

Annual Comprehensive Financial Report



For the year ended
JUNE 30, 2022

City of Wilmington, Delaware
Michael S. Purzycki, Mayor

CITY OF WILMINGTON, DELAWARE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the Department of Finance
J. Brett Taylor, Director of Finance



**CITY OF WILMINGTON, DELAWARE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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City of Wilmington



MICHAEL S. PURZYCKI
Mayor

March 23, 2023

Honorable Michael S. Purzycki, Mayor
Honorable Members of City Council
Citizens and Stakeholders of the City of Wilmington, Delaware

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Wilmington, Delaware (the City) for the fiscal year, which ended on June 30, 2022, as required by the City Charter. The ACFR is prepared in conformity with generally accepted accounting principles (GAAP) for governmental units and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Belfint, Lyons and Shuman PA, a firm of independent certified public accountants, audited the City's financial statements. The independent auditor expressed an opinion that the City's financial statements for the fiscal year 2022 are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is presented on pages 1 through 3.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate financial information is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the financial statements are free from any material misstatements. We believe that the data presented is complete and reliable in all material respects.

The City is required to undergo an additional audit designed to meet the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this audit is issued in a separate report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (ACFR) for the fiscal year ending June 30, 2021. This was the 32nd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a

government unit must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The professionalism, dedication, and efficiency of the entire staff of the Department of Finance, the City Auditor, and the City Treasurer made the preparation of this report possible. We would like to express our appreciation to other staff within the City for their assistance and contribution.

Credit must also be given to other professional contributors Citywide.

Respectfully submitted,



J. Brett Taylor
Director of Finance

LETTER OF TRANSMITTAL

The Annual Comprehensive Financial Report (ACFR) is published annually by the Accounting Division of the Department of Finance on the City of Wilmington, Delaware's (the City) financial condition and result of operation at the conclusion of the fiscal year. The ACFR is issued as part of the City Charter mandate to monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise expenditures of the City.

The Letter of Transmittal complements the ACFR, as it provides context for the City's financial statements in presenting basic information on the profile of the government, local economy, financial management policies, and major initiatives of the City government.

Challenging Times for City Governments

As we emerged through the pandemic, the challenges to the City were still present but not as dramatic as they were in FY 2020 and FY 2021. We continue to reinforce the City's position of being residential and business-friendly, as well as a safer, cleaner, more efficiently managed, and more culturally rich City. The City's financial position remains strong, due to strong reserves, restructuring of debt, and reductions in the cost of government. We continue to be guided by our five-year budgeting plan, which has kept the City in a very stable position that supports the underlying efforts of building stronger neighborhoods and more resilient businesses.

In FY 2022, as we have done for the past four years, we controlled costs and kept within budget. We increased our reserves in the General Fund by \$9,148,757 and the Water Sewer Fund by 8,202,693. We continue to meet our obligation to residents and businesses alike to keep spending under control. All of this was done without raising property taxes for a fourth consecutive year. There was an increase of 3.2% in utility rates and 2.0% increase in stormwater rates in FY 2022.

As with many communities across the nation and the globe, the City has been affected by the spread of the coronavirus. The City anticipated possible financial impacts due to the closure of businesses and remote workplace patterns. However, the financial effects were not as great in FY 2021 as anticipated. The City reduced its spending plan as the pandemic took hold and, to our benefit, revenues did not decline as significantly as anticipated. This resulted in surpluses to our General Fund and Water Sewer Fund.

Water service disconnections, sheriff sales and penalties, and interest on utility accounts resumed in FY 2022. Parking enforcement was also resumed. However, the City continued its pandemic response by continuing to offer additional programs to assist residents and businesses, such as the Utility Assistance Program, funded by the federal Coronavirus Aid, Relief and Economic Security (CARES) Act and American Rescue Plan Act (ARPA). In addition, the City partnered with the State of Delaware Low-Income Household Water Assistance Program (LIHWAP) to provide over \$1.2 million in assistance to eliminate or reduce outstanding water and sewer delinquent payments

for City households. The City also continued its payment agreement and penalty and interest assistance programs.

During the pandemic, businesses made decisions about remote work approaches that saw a reduction in the number of employees physically working in the City limits. Earned Income Tax regulations require businesses to withhold 100% of wage taxes for employees who claim their work location within the City. Employees working outside of the City, either part-time or full-time, may file for refunds of the wage tax. For FY 2021 and FY 2022, we have seen the amount of refunds increase from \$1.2 million pre-pandemic to over \$4.2 million respectively. We are also monitoring the wage tax and head tax revenues to ensure that the City is not severely impacted by reduced withholdings due to remote workplace policies. However, we expect wage tax filers to continue filing for refunds at this accelerated rate for the foreseeable future.

The City continues to be the hub for multiple industries, including financial and insurance services, healthcare and social assistance, government, and professional and technology services, accounting for 82% of all jobs in the City. According to the Delaware Department of Labor, the unemployment rate decreased from a high of 19.9% in May 2020 to 6.3% in May 2022. Private investment in the City was approximately \$526 million in calendar year 2021, including developments in the central business district, Riverside, South Wilmington and the Riverfront. New development along the southeastern side of the Christina River is underway, with new road infrastructure and property acquisition for multi-use development.

Our efforts to innovate the City government continue to bear fruit. By improving government operations, we are consistently improving the delivery of services to residents, businesses, and visitors. The City government is becoming more efficient as we hold our managers more accountable and give them more room for innovation and creativity.

The City is committed to supporting individuals and families who enjoy living, working, and having fun in Wilmington, many of whom use various communications platforms to tell others about the benefits of living in our City. The City's many government improvements and its overall financial stability help to sustain the State of Delaware's economy. Our City is the State's hub for new and existing businesses. The City will continue to provide creative opportunities for entrepreneurs to innovate, imagine, invent, and inspire. In doing so, the City is creating new possibilities for employment and investment. Our future continues to look bright regardless of the many challenges ahead.

Profile of the Government

The City of Wilmington, located in the northern part of the State of Delaware, is the largest municipality in the State. Pursuant to Title 22, Delaware Code, 1953, the City was granted the right to exercise all expressed and implied powers and authority of local self-government and home rule under a Charter governed by the Delaware Constitution.

The Charter provides for a mayor and council form of government. Legislative authority is vested in a 13-member council. All members are elected to four-year terms. The City's Chief Executive and Administrative Officer is the Mayor, elected by citizens to a four-year term. The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of the Council. The City Council fixes compensation for all City employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations and borrowings, licensing and regulating of businesses and trades, and other municipal purposes. The City of Wilmington provides a full range of services, such as police and fire protection, maintenance and repairs of infrastructure, recreational activities, and promotes cultural events. The water, sewer, and stormwater services are provided through the Water and Sewer Fund, which has been included as an integral part of the City of Wilmington's financial statements. The annual budget serves as the foundation for the City of Wilmington's financial planning and control.

All departments of the City of Wilmington are required to submit their budget requests to the Office of Management and Budget for inclusion in the comprehensive budget. Annual appropriated budgets are adopted for the General Fund, Water/Sewer Fund, and certain Non-Major Governmental Funds. The appropriations for Non-Major Governmental Funds (Special) are made contingent upon the receipt of funds and are utilized in the manner prescribed by the statutes, ordinances, regulations, resolutions, and/or grants from which they derive. For Fiscal Year 2023, Non-Major Governmental Funds with adopted budgets were Park Recreation Assistance, Community Development Block Grant, Home Partnership Program, Housing Strategic, Economic Strategic, Delaware Criminal Justice Planning and Cable Television. Ninety days prior to the commencement of a new fiscal year, the Mayor must submit to City Council a proposed operating budget. City Council reviews the budget, conducts hearings, and may propose changes in expenditure levels. City Council cannot modify the Mayor's estimates of revenues but may propose changes in the tax levy amount to balance total appropriations and estimated revenues.

Thirty days prior to the commencement of a new fiscal year, the annual operating budget must be enacted through legislation. Appropriations are legislated at the functional level. By legislative action, the annual appropriated budget may be amended. Budgetary transfers within a function at the expense category level (e.g., personal services or materials, supplies, equipment) may be made without legislative approval. Appropriation control is maintained through a budget-tracking process within the accounting system at the functional and object levels. Note 2-B presents expenditures and transfers over appropriations and the cause of these variances.

Economic Condition and Outlook

Our City economy continued to grow as new projects defied the conventional view that the economy was suffering. One thousand apartment units remain on track to be available for occupancy over the next year, bringing the City much-needed tax revenue. While the overall value of the permits decreased from 2021, the number of permits increased, indicating a vibrant development economy.

We continue to see robust business activity, despite the impacts of COVID-19-related changes from companies doing business in the City, such as remote work. The City experienced an increase of refund requests from taxpayers, growing from \$1.1 million in 2019 to \$4.5 million in 2021. However, wage taxes, net profit taxes, and head taxes continue to demonstrate growth, primarily due to wage increases for employees and in some cases, expansion of businesses of our larger employers and new small business opportunities in the areas of entertainment and the influx of residents wishing to relocate into the City.

Much of what we accomplish in government is not glamorous but is still so very important. With the partnership and cooperation of County Executive Matt Meyer, our respective negotiating teams have completed the arduous task of presenting to our governments a new and fair wastewater treatment agreement that has eluded City and County governments for decades. Our thanks to the members of these teams for their hard work and dedication.

We made two operational changes in the City government that will vastly improve customer service for our taxpayers. Our 311 system is designed to improve customer service and increase employee accountability. Every call and online inquiry are tracked and recorded. We now know the response time of every department in dealing with inquiries and complaints of our most valuable customers - our residents. Each year, we can expect over 100,000 calls for everything from special pickups and parking ticket appeals to reporting potholes. Before 311 was operational, the average wait time for a caller was upwards of six minutes. Today it is less than 60 seconds. Excluding Public Works and Licenses & Inspections calls, which by their very nature often require additional levels of assistance to resolve, 63% of all other contacts are resolved in one call. It is a highly effective customer service module and is improving each day as we continue to train our users on its functions. In summary, 311 allows us to identify each and every call to the City and faithfully record our departments' responses to those calls.

The second operational improvement in our government is the reorganizing of our Planning Department into the Land Use & Planning Department. The revamped Department will combine parts of each of the existing departments that currently deal with land use approvals and permits. Applying for building permits, for example, currently requires an applicant to deal with Licenses and Inspections, Planning, Public Works, and the Fire Marshall's Office. These offices are not located together, and try as they might, they do not always coordinate efficiently. Parts of each of these departments will soon be located on one floor to streamline the process of securing building permits for our development community and to make securing permits for small residential applicants considerably more user-friendly.

We are in a time of great social change, which necessarily involves members of our Police Department. These changes involve, among other issues, the existence of Citizens Review Boards, the legislation for which our government adopted a year ago. We have delayed implementation because of the suggested changes by the legislation's sponsor, Councilman Johnson, and now because of proposed State legislation that will define and limit just what role our own board will be

able to play in reviewing allegations of police misconduct. In any case, be assured that a board will be appointed forthwith. Wilmington, like cities across America, was rocked by high levels of violent crime throughout 2021. This unrelenting violence shook our confidence in our ability to protect our neighborhoods and ensure civic tranquility. But this year, while major cities like New York, Chicago, and Philadelphia all experienced continued high levels of violence, and Baltimore had its deadliest year since the seventies, Wilmington's violent crime has plummeted thus far in 2022, proving to be the safest for our citizens since 2015.

In 2021, the City received over \$55 million in funding from the federal American Rescue Plan Act (ARPA). ARPA gives us a once-in-a-generation opportunity to infuse large capital resources in impoverished neighborhoods, community development organizations and nonprofit agencies to revitalize the economic opportunities for citizens, particularly those on the East Side of Wilmington, one of our most historic and yet one of the most neglected parts of town. With the cooperation of the City Council, we have determined to invest ARPA funds in projects that will transform the City, economically and in its quality of living. Funding has been allocated to neighborhood property purchases and renovations, public safety initiatives, and economic development and business lending through the Wilmington Economic Development Corporation (WEDCO).

