respectively.

The Organization entered into a commercial construction loan agreement with Applied Bank on February 5, 2021, for an amount up to \$885,000. 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 original loan term was 18 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. Under the original loan terms, interest was 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%.

On February 15, 2022, the Organization entered into the first modification agreement with Applied to modify the terms of the loan. Under the first modification agreement, the interest only payment term was extended to August 31, 2023 and the final payment of any outstanding principal and interest was extended to August 31, 2028. The first loan modification agreement required the Organization to make a principal curtailment payment in an amount sufficient to achieve the minimum required debt service ratio once the properties are leased. The Organization made a principal curtailment payment in the amount of \$272,000 on August 31, 2023. On June 4, 2024, the Organization entered into the second modification agreement with Applied to modify the terms of the loan. Under the second modification agreement, the interest only payment term was extended until September 1, 2024 or the Organization's receipt of the Certificate of Occupancy (CO) and signed leases with respect to the properties on Old Battery Lane, whichever was earlier. If the CO and leases were not obtained on or before September 1, 2024, the second loan modification modified the term of the loan such that the Organization shall make payments of interest at the floating interest rate plus an addition \$1,000 monthly payment to be applied to the principal loan balance, until the CO and leases are obtained.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 5: LONG-TERM DEBT - CONTINUED

Applied Bank - Continued

Upon obtaining the CO and leases, the loan terms will be modified such that the Organization shall make interest payments at the prevailing FHLB Pittsburgh published Five Year Amortizing Rate plus 200 basis points, using a 25-year amortization schedule with final payment of any outstanding principal and interest due on August 31, 2028. The CO was obtained on May 22, 2025.

The interest rates as of June 30, 2025 and 2024, were 9.00% and 10.00%, respectively. Outstanding borrowings totaled \$587,334 and \$597,334 as of June 30, 2025 and 2024, respectively.

Del-One Federal Credit Union - On June 11, 2025, the Organization entered into a collateralized revolving line of credit agreement with Del-One Federal Credit Union for an amount up to \$1,000,000. The purpose of the revolving line of credit is to provide the Organization with capital for costs related to the Fort DuPont Branch Channel Revetment Project, which will be partly funded with federal grant funding on a reimbursement basis. The loan term is one year with interest computed on the outstanding borrowings based on the Wall Street Prime Rate, subject to a minimum rate of 3% and a maximum rate equal to the lesser of 18% or the highest rate permitted by applicable law. As of June 30, 2025, the interest rate was 7.5%. No amounts were outstanding under the line of credit as of June 30, 2025.

Tenant Reimbursement - The Organization had agreement with a previous tenant in connection with their restoration and rehabilitation of a building owned by the Organization. The Organization 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 was \$0 as of June 30, 2025 and 2024. The outstanding balance was paid off on February 1, 2024.

Maturities of long-term debt are as follows for the years ended June 30:

2026	\$	34,137
2027		25,850
2028		27,861
2029		30,031
2030		32,373
Thereafter		<u>1,302,111</u>
Total	\$	<u><u>1,452,363</u></u>

The total interest cost incurred during the years ended June 30, 2025 and 2024, was \$127,841 and \$153,138, respectively.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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 \$7,946 and \$9,968 for the years ended June 30, 2025 and 2024, respectively.

NOTE 7: LEASES - LESSOR

The Organization leases various residential real estate properties to tenants under operating leases with one-year terms. The Organization received \$501,153 and \$353,347 in rental income during the years ended June 30, 2025 and 2024, 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 properties. The lease agreement with OMB is expected to terminate during the fiscal year ending June 30, 2026.

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

Year Ending June 30,	Total		
	Payments	Principal	Interest
2026	\$ 10,500	\$ 4,302	\$ 5,907
2027	10,500	4,593	5,597
2028	10,500	4,903	5,266
2029	10,500	5,234	4,913
2030	10,500	5,587	4,536
2031-2035	52,500	34,127	16,069
2036-2039	38,500	33,072	3,195
	<u>\$ 143,500</u>	<u>\$ 91,818</u>	<u>\$ 45,485</u>

Lease revenues for the years ended June 30, 2025 and 2024, for the properties leased to DNREC and OMB were \$13,290 and \$19,446, respectively.