In addition, we are providing additional funding to public safety initiatives and community engagement projects. We have also agreed to set aside up to \$8 million of ARPA funding for violence reduction. We continue to fund our clean teams, and in fact, have expanded the footprints of affected neighborhoods. Nothing is more noticeable to visitors and residents alike than clean parks, streets, and sidewalks. Delmarva Power informs us that they have recently completed installing LED street lighting throughout the entire East Side, and should have the balance of the 5,900 total lights in the City substantially completed by the end of this fall. The 1,300 city-owned lights have already been retrofitted for LED fixtures, and all lights self-report any outage, so no more long-lasting dark streets.

As with so many endeavors in life, it is difficult to succeed without the cooperation of partners. We selected the East Side in part because of the tremendous commitment made by Governor Carney in improving childhood education, starting with the construction of a new \$80 million-plus Bancroft School. Howard High remains an iconic City educational anchor. Woodlawn Trustees is committing to rehabilitating 60 of its existing residences and to building 20 more new ones. Habitat for Humanity is committed to building 20 more new homes, adding to the projects already completed on Bennett Street on the East Side. Reverend Keeling and Central Baptist Community Development Corporation are already reliable development partners on the East Side with whom we are working.

It is worth mentioning that the exciting development and rehabilitation of our neighborhoods will be largely performed by minority contractors and Disadvantaged Business Enterprises (DBEs), whose participation we have vigorously solicited and supported. In addition, we have partnered

with the Vocational-Technical School District to provide paid training for our young people in the construction trades, a highly compensated gateway to upward social mobility.

Looking Forward in City Government:

The FY 2023 General Fund operating budget expenditures total \$176,865,305 – up \$4,162,904 or 2.4% from FY 2022. To help balance the budget, a 6.0% Property Tax increase was approved, adding annual revenue of \$2.6 million. The median assessment homeowner will pay an additional \$41.76 annually or \$3.48 more per month

The budget contains a \$2.34 million allowance to cover salary increases as dictated by union labor contracts and for a 2.0% cost-of-living-adjustment (COLA) salary increase for non-union employees. In addition, mandatory anniversary salary step increases for certain employees added just over \$574,000 to the budget.

Staffing decreased by a net total of 15.72 full-time equivalents (FTE), and includes changes made in the mid-FY 2022 budget amendment. Personnel actions, including changes in grades and shifts to split-funded positions, resulted in a total net decrease of \$571,989. Total debt service decreased a net \$910,500. Ongoing reconciliation by the City’s auditors of the prorated debt service savings from the November 2020 bond refinancing has resulted in a change to the debt service schedules.

The FY 2023 Water/Sewer Fund operating budget expenditures total \$82,144,457 – up \$2,576,882 or 3.2% from FY 2022. There was a 5.0% increase in water and sewer rates. The projected fiscal impact of the rate changes is an increase of \$2.49 million in revenue to the Water/Sewer Fund in FY 2023. The typical residential customer in the City using 4,000 gallons of water per month will see an increase of \$2.82 to their monthly bill. There was no increase in stormwater rates.

The FY 2023 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware’s water supply, especially in times of drought.

The budget contains a \$146,100 allowance to cover salary increases as dictated by union labor contracts and a 2.0% cost-of-living-adjustment (COLA) salary increase for non-union employees. In addition, mandatory anniversary salary step increases for certain employees added about \$86,500 to the budget. Staffing decreased by a net total of 1.35 FTE. Personnel actions, including changes in grades and shifts to split-funded positions, resulted in a total net decrease of \$94,909. Total debt service decreased a net \$566,576. Ongoing reconciliation by the City’s auditors of the prorated debt service savings from the November 2020 bond refinancing has resulted in a change to the debt service schedules.

Key Major Funding Changes from the Prior Year: General Fund FY 2023

Mayor's Office

- Relative to the FY 2022 budget, total Mayor's Office Personal Services costs decreased by \$216,343, with staffing decreasing by a total of 4.00 FTE. Major changes include:
 - A 2% cost of living adjustment for eligible employees, along with mandatory step increases, added \$113,704.
 - Three positions in Constituent Services were eliminated, for a combined savings of \$288,188: a Constituent Services Officer (savings of \$98,267), a Constituent Services Project Specialist (savings of \$116,594), and a Constituent Services Representative (savings of \$73,327).
 - The Mayor's Office Receptionist position was eliminated for a savings of \$102,112.
 - Three Fiscal & Operations Analysts were upgraded from Grade S to Grade T in the non-union pay scale at an additional cost of \$11,706.
- Two positions in the Office of Cultural Affairs have been retitled: the Marketing and Special Projects Coordinator has been changed to an Event Permitting and Special Projects Assistant, and the Arts and Culture Outreach Specialist has been changed to a Marketing and Special Projects Coordinator. No salary adjustments are associated with these changes.
- \$160,000 has been added to the Advertising line to provide matching funding to the "It's Time" campaign, an ongoing effort to support economic development in Wilmington, with a special emphasis on small businesses.
- Total Consultants costs have increased by \$71,700. This includes \$48,000 to hire two Policy Fellows from local universities. In addition, \$75,000 in funding for HBCU Week events has been moved from Miscellaneous Charges – N.O.C. to the Consultants line, based on how HBCU charges were actually booked in prior years. The total budget for HBCU activities is unchanged from FY 2022.
- Various items budgeted in FY 2022 were eliminated or reduced for a combined savings of \$86,000. This includes a \$16,000 reduction in Temporary Agencies staffing from Mayor's Office front desk coverage; an elimination of \$15,000 in Grants to Agencies funding for WCAC; a \$30,000 reduction in Donation-Community Services for the Curbside Wilmington initiative; and a \$25,000 reduction to Miscellaneous Projects for one-time public space beautification.

- \$375,000 in costs have been removed from the General Fund and are now expected to be spent from American Rescue Plan (ARPA) funds. This includes \$300,000 in Miscellaneous Projects for the Gun Violence Prevention Program and \$75,000 for a Federal grants consultant.
- Debt Service costs decreased by a net \$34,218 per the existing debt service schedule.

City Council

- Personal Services increased by \$69,938. Regular Salaries rose by \$65,006 primarily due to the Chief of Staff salary that is split funded 75% General Fund and 25% CATV Fund. The General Fund portion added \$23,444 which includes salaries and benefits.
- Professional Fees decreased a net \$25,000 due to the elimination of the one-time funding to support last fiscal year's redistricting process.
- Grants to Agencies increased by \$26,000 to support community activities and was offset by an equal decrease in Grants-Scholarship Program.

City Treasurer

- Personal Services in both the General and Pension funds decreased by \$10,768. As a result of the Pension Manager vacancy, Regular Salaries decreased by \$5,464, or 1.0%, partially offset by an increase in Hospitalization, up \$16,801, or 17.5%.
- Temporary Agencies funding was eliminated in all funds, leading to a reduction of \$18,000 in MS&E, as existing full-time employees are sufficient to meet the Department's needs.
- Grants to Agencies decreased by \$3,000; this decrease was partially offset by a \$1,000 increase to Community Services for sponsorships and support to community events.
- The annual self-insurance funding target for retiree Medical Cost in the Pension – Healthcare Fund was increased by \$250,000, bringing the total funding for the program to \$4.5 million for FY 2023.

Department of Land Use and Planning

- The Department of Planning & Development has become the Department of Land Use and Planning. It was reorganized by transferring in those processes, employees, and budget accounts from the Department of Licenses & Inspections related to permitting, plan reviews, and land development. Among other things, the proper integration of processes

- and employees will ensure a more efficient review and response to land development requests.
- Four new positions, the Director of Land Use and Planning, Deputy Director of Land Use, Deputy Director of Planning, and an Administrative Assistant II were created at a cost of \$528,284.
- Two positions, the Director of Planning and Development and the Planning Grant Coordinator, were deleted for a savings of \$238,531. Fifteen positions (including two upgrades) were transferred in from Licenses & Inspections at a cost of \$1,499,825.
- A total of \$525,977 of MS&E accounts were transferred in from the Licenses & Inspections Department. Some of the larger accounts that were transferred in include Demolition (\$350,000), Consultants (\$120,000) and Temporary Agencies (\$15,000).
- Excluding the transfer from Licenses & Inspections, Consultants was reduced by \$40,000 as the duties of the NPC Support Consultant (included in the FY 2022 budget) are being handled by the Senior Planner II.
- The CDBG funding for the Planner II position was eliminated. As a result, the grant funded portion of this position was transferred from CDBG to ARPA. The split with the General Fund remained unchanged, at 55% General Fund and 45% grant funds.

Audit Department

- Personal Services increased by \$37,534, or 5.8%. The increase was driven by increases in Regular Salaries and Employee Benefits, up \$22,442 and \$15,092, respectively.
- Travel and Subsistence increased by \$10,000 following the lift of COVID-19 mandates that limited in-person continuing professional education (CPE) credits.
- Accounting costs increased by \$9,000 for external audit assistance.

Law Department

- Personal Services for FY 2023 rose 4.3% or \$90,622, largely due to increases of 9% in Pension Contributions and 9.7% in Pension Healthcare.
- Regular Salaries were elevated 4.6% or \$66,428, largely explained by regular step increases and cost-of-living adjustments. Additionally, the Nuisance Property

- Administrator received an upgrade (Grade O, Step 7 to Grade P, Step 6) for a total cost of \$1,564.
- LexisNexis electronic legal research expenses increased \$1,068.
- A small \$580 increase in Memberships was largely offset by a \$500 decrease in Miscellaneous Charges.

Department of Finance

- Staffing decreased by a net 2.65 FTE. Two Parking Regulation Enforcement Officer positions were eliminated for a savings of \$137,228. The Revenue Manager position (split funded 35% General Fund and 65% Water/Sewer Fund) was eliminated, saving \$47,391.
- The split-funded Senior Financial Officer position was changed from 80% General Fund/20% Water/Sewer Fund to 50% General Fund and 50% Water/Sewer Fund, resulting in a \$40,457 decrease to the General Fund. Finally, the Delinquent Accounts Supervisor (funded 50% General Fund and 50% Water/Sewer Fund) was upgraded to a Delinquent Accounts Manager at a cost of \$2,659.
- Hospitalization and Pension Healthcare increased a combined total of \$85,541.
- Temporary Agencies increased by \$194,000. Of that amount \$120,000 was added in the Parking Enforcement Division for three staff workers. The budget for additional support for the collections and settlement processes in the Accounts Services Division increased by \$39,000. And required accounting expertise and assistance, especially during the preparation of the Annual Financial Report, added \$35,000 in the Accounting Division.
- Consultants increased by \$78,750 to assist in the preparation of the Annual Financial Report and to help organize the activities of the Billing Division.
- Collection Expense-Parking Citation Commissions increased by \$30,815 to cover a 2.5% increase in the Conduent on-street parking management and citation contract.
- Collection Expense-Red Light Camera Commissions increased by \$38,000 to capture costs associated with the red-light ticket and video enforcement program.
- Collection Expense-Wage & Head Audit decreased by \$198,000 because the Wage Tax Unit will be consolidating its external collections efforts to two firms, thereby reducing the expenses otherwise expected from a broader number of firms.

- Lockbox Charges rose by \$75,000 to cover an increase in the number of transactions processed and was offset by an equal decrease in Credit Card Fees.

Department of Human Resources

- Personal Services increased by 2.4% or \$43,780. This adjustment is summarized by moving three HR Administrators from the E&M classification system to the non-union classification system at Grade T for a total cost of \$10,179.
- MS&E went down 2.3% or \$10,000. This change is largely attributed to a \$15,000 decrease in Miscellaneous Charges related to investigations.

Department of Licenses and Inspections

- The Department of Planning & Development has become the Department of Land Use and Planning. It was reorganized by transferring in those processes, employees, and budget accounts from the Department of Licenses & Inspections related to permitting, plan reviews, and land development. Among other things, the proper integration of processes and employees will ensure a more efficient review and response to land development requests.
- In Personal Services, the position of Deputy Commissioner was deleted, and 15 other positions were transferred to the Land Use and Planning Department. In addition, the salary of the Commissioner was reduced. The total impact of these actions is a reduction of \$1,636,644.
- Materials, Supplies, and Equipment decreased by \$574,476, of which \$525,977 was transferred out to the Land Use and Planning Department. Some of the larger accounts that were transferred include Demolition (\$350,000), Consultants (\$120,000) and Temporary Agencies (\$15,000).
- The contractual amount the City pays to the Delaware Office of Animal Welfare for Animal Control Services increased 2.5% to \$269,365.

Department of Parks and Recreation

- Personal Services increased by \$254,423; this includes a 2% COLA for eligible employees. Regular Salaries increased \$97,516, or 4.9%, while Pension Contribution increased

- \$22,150, or 7.8%. Hospitalization was increased by \$101,033, or 15.7%, due to increased medical and prescription costs.
- Temporary Salaries have risen by \$20,622, mainly due to increased pay rates and total weekly hours for the Youth Career Development (YCD) workers and Youth Workers within the Youth and Families Division. Grant funding from Bank of America and a decrease of 40 YCD Youth Workers will help offset the cost of 75 additional Youth Workers and 8 Junior Counselors.
- Employee Benefits costs increased by \$172,667 due to high pension, medical, and prescription costs.
- With the lift of COVID-19 mask and vaccination mandates, Travel and Subsistence increased by \$12,000, as annual conferences and professional development training resume in-person attendance.
- Based on fewer outdoor events, the contract cost of portable toilets in the Equipment Rental account was decreased by \$10,000.
- The Maintenance Division increased Contracted Maintenance by \$40,000 for various repairs to park fencing, lights, vandalism, and infrastructure damages due to unexpected circumstances.
- Repairs to Building and Structures was increased by \$10,000 to assist with structural maintenance in City parks.
- Equipment costs have decreased by \$10,500 and have largely been reprogrammed to the Consultants line in the Administration Division to assist with the development of innovative community-based programs.

Department of Police

- Relative to the FY 2022 budget, total Police Department staffing across all funds decreased by a net total of 7.00 FTE, for a net Personal Services savings of \$618,121. The General Fund decreased by 9.57 FTE, for a net savings of \$140,121. Uniformed staffing (authorized strength) decreased by seven, to 312 FTE. Major changes include:
 - Seven vacant patrol officer positions were eliminated in the General Fund, for a savings of \$618,121.

- The six School Resource Officers (SRO), currently split funded between the General and Special Funds, have been reallocated to be 100% Special Fund, better reflecting actual costs and school-provided revenues. As part of this reallocation, the General Fund absorbed the City-sponsored pension cost for one of the previously assigned SROs, resulting in a \$478,000 increase to the General Fund.
- Regular Salaries are budgeted to increase by \$2,293,549, exclusive of the position changes listed above. Approximately \$2.2 million of this increase is due to the effects of the new Police Rank and File contract, which took effect during FY 2022 but was not fully budgeted until FY 2023. In addition, the budget provides for a 2.0% cost-of-living adjustment (COLA) for other eligible employees, as well as mandatory step increases as appropriate.
- Combined Overtime costs are budgeted to increase by \$212,650. This includes a \$290,000 increase for regular Overtime and a \$61,000 decrease in Special Events – Overtime, and represents a reallocation of Overtime funding to better reflect historical actual spending.
- Total Employee Benefits are budgeted to increase by a net \$141,897. The largest element of this change is a \$964,214 decrease in the County and Municipal Police / Fire pension, as the required pension rate declined from 16.0% in FY 2022 to 11.3% in FY 2023. Offsetting this is a \$523,903 increase in Hospitalization, and a net \$359,439 increase in the City-sponsored Pension Contribution (due largely to the SRO reallocation mentioned above).
- A Police Cadet Program has been added at a total cost of \$100,000, split between \$75,000 in Temporary Salaries and \$25,000 for Uniforms and Related Equipment. The Police Cadet Program is a police apprenticeship program that provides qualified young men and women a chance to gain valuable experience by working directly with members of the community as well as with sworn officers of the Wilmington Police Department.
- Consultants costs are budgeted to decrease by a net \$103,000, as FY 2023 is an off-year for the biennial promotional process (previously budgeted at \$105,000 in FY 2022).
- Contracted Maintenance Services declined by a net \$40,428. The largest component of this change is the removal of \$185,000 previously budgeted in FY 2022 for the upgrade of the Public Safety Building security camera system. Partially offsetting this are a \$31,000 increase to the Advantech/Harmony maintenance agreement, an \$87,612 contractual increase to the five-year Axon body camera contract, and a variety of other smaller contractual increases.

- Uniforms and Related Equipment increased by \$144,410, excluding the costs of the Police Cadet Program. This includes an additional \$30,000 to replace body armor and outfit the upcoming academy class, a \$52,110 increase to the Axon taser contract, and \$50,000 to replace an expired bomb suit.
- The Equipment category increased by a combined total of \$75,400, including \$35,000 for replacement furniture in the Records Division and \$30,000 for an upgrade to 911 consoles and the CAD (computer aided dispatch) system.
- A variety of other lines have smaller changes: \$10,950 in additional Laboratory Fees for DUI and DNA testing; a \$10,000 increase to the Facilities Management Fees related to the Public Safety Building; an additional \$26,900 in Miscellaneous Supplies or Parts, mainly for crime scene investigation materials, UAV maintenance, and expanded hard drive storage for body camera data; and a net \$18,500 decrease in Ammunition costs.
- Debt Service costs increased by a net \$38,457 per the existing debt service schedule.

Department of Fire

- Salaries and Wages are budgeted to increase by \$756,042. Regular Salaries are up \$374,682 as per the IAFF Local 1590 contract and mandatory step increases. In addition, Overtime has been increased by \$370,000 to better reflect prior year actuals and ensure minimum staffing requirements are met while avoiding the use of rolling bypass.
- Total Employee Benefits are down \$373,434. City-sponsored pensions are budgeted to decrease by \$483,069, due in large part to an increase of \$475,037 in State Pension Contribution passthrough (which acts as an offset to the City pension contribution requirements). In addition, the rate for the County and Municipal Police / Fire pension declined from FY 2022, for a savings of \$460,411.
- Travel and Subsistence includes an additional \$16,000 to cover offsite training at the Fire Department Instructors Conference (FDIC) and Fire Department Training Network (FDTN) conference, as well as an additional \$4,000 for Fire Marshal's Office training.
- Consultants declined by a net \$26,500. This is due in part to FY 2023 being an off-year for the biennial promotional exam (previously budgeted at \$45,000 in FY 2022). This decrease is partially offset by the addition of testing of new recruits at a cost of \$10,000.
- Registration Fees are budgeted to increase by \$70,320. \$31,820 of this increase is due to the cost of the rookie class hiring process, which was previously funded with a State grant.

- In addition, \$17,000 was added for biennial EMT certification renewal, and \$7,500 was added to provide additional driver training.
- Wearing Apparel and Safety is up \$100,873 across all lines. With State grant funding no longer available, costs related to the upcoming rookie class had to be absorbed by the General Fund, including \$91,476 for protective gear and \$11,000 for new uniforms.
- \$15,000 has been added to reinstitute the Fire Explorer Program, which had been temporarily deferred due to COVID. The Fire Explorer Program provides young men and women from the Wilmington with hands-on experience in the fire service.
- Debt Service costs increased by a net \$102,524 per the existing debt service schedule.

Department of Real Estate and Housing

- Personal Services decreased by a net 8.3% or \$25,385, largely due to the elimination of the GIS Technician I position, which was split-funded between the General and CDBG funds. This change in staffing saved just over \$33,000 in each fund respectively.
- MS&E remained essentially at the same level with a 0.6% or \$10,527 increase. This slight increase was largely due to a \$10,000 addition to the Consultants line for GIS services as a result of the deletion of the GIS Technician I position.
- Debt Service decreased by 44.7% or \$1,682,433 according to Accounting's debt service schedule.
- Funding will continue at the same level to support the following Mayoral priorities:
 - \$700,000 allocated for the Clean Team program. This program, now heading into its fifth year, hires local residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.
 - \$500,000 granted to the Wilmington Neighborhood Conservancy Land Bank, which was established to acquire, manage, and maintain vacant, abandoned, and foreclosed properties to restore and re-purpose them into productive use.
 - \$50,000 toward the Live Near Your Work initiative, which is a program whereby a City of Wilmington employee can earn up to \$4,000 in down payment and settlement assistance toward the purchase of a home in the City.

Department of Public Works

- In Personal Services, two split-funded (50% General Fund and 50% Water/Sewer Fund) positions were deleted and replaced by two new positions with the same split-funded allocation. The two positions eliminated were Account Technician and Construction Inspector.
- A Utilities Facilities Program Administrator and Administrative Services Coordinator will replace the deleted positions. In addition, a vacant Signal Electrician was upgraded to a Senior Signal Electrician; a split-funded (25% General Fund and 75% Water/Sewer Fund) Administrative Assistant I was upgraded to an Administrative Assistant II, and the Administrative Coordinator (split-fund 50% with the Water/Sewer Fund) was upgraded to Special Assistant to the Public Works Commissioner. All the changes resulted in a net increase of \$14,558.
- Regular Salaries rose by \$261,456 due to employee anniversary step increases, a city-wide 2% cost of living adjustment, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. Hospitalization and Pensions healthcare increased by \$219,964 and \$45,022.
- Contracted Maintenance increased by \$79,164 due to the high maintenance cost to existing structures and increased CityWorks service requests.
- Recycle Bank Program increased by \$83,187 based on the Vision Software Solution for asset tracking. The city-wide municipal solid waste container program is heading into the fourth year of a five-year program.
- Xmas Lights & Other Decorations increased by \$18,000 due to Holiday decoration maintenance, storage, set-up/breakdown, tree ornaments, and pole decorations.
- \$27,500 from Roadway Markings was reallocated to Traffic Signs and Signals for Miscellaneous LEDs, Reflective Signs, and Signal Heads.
- Debt Service increased by \$225,686 according to the revised debt service schedule from the Accounting Division.

Department of Information Technologies

- Personal Services increased by 2% or \$44,841 with \$20,011 of this increase due to regular step increases and cost-of-living adjustments. While Hospitalization and Pension

Healthcare costs were 8.1% and 9.7% higher than last year, respectively, a 2.9% decrease in Pension Contributions offset a portion of this overall increase.

- Spending decreased for Computer Software Licenses by \$117,576, mainly due to last year's budget including a one-time purchase of Employee Benefits Enrollment and Administrative software which cost \$100,000.
- Consultant fees increased by 12.3% or \$196,400 in large part to provide funding for the development of Land Use permitting software.
- Repairs to Mechanical Office Equipment climbed \$53,741 driven by an additional \$25,000 to replace network routers within the Fire Department.
- \$25,000 was allotted for fixes and replacements of Fire and L&I radios.
- Costs for Other Noncapitalized Equipment rose by \$137,868 to fund departmental requests including:
 - 12 Ethernet switches for Fire (\$39,000)
 - 12 Rugged laptops for Fire (\$21,360)
 - Upgraded technology for computers, screens, audio, and video in the Treasurer's Office (\$35,000)
- Capital Lease Debt Service rose by \$280,000, reflecting the mid-year budget amendment purchase of a new system to replace the City's Storage Area network, protecting against ransomware.

Key Major Funding Changes from the Prior Year: Water Fund

Department of Finance

- Staffing decreased by a net 0.35 FTE. The Revenue Manager position (split-funded 65% Water/Sewer Fund and 35% General Fund) was eliminated, saving \$88,013. The split-funded Senior Financial Officer position was changed from 20% Water/Sewer Fund and 80% General Fund to 50% Water/Sewer Fund and 50% General Fund, resulting in a \$40,457 increase to the Water/Sewer Fund. Finally, the Delinquent Accounts Supervisor (funded 50% Water/Sewer Fund and 50% General Fund) was upgraded to a Delinquent Accounts Manager at a cost of \$2,659.