Interest income from the leases revenue for the years ended June 30, 2025 and 2024 was \$6,198 and \$13,341, respectively.

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 7: LEASES - LESSOR - CONTINUED

Leased properties for the years ended June 30, 2025 and 2024 have a combined cost of \$20,515,104 and accumulated depreciation of \$3,940,063 and \$3,469,273, respectively.

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, 2025 and 2024, the Organization did not apply for and was not awarded any such tax credits from the State of Delaware and there were no sales of tax credits to third parties. However, it is expected that the Organization will apply for tax credits for projects in progress during the year ending June 30, 2026.

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 to 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, 2025 and 2024.

On November 24, 2025, the Organization initiated foreclosure proceedings against Sun Fort DuPont RV LLC following default on the \$2,100,000 purchase-money promissory note executed on October 29, 2021. The note carried a 0% interest rate through its maturity on October 29, 2025, and began accruing interest at 4% effective October 30, 2025. The Organization is pursuing its legal options.

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.

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. There were eight amendments to the original contract and two extensions executed, to extend

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 10: COMMITMENTS AND CONTINGENCIES - CONTINUED

the terms of the contract. On January 16, 2026, Lennar Corporation exercised its right under the contract to terminate the contract with the Organization. The Organization is required to repay certain funds advanced by Lennar.

October 1, 2022, the Organization entered into an agreement with Emory Hill Real Estate Services, Inc. for property management and leasing services. The terms of the agreement are month-to-month, and Emory Hill Real Estate Services, Inc. receives 10% of monthly rental income for property management services and one month's rent for leasing services as payment.

On November 15, 2024, the Organization executed the first amendment to its original agreement with Emory Hill Real Estate Services, Inc. to sell and lease commercial buildings and lots located on the Fort Dupont Complex, excluding certain properties sold and leased to the State of Delaware and certain properties being developed or expected to be developed under other agreements entered into by the Organization. The terms of the agreement include commissions of 6% of the sales price of properties that is shared with the cooperating broker, if any, and commissions between 3% and 6% of the gross annual rent payable during each year of the first term and between 3% and 1.5% of the gross annual rent payable during each year of any renewal term of leases executed under this agreement. The terms of the amendment expired on June 30, 2025.

On December 20, 2023, the Federal Emergency Management Agency (FEMA) of the U.S. Department of Homeland Security approved the Delaware Emergency Management Agency (DEMA) application for federal grant funding for the Fort DuPont Branch Channel Revetment project. Under the original grant agreement, approved project costs were \$866,324 with a Federal share of \$783,817 and Non-Federal share of \$82,507. On May 30, 2025, FEMA approved an amendment to the grant agreement, increasing total project costs to \$1,740,000 with a Federal share of \$1,566,000 and a Non-Federal share of \$174,000. DEMA will use the funds to reimburse the Organization for costs to rebuild a section of land along the Chesapeake and Delaware Canal Branch channel that has deteriorated by erosion.

Reimbursed costs expended by the Organization on the project were \$25,506 and \$0 as of fiscal years ended June 30, 2025 and 2024, respectively.

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Administrative Expenses	\$ 151,635	\$ 92,144
Building Improvements	262,722	781,926
Common Area Maintenance	252,284	251,388
Cost of Sales of Properties	175,494	354,365
Depreciation Expenses	1,134,526	1,099,165
Land Improvements	408,102	-
Marketing Expenses	43,360	30,893
Operating Expenses	88,870	90,392
Payroll Expenses	855,627	748,141
Professional Fees	373,102	403,931
Property Management Expense	100,645	79,213
Roadways and Utilities	507,108	-
Special Event Expenses	8,335	6,651
Utilities Expense	257,241	232,059
Amounts Capitalized as Property and Equipment	<u>(1,325,067)</u>	<u>(880,486)</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 3,293,984</u></u>	<u><u>\$ 3,289,782</u></u>