- Overtime increased a net \$8,700 to resolve quality issues in the Customer Information System for Utility Billing.
- Printing and Advertising decreased by \$15,500 based on previous years' actuals.
- Consultant funding of \$392,500 in FY 2022 for phase one of the utility billing initiative is being replaced in FY 2023 with a lesser amount (\$150,000) required for the implementation phase, saving \$242,500. Offsetting this savings is an increase of \$111,250 to assist in the preparation of the Annual Financial Report and to help organize the activities of the Billing Division.
- Temporary Agencies increased a net \$60,000. While there were minor decreases in some of the Water/Sewer Fund divisions, they were more than offset by a \$75,000 increase in the Accounting Division to provide expertise and assistance in the preparation of the Annual Financial Report.
- Miscellaneous Charges-N.O.C increased by \$110,000 to expand staffing for the 311 Call Center. The Center allows residents to request a service, report a problem, or direct a question to City government officials.
- The Indirect Costs expense went up by \$59,982, reflecting the recent revisions to the cost allocation model based on new usage surveys.
- Furniture & Equipment increased by \$4,000 to replace furniture and office equipment throughout the Department due to wear and tear.

Department of Public Works

- In Personal Services, five various vacant positions (two of which were split-funded 50% with the General Fund) were eliminated, and four positions (two of which are split-funded 50% with the General Fund) were added for a savings of \$68,175. In addition, a split funded (75% Water/Sewer Fund and 25% General Fund) Administrative Assistant I was upgraded to an Administrative Assistant II; the Administrative Coordinator (split-funded 50% with the General Fund) was upgraded to Special Assistant to the Public Works Commissioner; a GIS Technical II was upgraded to a GIS Analyst II; and all eight Plant Operator IIIs were upgraded from Grade H to Grade J in the Local 320 union pay scale. The effect of the above-listed upgrades was an increase of \$18,161.
- Regular Salaries rose by \$203,613 due to employee anniversary step increases, a city-wide 2% COLA, mandatory step increases for non-union classified employees, and mandatory

annual reviews for executive and managerial employees. Hospitalization and Pensions healthcare increased by \$57,776 and \$35,100.

- Combined, Repairs to Sewer Lines and Condition Assessment increased by \$440,000, reflecting emergency sewer line repairs, increased flood point inspections, additional footage of sewer pipes, and cleaning of sewer interceptors.
- Legal fees were increased 40% (from \$500,000 to \$700,000) to cover arbitration and legal proceedings against New Castle County (wastewater treatment contract), the Army Corps of Engineers (unpaid stormwater bills), and Honeywell (breach of contract regarding the renewable energy bio-solids facility).
- Consultant expenses increased by \$99,500 due to the need for on-call assistance for utility billing operations that include analytical support, benchmarking, and related services.
- Contract Maintenance Services increased by \$960,400. Nearly all of the increase is due to Jacobs's contract fee to operate and maintain the City's sewage treatment plant and manage the City's renewable energy bio-solids facility.
- Engineering Costs rose by \$209,000 due to replacing obsolete equipment at the Brandywine Membrane Plant, increased inspection, and oversight at the WWTP, and continued consulting on local limits analysis.
- The current effects of COVID-19 have driven the prices of dozens of chemicals up by more than 100%. Some of the affected chemicals are used in the City's Porter and Brandywine filter plants for water treatment. In addition, new types of specialty chemicals are needed to clean the membranes at the Brandywine Plant. As a result, Bulk Chemicals increased by \$175,000.
- Agricultural and Landscaping increased by \$50,000 for park tree maintenance, tree removal, and emergency hazard mitigation for street trees.
- Due to low inventory to monument boxes, catch basins, and maintenance hole covers, Materials and Supplies for Roads increased by \$75,500 to replenish casting inventories.
- Indirect Cost charges increased by \$190,654, reflecting a budgeted increase in supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.
- Total Debt Service decreased a \$564,749. Ongoing reconciliation by the City's auditors of the prorated debt service savings from the November 2020 bond refinancing has changed the debt service schedules.

Key Major Funding Changes from the Prior Year: Internal Service Funds

Department of Human Resources

Risk Management

- Temporary Salaries went up 33.3% or \$11,280 as the Risk Manager position is now split funded 67% Risk Management Fund and 33% Workers' Compensation Fund. Last fiscal year, this position was split equally between the Risk Management and Workers' Compensation Funds.
- Liability rose 24.2% or \$205,303. This increase is tied to heightened costs for Excess General Liability (up \$126,170) and Cyber Insurance (up \$79,272). Crime Policy went down \$139.
- Projections for spending relating to a Fair Labor Standards Administration case and allotments for Contingency items caused Insurance Claims – Legal Defense to increase by 21.2% or \$140,000.

Workers Compensation

- Temporary Salaries went down 26.0% or \$11,940 mainly due to the Risk Manager position now being split funded 33% Workers' Compensation Fund and 67% Risk Management Fund.
- Last fiscal year, this position was split equally between the Workers' Compensation Funds and Risk Management.
- Pension Contributions decreased by 24.2% or \$17,008. The contract costs for the City's physician decreased \$25,000. Self-Insurance rose 14.9% or \$539,446 to match the actuarially derived costs for Medical (up \$92,623), W/C- Indemnity (up \$155,433), and Other (up \$290,523).
- The contract costs for the City's physician decreased by \$25,000.
- Self-insurance rose 14.9% or \$539,446 to match the actuarially derived costs for Medical (up \$92,623), W/C Indemnity (up \$15,433) and Other (up \$290,523).

Health And Welfare

- Personal Services increased by 4.9% or \$19,742 including the cost of a \$6,380 upgrade for the Employee Benefits Operations Administrator.
- Teladoc expenses substantially dropped, particularly for Teletherapy which decreased \$25,000. In addition, a total of \$69,000 in Telehealth expenses were moved from Consultants to a new account in Self Insurance (Telehealth).
- Self-Insurance rose a net 7.3% or \$1,440,265 due to Medical Costs (up \$1,377,407), Dental (up \$80,630), Stop Loss (up \$143,462), and Medical Admin Fees (down \$131,454).

Economic Development Activity

Wilmington remains a key component of the \$460 billion Philadelphia-Wilmington-Camden metropolitan economy, enjoying all of the metro-wide area's economic advantages of a region of 6.3 million people but with a lower comparable cost-of-living, shorter commutes, and a centralized location that allows easy access to all the major mid-Atlantic metro areas. These fundamental strengths will remain, despite the continued economic challenges. Ongoing investment in, and transformation of, the City's Downtown, Riverfront, and residential neighborhoods will help Wilmington remain regionally and nationally competitive.

Wilmington continues to make steady progress in recovering from the economic impacts of the COVID-19 pandemic. The number of employed Wilmington residents reached 32,181 (out of a population of 70,750) in April 2022, which exceeds the number of employed Wilmington residents before the pandemic. The total number of jobs located within the City, regardless of residency, remained stable at 46,218 in 2021. While this is a significant increase from the low of 44,160 jobs in April 2020, it is still below the historical average of 50,000 jobs. According to the Delaware Department of Labor, the unemployment rate decreased from a high of 19.9% in May 2020 to 6.3% in May 2022. This decrease paralleled the national unemployment trend and was consistent with the historical gap of about 2.5 percentage points greater than the State of Delaware's unemployment rate.

Industries with the highest number of jobs in the City include finance and insurance, government, credit intermediation, health care and social assistance, and professional and technical services.

Collectively these five industries accounted for 82% of the total number of jobs in the City in 2021. While the long-term impacts of COVID on these sectors are currently unknown, no major layoffs have been announced as of June 2022. Industries that successfully operated remotely during the pandemic are dealing with the broader workforce preference toward remote work and hybrid work models. To help mitigate the effects of the economic downturn, the Office of

Economic Development (OED) has been connecting small businesses with assistance from both private funding sources as well as American Rescue Plan Act funds for qualified uses. OED will continue to administer Curbside Wilmington to support restaurants in obtaining the permits and fencing necessary to offer outdoor dining utilizing outdoor dining areas.

Incentive Program

Through the Strategic Fund Incentive Program, the Office of Economic Development tracks employment figures across 50 companies of varying sizes and types. The wage taxes collected from this “index” of 50 companies remained steady at \$11 million. This reliable trend of annual wage taxes generated from the Program is a key indicator of its efficacy. As incentive contracts expire, participating businesses continue to generate wage tax revenue as they grow. Since the initial creation of the Strategic Fund in 2002, the Program has provided nearly \$17 million in incentive payments to businesses, yielding approximately \$127.5 million in Wage Taxes to the City’s General Fund. A \$1.2 million transfer to the Economic Strategic Fund from the Tax Stabilization Reserve portion of the General Fund Balance was approved as part of the FY 2022 Annual Operating Budget Ordinance. Of that amount, \$250,000 is set aside for Small & Minority Business Development.

Businesses Development

Delaware is home to a talented financial services and technology workforce, which has its roots in the 1981 State of Delaware Financial Center Development Act and the expansion of the consumer finance and credit card industries that followed. Accordingly, Wilmington has a deep pool of existing financial services and technology talent. Nearly one-fourth of the jobs located in Wilmington are related to financial and technology services, with sub-type specialization in consumer lending, bank operations, digital banking and user experience, risk management, and predictive analytics. Wilmington also has a strong pipeline of new financial services and technology talent coming from local colleges and universities; business, management, marketing, and related support services were the most popular degrees awarded in 2022, with 17,337 graduates within a 35-mile radius of Wilmington. The Wilmington corporate banking community remains strong in Wilmington, with national brands like Barclays, Goldman Sachs, Bank of America, Capital One, JPMorgan Chase, Citi, Navient, and TD Bank having a strong presence in the City. Growth in the sector also includes local corporations such Fairsquare, College Ave, Acorns, Epic Research, Compass Red Analytics, Bounteous, and Carvertise.

Additional business development highlights include:

- Goldman Sachs started operations in the consumer credit and lending division at Wilmington’s Riverfront in Spring 2021. They currently employ 100 full-time employees with expectations to hire 50 more employees. These full-time jobs will focus on Marcus and Apple Card products, as well as any future consumer products.

- Light Action Productions completed construction of its \$15 million facility in the 7th Street Peninsula which includes the Pine Box. The Pine Box is a 25,000-square-foot soundstage that will provide a home for touring bands, film crews, and theater productions in Delaware to build sets, practice performances, and test sound and lighting systems. Light Action Productions plans to commence operations in Summer 2022, with expectations to hire 80 people in its first three years.
- Investor Cash Management relocated its headquarters from Chicago in 2022 and plans to create 395 new jobs in the City of Wilmington. The financial technology company offers a cash management account that combines securities with digital transaction currencies.
- New Jersey-based Advantage Building Supply and Zulu Fire Doors, LLC expanded their operations at the former Electric Hose and Rubber Company site in Wilmington's Riverside neighborhood.
- Advantage Building Supply has invested over \$8 million into renovating the property, with plans to employ 118 people over the next three years in an expansion of its material supply and door manufacturing businesses.

Real Estate Development

Private investment in Wilmington was approximately \$526 million in 2022, including projects that are in development or recently completed. Investment in the multi-family housing market remains an area of focus for the City. The expansion in this market allows for new residents to relocate to Wilmington, contributing to wage tax growth and expanding the City's professional workforce – a key consideration of business relocation. Office to residential conversions, such as the 901 Market Street Tower and Lincoln Square renovations, have also added to the inventory of residential units. In total, there are 18 residential projects in development, accounting for 1,310 new units throughout the City.

Other real estate development highlights include:

- Reach Riverside completed construction of Imani Village, a mixed-income community that offers 74 high-quality units, with apartments set aside for seniors, veterans, and individuals with disabilities. Phase I is a part of a multi-phase redevelopment of the City's northeast Riverside neighborhood.
- The Buccini Pollin Group and Method Residential started construction on the former Security Trust & Safe Company Building, located at 519 North Market Street, to renovate the building into a 24-room boutique hotel. The renovated site will also offer a 155-seat

ground-floor restaurant with courtyard dining, a lower-level cocktail lounge, and Wilmington's first rooftop bar and event space

- Westrum Development Company has purchased the property at 340 S. Market St. with plans to develop the property into 193 upscale apartment units with on-site parking adding another residential option for Riverfront East.
- An indoor-outdoor food hall named the Chancery Market is under construction at the northern end of Wilmington's central business district. The \$5 million, 12,000 square foot project will bring 11 vendors and entertainment options to be managed by Brooklyn-based creative consulting and management firm Hospitality HQ, which developed and manages ten other similar projects in cities across the country.
- Washington Place Equities continues construction of River House, a \$28 million apartment complex, bringing 145 new residential units to South Wilmington with an estimated completion date of Spring 2023.
- Crosby Hill, a \$62 million apartment complex located at 5th and Shipley Street, remains under construction with a leasing date expected in 2023. The new complex will add 208 units to Wilmington's Downtown area, spread over two four-story buildings and one 11-story building.
- Yada Properties continues construction of the former Saville building, located at 521 North King Street, converting the 42,000-square-foot building into a mixed-use building featuring 42 residential units in Wilmington's Downtown area along with commercial space on the first floor.

Riverfront Development

The Riverfront Development Corporation revealed the Riverfront East masterplan in May 2021. The first phase of the project includes construction of infrastructure needs like stormwater management, roadways, and parking areas. A riverwalk and central green space will also be built in phase one, which should be completed by the end of 2023. Phase one is expected to cost \$30 million and create nearly 200 construction jobs. The City of Wilmington was awarded a U.S. Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant in 2021 to help fund the infrastructure improvements proposed for Riverfront East.

Riverfront East will feature 86 acres of mixed-use opportunity including:

- 4.7 million square feet of space
- 4,291 new residential units
- 1.9 million square feet of commercial office space

- 357,000 square feet of retail space
- Four major green spaces
- 650 on-street parking spaces
- 8,900 spaces in parking garages

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilmington, Delaware, for its comprehensive annual financial report for the fiscal year ending June 30, 2021. This was the 32nd consecutive year that the City of Wilmington received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Wilmington received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated for the fiscal year beginning July 1, 2021. To qualify for the Distinguished Budget Presentation Award, the government's budget documentation was judged to be proficient in several categories, including a policy document, a financial plan, an operations guide, and a communications medium. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium. The award is valid for a period of one year.

Acknowledgments

The preparation of this report would not have been accomplished without the efficient and dedicated services of the staff of the Department of Finance, Office of Management and Budget, City Treasurer, Audit, Law, other City departments, various elected and appointed officials, and the efforts of our independent auditors, Belfint, Lyons and Shuman P.A. We would like to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. We wish to acknowledge the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Wilmington.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wilmington
Delaware**

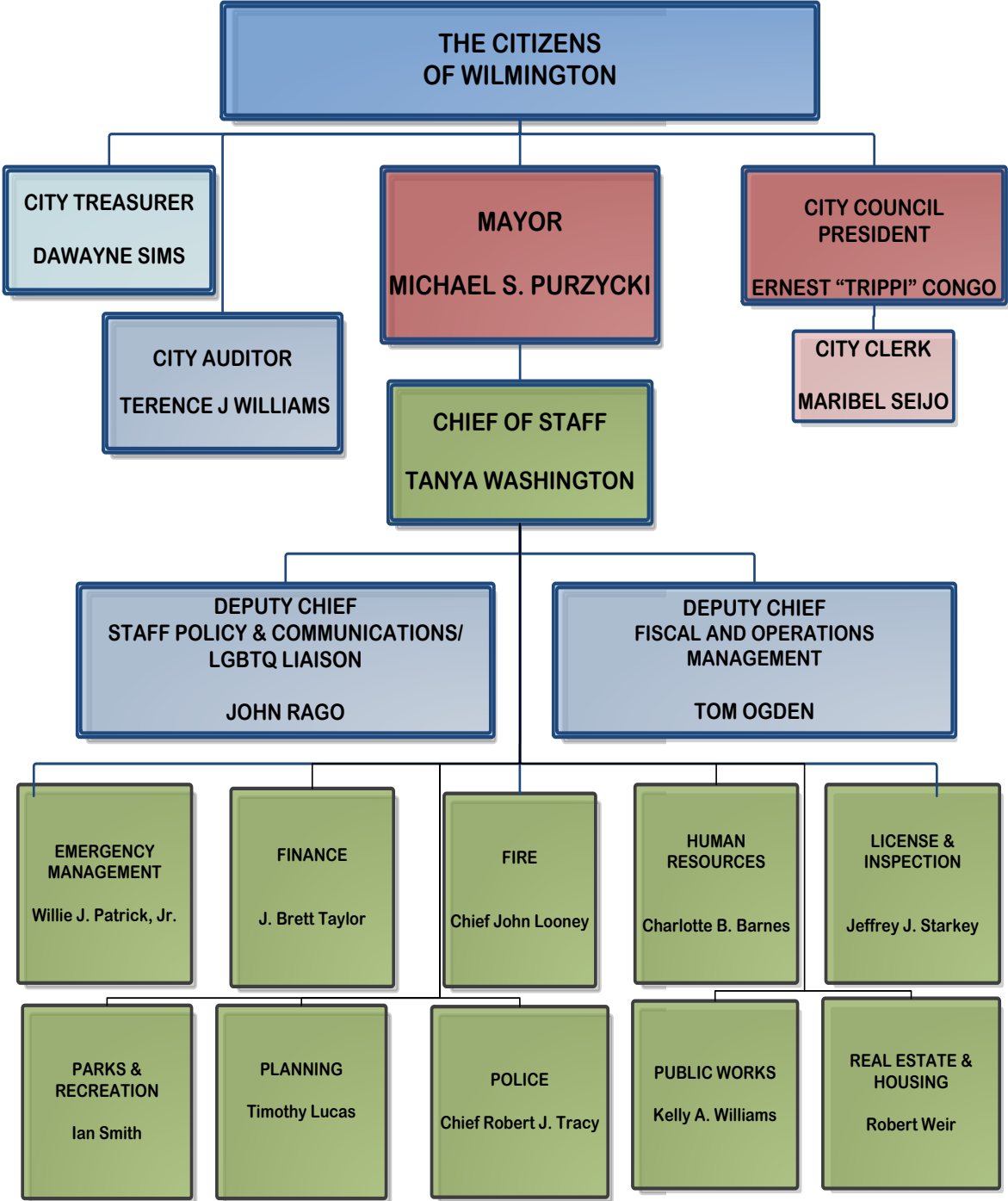
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF WILMINGTON ORGANIZATION CHART



City of Wilmington
Listing of Principal Officials
June 30, 2022

Mayor
City Treasurer

Michael S. Purzycki
DaWayne Sims

City Council

President
1st District
2nd District
3rd District
4th District
5th District
6th District
7th District
8th District
Council Person at Large
Council Person at Large
Council Person at Large
Council Person at Large

Ernest “Trippi” Congo
Linda M. Gray
Shane’ Darby
Zanthia Oliver
Michelle Harlee
Bregetta A. Fields
Yolanda McCoy
Chris Johnson
Nathan Field
Albert “Al” Mills
Maria D. Cabrera
Loretta Walsh
James Spadola

Department Heads

Chief of Staff

City Solicitor
City Auditor
Clerk of Council
Economic Development
Emergency Management
Finance
Fire
Human Resources
Licenses and Inspections
Parks and Recreation
Planning
Policy & Communications
Public Works
Real Estate and Housing

Tanya Washington

Robert M. Goff, Jr.
Terence J. Williams
Maribel Seijo
Sean Park
Willie J. Patrick, Jr.
J. Brett Taylor
John Looney
Charlotte B. Barnes
Jeffrey J. Starkey
Ian Smith
Timothy Lucas
John Rago
Kelly A. Williams
Robert L. Weir

City of Wilmington

City Council Members

The Wilmington City Council is the legislative body of the City of Wilmington. Its 13-member leadership includes the Council President, eight district Council members representing different geographical districts within the city, and four Council Members-at-Large. This is the 108th Session of the City Council.



Ernest "Tripp" Congo
City Council President



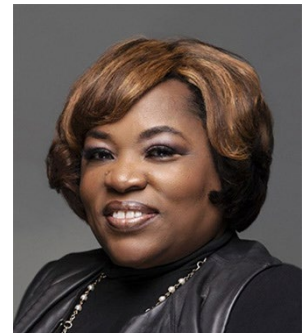
Linda M. Gray
1st District



Shane' N. Darby
2nd District



Zanthia Oliver
3rd District



Michelle Harlee
4th District



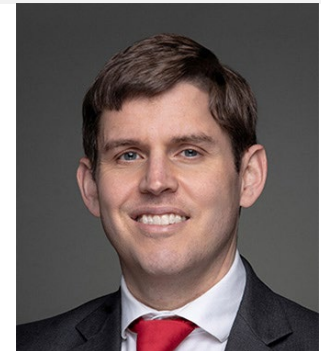
Bregetta A. Fields
5th District



Yolanda McCoy
6th District



Chris Johnson
7th District



Nathan Field
8th District



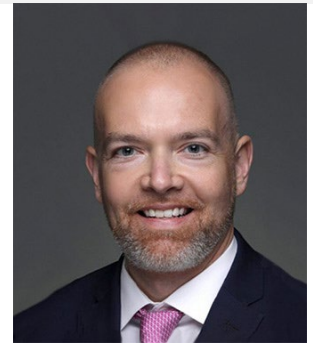
Albert "AP" Mills
At-Large



Maria D. Cabrera
At-Large



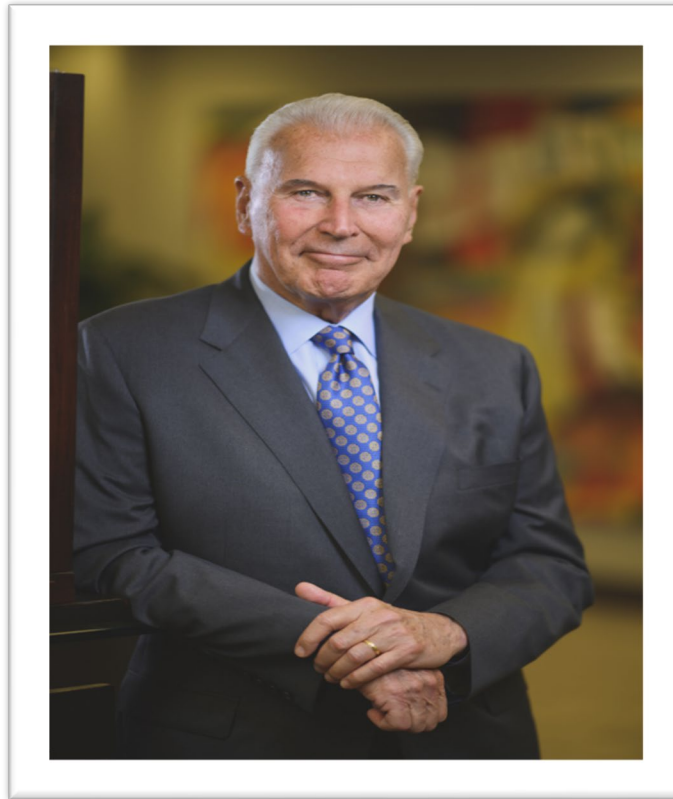
Loretta Walsh
At-Large



James Spadola
At-Large

City Of Wilmington
Delaware

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2022



Michael S. Purzycki
Mayor

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Independent Auditor's Report

To the Honorable Mayor and Members of City Council
City of Wilmington, Delaware

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilmington, Delaware (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following discretely presented component units: Christina Gateway Corporation, Wilmington Parking Authority, Wilmington UDAG Corporation, and Riverfront Wilmington Business Improvement District, which represent 88.3%, 88.6%, and 59.7%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the following blended component units: Wilmington Park Trust Fund Commission and Cityfest, Inc. which are reported as nonmajor special revenue funds, which represent 36.0%, 55.4%, and 2.0%, respectively, of the assets, fund balance, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Christina Gateway Corporation, Wilmington Parking Authority, Wilmington UDAG Corporation, Riverfront Wilmington Business Improvement District, Wilmington Park Trust Fund Commission, and Cityfest, Inc. is based solely on the reports of the other auditors.