**FORT DUPONT REDEVELOPMENT AND
PRESERVATION CORPORATION
SCHEDULES OF CAPITAL EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Accounting	\$ 10,000	\$ -
Building Improvements	214,709	430,151
Engineering	178,660	132,516
Land Improvements	408,102	-
Legal	10,126	-
Roadways and Utilities	503,470	317,819
Amounts Capitalized as Property and Equipment	(1,325,067)	(880,486)
TOTAL CAPITAL EXPENSE	\$ -	\$ -

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

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

JUNE 30, 2025

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the 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, 2025, 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 February 11, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, a misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors
Fort DuPont Redevelopment and Preservation Corporation

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Belfint, Lyons & Shuman, P.A.

February 11, 2026
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, 2025

There were no findings for the year ended June 30, 2025.

FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION
(A Component Unit of the State of Delaware)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024
UNAUDITED

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, 2024, and is not expected to be addressed due to the cost and effort involved in determining the donated assets' acquisition values.

Reference Number: 2024-001

Type of Finding: Significant Deficiency

Financial Reporting Close Process

Condition: During our audit, we noted misstatements of general ledger balances requiring material adjusting journal entries. 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.

Current Status: This finding has been addressed.



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February 11, 2026

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, 2025. 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 August 7, 2025. 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 no lack of cooperation or significant difficulties in dealing with management in performing and completing our audit.

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 February 11, 2026.

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, 2025

Entry Number	Account Number	Account Name	Description	Revenue and Other				
				Asset	Liability	Net Position	Support	Expenses
1	2200	SECURITY DEPOSIT		\$ -	\$ 5,202	\$ -	\$ -	\$ -
	2250	Prepaid Rent	To agree security deposit liability to asset held by agent and remove prior year prepaid rent.	-	(2,403)	-	-	-
	4100	RENTAL INCOME		-	-	-	(2,799)	-
		<u>\$ -</u>		<u>\$ 2,799</u>	<u>\$ -</u>	<u>\$ (2,799)</u>	<u>\$ -</u>	
4	1270	Lease Receivable		\$ (4,030)	\$ -	\$ -	\$ -	\$ -
	4100-DN	RENTAL INCOME:4100-DN ++ DNREC	To post GASB 87 entries for FY 25 DNREC lease payments received in FY 25.	-	-	-	10,500	-
	1260	Accrued Interest Receivable		(272)	-	-	-	-
	2260	Deferred Inflow - Leases		-	6,156	-	-	-
	4950	Lease Interest Revenue		-	-	-	(6,198)	-
	4960	Lease Revenue		-	-	-	(6,156)	-
		<u>\$ (4,302)</u>		<u>\$ 6,156</u>	<u>\$ -</u>	<u>\$ (1,854)</u>	<u>\$ -</u>	
5	1270	Lease Receivable		\$ (2,182)	\$ -	\$ -	\$ -	\$ -
	4100-DN	RENTAL INCOME:4100-DN ++ DNREC	To post GASB 87 entries for FY 25 OMB lease payments received in FY 25.	-	-	-	2,329	-
	1260	Accrued Interest Receivable		(147)	-	-	-	-
	2260	Deferred Inflow - Leases		-	7,133	-	-	-
	4950	Lease Interest Revenue		-	-	-	-	-
	4960	Lease Revenue		-	-	-	(7,133)	-
		<u>\$ (2,329)</u>		<u>\$ 7,133</u>	<u>\$ -</u>	<u>\$ (4,804)</u>	<u>\$ -</u>	
7	4200	REAL ESTATE SALES		\$ -	\$ -	\$ -	\$ 79,872	\$ -
	1511	1511 Infrastructure Held	To record costs and sales at gross for 1305 and 1307 Officers Row (adjust client's entry).	(88,272)	-	-	-	-
	1310	Land		(2,669)	-	-	-	-
	1511	1511 Infrastructure Held		(145,760)	-	-	-	-
	1300 CP-1	Construction in Process:CP-1 Site Development		(18,665)	-	-	-	-
	8000	Value of Real Estate Sold		-	-	-	-	175,494
		<u>\$ (255,366)</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,872</u>	<u>\$ 175,494</u>	
10	1511	1511 Infrastructure Held	To reclass OBL duplexes from infrastructure to buildings. (Client adjusted the original entry included in the PBC TB.)	\$ (1,927,497)	\$ -	\$ -	\$ -	\$ -
	1315	Buildings		1,927,497	-	-	-	-
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11	1300 CP-3	Construction in Process:CP-3 Canal District	To reclass the dip on Old Elm near the round-about to infrastructure.	\$ (298,000)	\$ -	\$ -	\$ -	\$ -
	1511	1511 Infrastructure Held		298,000	-	-	-	-
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		Total Adjustments		<u>\$ (261,997)</u>	<u>\$ 16,088</u>	<u>\$ -</u>	<u>\$ 70,415</u>	<u>\$ 175,494</u>