To the Honorable Mayor and Members of City Council
City of Wilmington, Delaware

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Honorable Mayor and Members of City Council
City of Wilmington, Delaware

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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 18 and Schedules 1 through 7 on pages 110 through 139, 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 and other auditors 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.

To the Honorable Mayor and Members of City Council
City of Wilmington, Delaware

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the combining and individual fund financial statements and schedules (as listed in the table of contents) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

March 23, 2023
Wilmington, Delaware

CITY OF WILMINGTON, DELAWARE

Management's Discussion and Analysis

June 30, 2022

The Mayor and City Council of the City of Wilmington are pleased to present to readers of the financial statements of the City of Wilmington this narrative overview and analysis of the financial activities of the City of Wilmington for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with the additional information furnished in the letter of transmittal.

Financial Highlights

Government-wide

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$297,303,799 (net position), an increase of \$48,449,842 from the previous year. The net position of governmental activities increased by \$40,478,577 from the prior year, while the net position from business activities increased by \$7,971,265.
- Discretely presented component units reported net position of \$54,959,070, a decrease of \$213,352 from the previous year.

Fund Level

- As of the close of the current fiscal year, the City of Wilmington's governmental funds reported combined ending fund balances of \$92,939,381, an increase of \$3,581,811 from the previous year. The Fund Balance reported is: Non-spendable Fund Balance of \$5,031,378; Restricted Fund Balance of \$17,728,138; Committed Fund Balance of \$70,928,571, Assigned Fund Balance of \$915,078, and Unassigned Fund Balance of (\$1,663,784). (See page 22 for a detailed breakdown).
- The General Fund had a combined fund balance of \$71,666,405 consisting of \$4,068,641 of non-spendable fund balance and \$67,432,971 of committed fund balance.
- The Capital Projects Fund had a restricted fund balance in the amount of \$9,325,257 to fund current and future City capital improvements.
- The Total Non-Major Funds have a combined fund balance of \$11,947,719 consisting of \$962,737 of non-spendable, \$3,495,600 of committed, \$8,238,088 of restricted, assigned fund balance of \$915,078 and (\$1,663,784) of unassigned.

Long-Term Debt

- The City's total net general obligation debt decreased to \$314,980,650 at June 30, 2022, a decrease of \$20,107,518. Water and sewer projects had a net decrease in debt of \$10,118,522 and governmental capital projects had a net decrease in debt of \$9,988,996.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City of Wilmington's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Wilmington's finances, in a manner similar to a private-sector business.

The Statement of Net Position (page 20) presents information on the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicators as to whether the financial position of the City is improving or deteriorating.

The Statement of Activities (page 21) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, 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., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statements also present financial information for the City's component units.

- *Governmental Activities* – Most of the City's basic services are reported in this category. Taxes and intergovernmental revenues generally support these services. Services provided include General Governmental Services, Real Estate and Housing, Public Works, Parks and Recreation, and Public Safety. Also included is the Wilmington Park Trust Commission (The Trust), Cityfest, Inc. and the Wilmington Housing Partnership Corporation (WHPC) which are presented as blended component units. The Trust was organized for the purpose of financing the maintenance and improvements of the parks in and around the City of Wilmington, Cityfest, Inc. manages cultural events and WHPC supports housing initiatives.
- *Business-type Activities* – The City charges fees to customers to help cover all or most of the cost of certain services provided. The City provides water, wastewater, and stormwater treatment services. Business-type Activities also includes the operations of the Wilmington Neighborhood Conservancy Land Bank, a blended component unit that was formed to address blight and vacant property issues with the City of Wilmington.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the City is financially accountable. The City includes the following component units in this report: Christina Gateway Corporation, Wilmington UDAG Corporation, Wilmington Parking Authority, Rock Manor Golf Corporation, Wilmington Downtown Business Improvement District (Downtown Visions), and Riverfront Wilmington Business Improvement District.

Fund Financial Statements. The fund financial statements begin on page 22 and provide detailed information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Most of the City's basic services are reported in the governmental funds, which focus on how cash flows into and out of those funds and the balances left at year end that are available for future spending. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided to explain the differences between the Governmental Funds Balance Sheet and the Statement of Net Position and between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (page 23) and the Statement of Activities (page 25). These funds are reported using the modified accrual basis of accounting, which primarily measures cash and other financial assets, available to satisfy current liabilities. Governmental funds of the City include the General Fund, the American Rescue Plan Act Fund, Special Revenue Funds (Other Governmental Funds), and the Capital Projects Fund.
- *Proprietary Funds* – When the City charges for the services it provides, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize the accrual basis of accounting, the same method used by private sector businesses. The Enterprise funds report activities that provide supplies and services to the general public: water, sewer, and stormwater management services through the Water and Sewer Fund, and the development of vacant and abandoned property through the Wilmington Neighborhood Conservancy Land Bank Corporation (a blended component unit). The Internal Service Funds report activities that provide supplies and services for the City's other programs and activities – motor vehicle charges, health insurance, and workers' compensation and risk management.
- *Fiduciary Funds* – The City acts as a fiduciary to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Wilmington's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found beginning on page 34 of this report. These funds are used where the City holds assets in trust for others and includes the pension trust funds. Complete financial statements with accompanying notes of the Firefighter's Pension Plan and the Police Pension Plan can be obtained from the City of Wilmington, Treasurer's Office.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 38 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. The required supplementary information can be found beginning on page 110.

Other Information. Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in a single column in the basic financial statements, but they are not reported individually, as with major funds, on the governmental

fund financial statements. Detailed General Fund budget information as well as combining and individual fund statements begin on page 141.

Statistical Section. The City provides certain unaudited informational and statistical schedules that begin on page 161.

Financial Analysis of the Government as a Whole

Net Position. A year-to-year comparison of net position is as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$224,244,801	\$174,329,825	\$61,856,035	\$71,781,052	\$286,100,836	\$246,110,877
Capital assets(net)	218,354,168	216,129,523	365,597,388	364,822,424	583,951,556	\$580,951,947
Total Assets	\$442,598,969	\$390,459,348	427,453,423	436,603,476	870,052,392	827,062,824
Deferred outflows of resources	33,194,519	19,878,225	2,132,112	2,121,801	35,326,631	22,000,026
Long-term liabilities	265,902,020	228,151,041	226,000,744	221,071,433	491,902,764	449,222,474
Other Liabilities	48,747,571	71,325,559	10,053,489	31,218,382	58,801,060	102,543,941
Total Liabilities	314,649,591	299,476,600	236,054,233	252,289,815	550,703,824	551,766,415
Deferred inflows of resources	56,290,910	46,486,563	1,080,491	1,955,915	57,371,401	48,442,478
Net Position						
Net Investment in Capital Assets	109,045,808	101,680,177	163,129,284	156,459,108	272,175,092	258,139,285
Restricted	63,611,817	14,930,228	28,751,928	27,226,004	92,363,745	42,156,232
Unrestricted	(67,804,638)	(52,235,995)	569,600	794,435	(67,235,038)	(51,441,560)
Total Net Position	\$104,852,987	\$64,374,410	\$192,450,812	\$184,479,547	\$297,303,799	\$248,853,957

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding, \$272,175,092. The City uses these capital assets to provide services; consequently, these assets are not currently available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portions of the City's net position are either restricted or unrestricted and show balances of \$92,363,745 and (\$67,235,038) respectively. Unrestricted net position may be used to meet the government's ongoing obligations. At the end of the current fiscal year, the City's total net position was \$297,303,799.

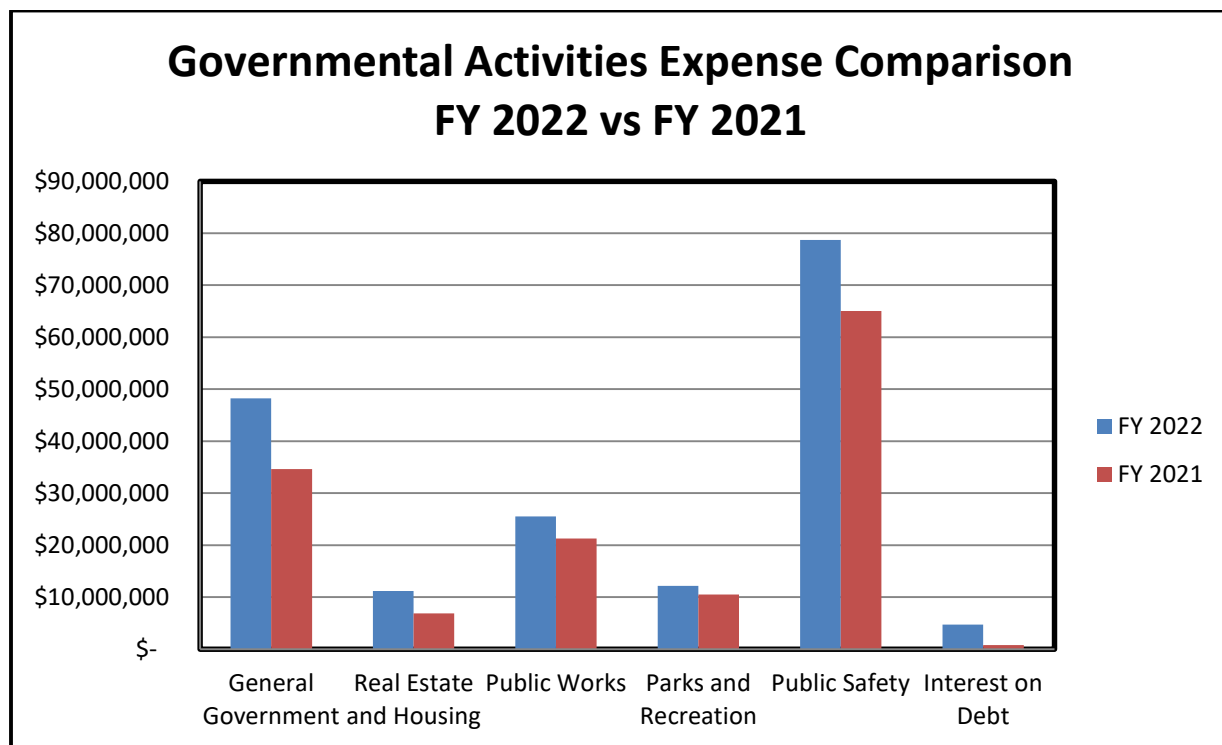
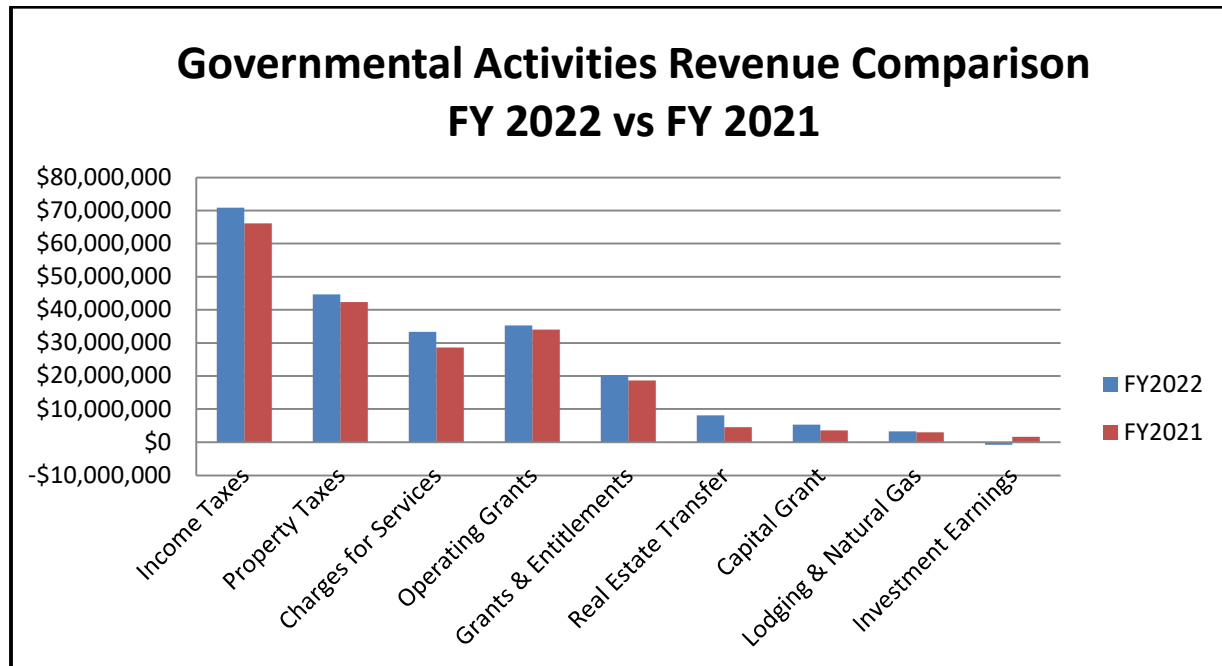
Changes in Net Position. A schedule of a comparison of year-to-year changes in activity is below. The combined net position of the City increased by \$48,449,842, over the course of this year’s operations. The net position of governmental activities increased \$40,478,577 and the net position of business-type activities increased by \$7,971,265.

City of Wilmington's Changes in Net Position
Year Ended June 30, 2022

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 33,292,131	\$ 28,074,983	\$ 89,825,406	\$ 84,332,101	\$ 123,117,537	\$ 112,407,084
Operating Grants & Contributions	35,310,480	33,281,312	-	-	35,310,480	33,281,312
Capital Grants & Contributions	5,326,298	1,706,448	230,512	1,000,000	5,556,810	2,706,448
General Revenues:						
Total Taxes	126,877,197	115,930,109	-	-	126,877,197	115,930,109
Investment Earnings	(772,567)	1,578,423	68	-	(772,499)	1,578,423
Other Revenues	20,973,667	18,931,550	-	-	20,973,667	18,931,550
Extraordinary Item:						
Loan Forgiveness	-	-	-	-	-	-
Total Revenues	<u>221,007,206</u>	<u>199,502,825</u>	<u>90,055,986</u>	<u>85,332,101</u>	<u>311,063,192</u>	<u>284,834,926</u>
EXPENSES						
General Government	48,213,853	34,607,485	-	-	48,213,853	34,607,485
Real Estate and Housing	11,160,706	6,887,434	-	-	11,160,706	6,887,434
Public Works	25,550,617	21,251,664	-	-	25,550,617	21,251,664
Parks and Recreation	12,169,473	10,529,555	-	-	12,169,473	10,529,555
Public Safety	78,688,169	65,023,708	-	-	78,688,169	65,023,708
Interest on Long Term Debt	4,745,811	1,344,121	-	-	4,745,811	1,344,121
Business Type Activities	-	-	82,084,721	79,119,308	82,084,721	79,119,308
Total Expenses	<u>180,528,629</u>	<u>139,643,967</u>	<u>82,084,721</u>	<u>79,119,308</u>	<u>262,613,350</u>	<u>218,763,275</u>
Change in Net Position	<u>40,478,577</u>	<u>59,858,858</u>	<u>7,971,265</u>	<u>6,212,793</u>	<u>48,449,842</u>	<u>66,071,651</u>
Net Position - Beginning	<u>64,374,410</u>	<u>4,457,430</u>	<u>184,479,547</u>	<u>178,266,754</u>	<u>248,853,957</u>	<u>182,724,184</u>
Prior Period Adjustment	<u>-</u>	<u>58,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,122</u>
Net Position - Ending	<u>\$ 104,852,987</u>	<u>\$ 64,374,410</u>	<u>\$ 192,450,812</u>	<u>\$ 184,479,547</u>	<u>\$ 297,303,799</u>	<u>\$ 248,853,957</u>

Governmental Activities

Revenues of governmental activities for fiscal year 2022 increased from 2021 by \$21,504,381. This net increase reflects an increase in charges for services of \$5,217,148. General revenues increased by \$10,638,215. Operating grants increased by \$2,029,168 and capital grants increased by \$3,619,850. The key revenue elements are discussed later in the fund statement comparisons. Expenses of governmental activities for fiscal year 2022 increased by \$40,884,662 compared to 2021. Key cost elements are discussed later in the fund statement comparison. The charts on the following page depict a comparative view of the revenues and expenses of the governmental activities for fiscal year 2022 as compared to fiscal year 2021.



Business-type Activities

Net position of business-type activities increased by \$7,971,265 for the current fiscal year, primarily as a result of increased charges for services. Detail explanations of the variances are contained in the financial analysis of the City's Funds - Proprietary Funds section on page 14.

Financial Analysis of the City's Funds

As the City completed the fiscal year, its governmental funds reported fund balances of \$92,939,381. Of the current ending fund balance, the following categories are recorded, and primary uses noted in accordance with GASB 54:

- \$5,031,378 is recorded as Non-Spendable due to a \$2,743,257 advance to the Motor Vehicle Fund by the General Fund, \$932,727 in the Wilmington Park Trust Fund Commission and \$1,355,394 in other nonspendable.
- \$17,728,138 is recorded as Restricted; \$9,325,257 for capital projects, \$4,235,049 for park operations, \$4,167,832 for Other Purposes.
- \$70,928,571 is recorded as Committed; \$17,686,531 for the Budget Reserve Account, \$1,851,761 for Economic Development, \$49,746,440 for the Tax Stabilization Reserve and \$1,643,839 for Other Purposes;
- \$915,078 is recorded as Assigned.
- (\$1,663,784) is recorded as Unassigned.

Governmental Funds**General Fund – Comparison to Prior Year**

The General Fund is the City's chief operating fund. At June 30, 2022, the fund balance composition included:

- \$2,743,257 and \$1,325,384 is recorded as non-spendable due to an advance to the Motor Vehicle Fund and prepaid expense, respectively.
- \$164,793 is recorded as restricted for Other Purposes.
- \$17,686,531 is recorded as Committed for the Budget Reserve Account. The Budget Reserve Account is determined at the end of each fiscal year and shall be equal to ten percent of the general fund operating budget (excluding extraordinary or one-time items) as authorized by City Council as required by City Code. The amount designated as the budget reserve account shall only be accessed for adverse economic conditions or public emergency and when declared by council by ordinance enacted by a two-thirds vote (nine) of city council, following certification by the mayor of such economic conditions or public emergency.
- \$49,746,440 is recorded as Tax Stabilization Reserve. The Tax Stabilization Reserve provides future tax stabilization for the General Fund. This reserve is funded based on the amount of the General Fund's net unrestricted fund balance. The City is authorized to access the Tax Stabilization Reserve as may be necessary when authorized by City Council by ordinance.

The schedule in the following page presents General Fund revenues and expenditures for fiscal year 2022 compared to budget and fiscal year 2021.

City of Wilmington, Delaware
General Fund Activity vs Prior Year and Budget

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Final</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues:						
Taxes:						
Property	\$ 44,728,292	\$ 43,637,012	\$ (1,091,280)	\$ 43,256,728	\$ 43,637,012	\$ 380,284
Wage	57,470,355	63,467,109	5,996,754	64,079,093	63,467,109	(611,984)
Net Profit	7,973,882	9,467,500	1,493,618	6,000,000	9,467,500	3,467,500
Franchise	1,021,640	837,945	(183,695)	764,123	837,945	73,822
Real Estate Transfer	4,472,847	8,074,103	3,601,256	3,054,389	8,074,103	5,019,714
Head	3,451,363	3,085,601	(365,762)	3,291,445	3,085,601	(205,844)
Lodging & Natural Gas	919,825	1,352,635	432,810	1,235,390	1,352,635	117,245
Intergovernmental	34,468,792	27,590,661	(6,878,131)	23,079,558	27,590,661	4,511,103
Licenses and Permits	4,866,404	6,520,759	1,654,355	4,631,047	6,520,759	1,889,712
Fines and Forfeitures	5,487,633	8,067,327	2,579,694	8,212,759	8,067,327	(145,432)
Charges for Services	10,054,208	9,413,938	(640,270)	8,458,592	9,413,938	955,346
Investment Earnings	256,313	136,559	(119,754)	336,000	136,559	(199,441)
Total Revenues	<u>175,171,554</u>	<u>181,651,149</u>	<u>6,479,595</u>	<u>166,399,124</u>	<u>181,651,149</u>	<u>15,252,025</u>
Expenditures:						
General Governmental Services:						
Mayor's Office	7,845,665	6,635,160	1,210,505	7,896,454	6,635,160	1,261,294
City Council	1,687,631	1,722,349	(34,718)	1,826,077	1,722,349	103,728
Audit	851,154	890,518	(39,364)	877,156	890,518	(13,362)
Law	2,352,462	2,423,294	(70,832)	2,538,223	2,423,294	114,929
Finance	9,154,057	9,481,100	(327,043)	10,419,661	9,481,100	938,561
Human Resources	1,564,185	1,731,207	(167,022)	2,301,880	1,731,207	570,673
Treasurer	522,655	400,044	122,611	449,510	400,044	49,466
Planning	1,379,346	1,336,092	43,254	1,445,502	1,336,092	109,410
Information Technologies	8,513,656	8,886,432	(372,776)	8,962,135	8,886,432	75,703
Real Estate and Housing	2,983,374	5,694,459	(2,711,085)	5,950,906	5,694,459	256,447
Public Works	23,564,015	26,353,422	(2,789,407)	27,918,049	26,353,422	1,564,627
Parks and Recreation	7,778,519	9,113,087	(1,334,568)	9,528,337	9,113,087	415,250
Public Safety:						
Licenses and Inspection	4,747,561	5,360,002	(612,441)	5,835,086	5,360,002	475,084
Fire	27,168,451	27,353,523	(185,072)	26,842,712	27,353,523	(510,811)
Police	59,142,243	63,513,100	(4,370,857)	60,874,497	63,513,100	(2,638,603)
Total Expenditures	<u>159,254,974</u>	<u>170,893,789</u>	<u>(11,638,815)</u>	<u>173,666,185</u>	<u>170,893,789</u>	<u>\$2,772,396</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>15,916,580</u>	<u>10,757,360</u>	<u>(5,159,220)</u>	<u>(7,267,061)</u>	<u>10,757,360</u>	<u>18,024,421</u>
Other Financing Sources (Uses)						
Proceeds from Bond Anticipation Note	24,315,270	34,500	(24,280,770)	-	34,500	34,500
Bond Premiums	4,729,165	-	(4,729,165)	-	-	-
Bond Payments to Escrow Agent	(28,431,065)	-	28,431,065	-	-	-
Gain on Sale of Assets	-	199,924	199,924	-	199,924	199,924
Transfer Out	(1,957,500)	(1,843,027)	114,473	(1,200,000)	(1,843,027)	(643,027)
Total Other Financing Sources (Uses)	<u>(1,344,130)</u>	<u>(1,608,603)</u>	<u>(264,473)</u>	<u>(1,200,000)</u>	<u>(1,608,603)</u>	<u>(408,603)</u>
Net Change in Fund Balances	<u>\$ 14,572,450</u>	<u>\$ 9,148,757</u>	<u>\$ (5,423,693)</u>	<u>\$ (8,467,061)</u>	<u>\$ 9,148,757</u>	<u>\$ 17,615,818</u>

The revenues for fiscal year 2022 increased by \$6,479,595, compared to the prior fiscal year. Primary factors in these results are:

- Property Taxes decreased by \$1,091,280, no additional tax increase had been assessed in FY2022.
- Wage Taxes increased by \$5,996,754, while Net Profit Taxes increased by \$1,493,618.
- Real Estate Transfer Taxes increased by \$3,601,256, activity has been high and the value of commercial properties sold increased.
- Fines and Forfeitures are collected by the City for red light photo citations, parking tickets, criminal, and booting fines. The City recognizes revenues when the citizen pays the fine or forfeiture as opposed to when the fine is imposed. These revenues increased by \$2,579,694, due to an increase in revenue collections
- Charges for Services decreased by \$640,270, due mainly to an decrease in indirect costs charged.