Fort Dupont Redevelopment and Preservation Corporation

Appendix B - Uncorrected Misstatements

June 30, 2025

Waived Entry #	Account Name	Description	Asset	Liability	Net Position	Revenue	Expense
June 30, 2025 Waived Entries							
1	Retained Earnings		\$ -	\$ -	\$ 255,772	\$ -	\$ -
	Retained Earnings		-	-	(167,086)	-	-
	Interest Income	To waive entry to record discount on Grassdale	-	-	-	(66,350)	-
	Note Receivable	Note and the amortization of the discount for FY	(255,772)	-	-	-	-
	Accrued Interest Receivable	2025.	167,086	-	-	-	-
	Accrued Interest Receivable		66,350	-	-	-	-
			<u>\$ (22,336)</u>	<u>\$ -</u>	<u>\$ 88,686</u>	<u>\$ (66,350)</u>	<u>\$ -</u>
2	Rental Income - Utility Reimbursements		\$ -	\$ -	\$ -	\$ 107,043	\$ -
	Retained Earnings	To waive entry for prior year utility billing revenue.	-	-	(107,043)	-	-
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ (107,043)</u>	<u>\$ 107,043</u>	<u>\$ -</u>
3	Depreciation Expense		\$ -	\$ -	\$ -	\$ -	\$ 22,207
	Accumulated Depreciation	To waive difference in accum dep.	(22,207)	-	-	-	-
			<u>\$ (22,207)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,207</u>
4	Accrued Payroll		\$ -	\$ (30,715)	\$ -	\$ -	\$ -
	PAYROLL EXPENDITURES	To waive variance in accrued payroll.	-	-	-	-	30,715
			<u>\$ -</u>	<u>\$ (30,715)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,715</u>
5	Accounts Payable		\$ -	\$ (101,044)	\$ -	\$ -	\$ -
	Retained Earnings	To waive DNREC prior year invoices for brownfield cleanup at the marina village that were unpaid at 6/30/2025.	-	-	101,044	-	-
			<u>\$ -</u>	<u>\$ (101,044)</u>	<u>\$ 101,044</u>	<u>\$ -</u>	<u>\$ -</u>
6	1511 Infrastructure Held		\$ (165,327)	\$ -	\$ -	\$ -	\$ -
	Land Improvements	To waive entry for classification of 1301 Officer's Row, which is open space, as infrastructure versus land improvements.	165,327	-	-	-	-
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7	Lease Receivable		\$ 19,229	\$ -	\$ -	\$ -	\$ -
	Deferred Inflow - Leases	To waive changes in lease amortization schedule for OMB lease through original term ending 9/2028. OMB has not vacated building yet.	-	(20,945)	-	-	-
	Retained Earnings		-	-	1,716	-	-
			<u>\$ 19,229</u>	<u>\$ (20,945)</u>	<u>\$ 1,716</u>	<u>\$ -</u>	<u>\$ -</u>

Fort Dupont Redevelopment and Preservation Corporation

Appendix B - Uncorrected Misstatements - Continued

June 30, 2025

Waived Entry #	Account Name	Description	Asset	Liability	Net Position	Revenue	Expense
Reversal of Prior Year Waived Adjustments							
PY 2	Assets Transferred to Balance Sheet		\$ -	\$ -	\$ -	\$ -	\$ (18,016)
	Building Improvements	To waive fuel expense that was capitalized. BLS noted client capitalized \$18,016.06 in fuel expense per review of client's entries in PY.	-	-	-	-	(18,016)
	Construction in Process		-	-	18,016	-	-
	Building Improvements		-	-	-	-	18,016
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,016</u>	<u>\$ -</u>	<u>\$ (18,016)</u>
PY 5	Construction in Process		\$ -	\$ -	\$ (55,330)	\$ -	\$ -
	Engineering	To waive CIP recorded as expense.	-	-	-	-	31,376
	Building Improvements		-	-	-	-	3,911
	Professional Fees - Legal		-	-	-	-	20,043
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,330)</u>	<u>\$ -</u>	<u>\$ 55,330</u>
PY 6	Construction in Process		\$ -	\$ -	\$ (19,900)	\$ -	\$ -
	Construction in Process	To waive repairs that appear to be CIP and were classified as in service. \$8,523 pertains to Archive Building. \$19,900 pertains to 525 Engineer Rd.	-	-	(8,524)	-	-
	Building Improvements		-	-	-	-	19,900
	Building Improvements		-	-	-	-	8,524
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,424)</u>	<u>\$ -</u>	<u>\$ 28,424</u>
Waived Adjustments Summarized			<u>\$ (25,314)</u>	<u>\$ (152,704)</u>	<u>\$ 18,665</u>	<u>\$ 40,693</u>	<u>\$ 118,660</u>



Executive Director Monthly Report

For the period February 1, 2026, to February 28, 2026

The meeting of the Board of Directors is scheduled for March 11, 2026, at 9:30 a.m. at the Delaware City Community Center, 250 Fifth Street, Delaware City.

Capital Projects

Branch Canal Revetment

As of February 1, 2026, the branch canal revetment project was at 90% completion. Permit extensions have been received by the Army Corps of Engineers, and DNREC (for subaqueous permits, and Fish and Wildlife issue). The extensions allow work to continue (with safeguards) through the original March 1, 2026, stop date. The approvals allow for in-water to continue through April 15, 2026. The turbidity curtain will remain installed through June 30, 2026. The section 408 permit issued by the Army Corps of Engineers was previously extended to March 14, 2027.

The Promenade portion of the project is at 20 percent completion, with initial grading and the installation of curbing along the south side of the walkway complete. As mentioned previously, there are some issues related to property lines and grading. The final grading of yards to the curblines will be done at FDRPC expense. A community meeting was held on February 25, 2026, for residents with questions about the project. Approximately 25 people attended, including representatives of Verdantas and ADEL.

The **Town Center** subdivision was heard before the Preliminary Land Use Service (PLUS) on February 4, 2026. Written comments have been received. FDRPC will issue an

informational response to the comments and proceed with the subdivision through Delaware City.

Post Exchange. The replacement doors and transom windows for the Post Exchange have been delivered. Installation was delayed owing to weather issues. Work on re-constructing the soffit has started but has been stalled, also due to weather.

Theater windows and doors. Friends of Fort DuPont Board President met with FDRPC to identify the path forward on addressing the rehabilitation and/or replacement of windows and doors along the front of the theater. The work is being funded by grant the Friends of Fort DuPont received through the Community Reinvestment Fund (CRF), in the amount of \$200,000.

Southfield RFP. A Request for Expression of Interest for Redevelopment for the Southfield section of the Fort DuPont campus has been issued. The purpose of this prequalification process is to identify qualified firms capable of delivering visionary yet feasible concepts for the Southfields project area. This is the first step in a two-phase selection process. Information gathered through this initial submission will assist the FDRPC in identifying a short-list of firms who will be invited to participate in a design competition, where they will present preliminary concepts, credentials, and implementation approaches.

EPA site visit. FDRPC has been selected to participate in EPA's Technical Assistance to Brownfields (TAB) program, which provides an EPA-funded contractor to complete brownfield assessment work at no cost to FDRPC (estimated value approximately \$100,000). Following our introductory meeting on February 5, the EPA team and its contractor, the U.S. Department of Transportation's Volpe National Transportation Systems Center (the Volpe Center), will conduct an initial site visit on Monday, March 9. This effort will advance Phase I and Phase II environmental assessments of the Parade Ground, moving the site further toward brownfield clearance and future open space use.

Operational Updates

Offices remediation completed. FDRPC offices at 260 Old Elm Avenue were unexpectedly closed due to the discovery of asbestos floor tiles under the carpeting in the building. (Note: Carpeting placed on top of asbestos tiles is a form of encapsulation.) All remediation of the tiles is complete. New carpet was installed during mid-February. Employees returned to the office full-time on February 23, 2026.

FY 25 Audit complete. The FY 25 audit work has been completed by Belfint, Lyons, & Shuman, P.A., and a draft of the audit has been received by FDRPC staff for review. BLS will be scheduled to present the audit to the board at the March 11, 2026, meeting.

Friends of Fort DuPont. Fundraising and Development Committee meeting. The Friends of Fort DuPont committee met to discuss a calendar of cultivation and submission deadlines for attracting private foundation funding for the theater restoration project. Initial cultivation of donors is expected to begin by April 1, 2026. Committee chair Tom Shea is facilitating this calendar.

Submitted Grants. Current grant activity remains strong, with seven applications submitted totaling \$545,579 across operations support, environmental assessment, accessibility improvements, and preservation planning. Recent submissions include the EPA Brownfields Assessment request (\$500,000) and multiple preservation and access-focused requests, including the Fort DuPont Chapel ADA Ramp, Guard House interior planning, and POW Barracks and Guard Tower preservation planning. For details on each submission, requested amounts, and award timelines, please reference the attached Submitted Grants report.

Community Service

NeighborGood Partners. Tim Slavin and Valerie Miller attended the dedication of four new homes in Dover recently completed by NeighborGood Partners. The homes have been rated “passive homes” for energy efficiency, marking them as the first passive homes for affordable housing in Delaware.

Funding Source	Program Name	Outcomes	Applicant	Amount Requested	Date Submitted	Award Notice
DE Grant-in-Aid	Nonprofit Operations	Operations supports for programming	FFD	\$7,500.00	11/18/2025	7/1/2025
US EPA	Brownfields Assessment	South Field and bike trail assessment	FDRPC	\$500,000.00	1/26/2026	6/30/2026
National Trust for Historic Preservation	Chapel Access & Restroom Implementation Plan	Chapel access upgrades enable inclusive programming and future ADA restroom improvements	FDRPC	\$5,000.00	2/3/2026	5/15/2026
AARP Challenge Grant	Accessible Picnic & Shoreline Trail Enhancements	Enhance park access with inclusive picnic areas and shoreline trail	FFD	\$10,954.00	2/9/2026	5/15/2026
Delaware Preservation Fund - Capital Grant	For DuPont Chapel ADA Ramp	ADA ramp completes Chapel Phase 1, enabling safe, inclusive public access	FDRPC	\$5,125.00	2/13/2026	7/1/2026
Cythinia Wood Mitchell Fund for Interiors	Fort DuPont Guard House Historic Interior Restoration & Activation Plan	Hire specialists to plan Guard House interior preservation and reuse	FDRPC	\$7,000.00	2/18/2026	7/1/2026
Delaware Preservation Fund - Non-capital	POW Barracks & Guard Tower Preservation Planning	Hire specialists to plan preservation and restoration of the POW Barracks and Guard Tower	FDRPC	\$10,000.00	3/2/2026	7/1/2026
				\$545,579.00		