The current year's expenditures increased by \$11,638,815 and transfers out totaled \$1,843,027, which was a decrease, compared to fiscal year 2021.

- Mayor's Office expenditures decreased by \$1,210,505, with most of the decrease in the budget for Debt Service.
- Real Estate & Housing expenditures increased by \$2,711,085, primarily due to an increase in Debt Service for fiscal year 2022 to support the neighborhood rehabilitation efforts throughout the City.
- Public Works expenditures, which represented 15% of the City's General Fund expenditures, increased by \$2,789,407, due primarily to an increase in Debt Service.
- Parks and Recreation expenditures, which represented 5% of the City's General Fund expenditures increased by \$1,334,568, primarily due to an increase in Debt Service for the revitalization of the City's Parks.
-
- Police expenditures, which represented 37% of the City's General Fund expenditures increased by \$4,370,857, primarily due to an increase in Personal Services.
- Licenses and Inspection expenditures increased by \$612,441, primarily due to an increase in Personal Services and Material Supplies and Equipment.

Other Major Funds – Comparison to Prior Year

The fund balance of \$9,325,257 for the Capital Projects Fund was \$5,629,856 less than fiscal year 2021 due to an increase in capital spending.

Proprietary Funds**Water/Sewer Funds – Comparison to Prior Year**

The operation of the Business-type activities increased the City's net position by \$7,971,265 in fiscal year 2022.

- Direct User Charges for water, sewer, and storm water increased by \$1,446,015.
- New Castle County sewer charges increased by \$1,126,537.
- Capital Grant and Contribution revenue decreased from \$1,000,000 in 2021 to \$230,512 in 2022.
- Other Income increased by \$1,486,535 mainly for fines and penalties due to an increase in collections

Compared to fiscal year 2021, total expenses increased by \$1,279,948 or 1.8%. This was driven mostly by an increase of \$851,650 in personnel services.

General Fund Budgetary Highlights

The City adopted the fiscal year 2022 budget on May 20, 2021 and amended it to meet operational needs during the year. The City's practice is to (a) amend budgeted revenue only for grants or new revenue streams and (b) amend budgeted expenditures primarily to approve new spending authority.

The final General Fund budget contained \$166,399,124 of revenues, an increase of \$8,265,106 or 5.23% from 2021 and \$173,666,185 of expenditures – up \$8,915,188, or 5.41%, from FY 2021.

- Licenses and Permits were \$1,889,712 above expectations due to an increase in enforcement activities since the COVID-19 pandemic.
-
- Wage Tax revenues, representing 35% of General Fund revenues, were under budget by \$611,984.
- Net Profit Tax revenues, representing 5.2% of General Fund revenues were over budget by \$3,467,500, due to stronger earnings from partnership and LLC members.
- Real Estate Transfer Taxes were over budget by \$5,019,714 primarily due to a stronger than expected housing market, which was driven by historically low interest rates.
- Intergovernmental Revenues were over budget by \$4,511,103 due to an increase in state shared revenues.

- Mayor's Office expenditures were under budget by \$1,261,294, primarily due to a decrease in Debt Service.
- Finance Department expenditures were under budget by \$938,561, due to decreases in both Personal Services and Material Supplies and Equipment.
- Public Works expenditures were under budget by \$1,564,627 due mainly to a decrease in debt service.
- Licenses and Inspection expenditures were under budget by \$475,084, due to decreases in both Personal Services and Material Supplies and Equipment
- Human Resources expenditures were under budget by \$570,673 due to decreases in both Personal Services and Material Supplies and Equipment.
- Police expenditures were over budget by \$2,638,603 due to an increase in Personal Services and overtime costs.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2022, the City had invested \$583,951,556, net of accumulated depreciation, in a broad range of capital assets. The table on the following page presents fiscal year 2022 asset balances compared to fiscal year 2021 balances (further detail in Note 6 as required by GASB 34). Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- Vehicles Equipment and Other Assets decreased \$1 million due to a more accurate accounting of inventory.
- Parks and Recreation Facilities increased by \$4.5 million due to the revitalization of City Parks and Community Centers.
- Streets and Signals increased by \$10.9 million as the City completes necessary renewals of infrastructure.
- Buildings and Improvements decreased by \$1 million primarily due to current year depreciation expense.

Business-type Activities:

- Construction in Progress decreased \$2.7 million during Fiscal Year 2022 due to completion of projects and assets going into service.
- Water Reservoirs, Facilities, and Water Lines decreased \$3 million as the City continues to retire and replace aging water lines.

Additional information regarding the City's capital assets is contained in Note 6 to the financial statements.

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 24,090,181	\$ 24,090,181	\$ 4,060,443	\$ 4,060,443	\$ 28,150,624	\$ 28,150,624
Art	3,144,601	2,709,712			3,144,601	2,709,712
Construction in Progress	3,872,874	15,574,409	38,783,749	41,514,073	42,656,623	57,088,482
Buildings & Improvements	55,909,916	56,915,210	20,789,957	20,476,302	76,699,873	77,391,512
Parks & Recreation Facilities	21,688,380	17,128,275	-	-	21,688,380	17,128,275
Streets & Signals	82,838,826	71,936,785	-	-	82,838,826	71,936,785
Water Reservoirs, Facilities & Water Lines	-	-	171,249,385	174,211,517	171,249,385	174,211,517
Wastewater Facilities & Sewer Lines	-	-	130,700,374	124,540,618	130,700,374	124,540,618
Vehicles, Equipment & Other	26,809,390	27,774,951	13,480	19,471	26,822,870	27,794,422
Totals	\$ 218,354,168	\$ 216,129,523	\$ 365,597,388	\$ 364,822,424	\$ 583,951,556	\$ 580,951,947

Long-Term Debt. At the end of the current fiscal year, the City had total bonded (backed by the full faith and credit of the government) debt outstanding of \$314,980,650. Of this amount, \$116,220,247 comprises debt related to Governmental Activities and \$208,948,150 is supported by Business-Type activities. Additionally, there are \$145,371,605 in long-term liabilities, such as capital leases, insurance claims payables, compensated absences, net pension liability and net OPEB liability in Governmental Activities. Similar long-term liabilities of \$4,578,220 exist on the Business-Type activities.

On May 23rd, 2022, the City issued General Obligation Bond Anticipation Notes (BAN) Series of 2022. The BANs mature on November 23, 2023. 2022 BAN (Capital Budgets 2020 and 2022) was issued in the amount of \$15,000,000 and bears interest at 7.9% of the daily London Interbank Offered Rate (LIBOR) plus 0.22%, not to exceed 5%.

A WPCRF agreement dated August 13, 2021, for an amount not exceeding \$1,369,500 with an interest rate of 2.0% is related to cost associated to Walnut CSO Separation Project.

A DWSRF agreement dated March 8, 2022, for an amount not exceeding \$7,500,000 in General Obligation Bond at an interest rate of 2.64%. relating to the cost associated with the City's Annual Water Mains Improvement Project to replace aging water mains in the City's water service area.

A WPCRF agreement dated March 8, 2022, for an amount not exceeding \$11,400,000 in General Obligation Bond at an interest rate of 2.0%. costs associated with the increased size of the stormwater shed and sewer separation acquisition, restoration, and conservation of the Supplemental Wetland Park Project

In January 2023, the City approved five bond issuances through the State of Delaware Water Pollution Revolving Loan Fund totaling \$51,884,000.

The City maintains an Aa2 rating from Moody’s Investors Service and AA rating from Standard & Poor’s Corporation for general obligation debt. Additional information on the City’s long-term debt can be found in Note 9 to the financial statements.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General						
Obligation Bonds	\$ 116,220,247	\$ 116,209,243	\$ 208,948,150	\$ 218,878,925	\$ 325,168,397	\$ 335,088,168

Economic Factors and 2022 Budgets and Rates

The City of Wilmington has emerged from the COVID 19 pandemic in good financial condition. The real estate economic continued to reflect strong sales and market values increasing as interest rates remained low through the June 30, 2022, fiscal year. We anticipate and beginning to see increased interest rates for mortgages as the Federal Reserve tries to control inflation. Nonetheless, property transfers continue to be robust despite the interest rate environment. Also, the City is benefiting from increased interest on investments due to the Federal Reserve interest rate increases.

Residential investments also continue as office buildings are converted into residential complexes. Investments in commercial and residential construction and infrastructure are beginning on the eastern side of the Christina Riverfront. The Reach Riverside purpose-built community in entering phase II of its development, with phase I properties almost fully leased.

Funds from the American Rescue Plan Act (ARPA), of which the City received \$55 million, are being made in securing vacant and uneconomic properties for rehabilitation and redevelopment in critical and underserved areas, such as the eastside and the Hilltop area of Wilmington. In addition, the City has allocated funds to nonprofit organizations to stimulate community investment and provided the Wilmington Economic Development Corporation (WEDCO) with over \$2 million in loan support for small businesses.

The Fiscal Year 2023 budget includes a 6.0% increase in its property tax rate, projected to add \$2.6 million in annual revenue. The median assessment for a homeowner is projected to be \$41.76 annually.

There was a 5.0% increase to water and sewer rates in FY 2023. The projected revenue impact of the rate increase is projected at \$2.49 million. The typical residential customer in the City using 4,000 per month will see an increase of \$2.82 in their monthly bill.

As a result of the COVID 19 pandemic, more companies are normalizing the use of remote workplace for its workers. One of the impacts has been an increased number of refund requests for wage taxes from workers whose employers have required that employees work from home. Current wage tax policy dictates that employees must be required to work remotely (at the mandate of the employer) in order to be eligible for a refund. Workers that opt to work remotely (at their discretion) are not eligible. Nonetheless, wage tax refunds have stabilized at approximately \$4.2 million per year, similar to the requests from 2021, approximately 6.2% of the wage tax base withholding.

Requests for Information

This financial report is designed to provide a general overview of the City of Wilmington's finances to its citizens and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to J. Brett Taylor, Director of Finance, 800 N. French Street, 5th Floor, City of Wilmington, Delaware 19801.

The component units issue their own audited financial statements. These statements may be obtained directly from the component units from sources listed in Note 1, page 40 and the financial statements are listed on pages 36 and 37.

BASIC FINANCIAL STATEMENTS

City of Wilmington, Delaware

Statement of Net Position
June 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Investments (Note 3)	\$ 101,870,022	\$ 18,321,141	\$ 120,191,163	\$ 8,526,177
Receivables, Net (Note 4)	29,922,567	18,831,513	48,754,080	2,745,622
Lease Receivable	-	-	-	1,270,899
Internal Balances	28,337	(28,337)	-	-
Due from Other Funds (Note 7)	10,006,818	-	10,006,818	-
Due from Other Governments	5,020,571	244,242	5,264,813	-
Due from Component Unit	275,000	-	275,000	-
Prepaid Items & Other Assets	929,426	172,756	1,102,182	71,777
Property Held for Future Use	31,000	353,700	384,700	-
Net Pension Asset	54,229,047	1,174,286	55,403,333	981,125
Restricted Cash and Investments (Note 3)	21,932,013	22,758,397	44,690,410	12,576,248
Capital Assets, Net (Note 6):				
Land	24,090,181	4,060,443	28,150,624	16,319,059
Intangible Assets	-	-	-	5,000,000
Art	3,144,601	-	3,144,601	-
Construction in Progress	3,872,874	38,783,749	42,656,623	1,316,268
Buildings & Improvements	55,635,916	20,789,957	76,425,873	22,330,364
Parks & Recreation Facilities	21,688,380	-	21,688,380	-
Streets & Street Signals	82,838,826	-	82,838,826	-
Water & Sewer Systems	-	301,949,759	301,949,759	-
Vehicles, Equipment, and Other	27,083,390	13,480	27,096,870	573,654
Total Assets	442,598,969	427,425,086	870,024,055	71,711,193
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions and OPEB	32,333,894	1,400,346	33,734,240	1,147,407
Deferred on refunding of bonds	860,625	731,766	1,592,391	-
Total Deferred Outflows of Resources	33,194,519	2,132,112	35,326,631	1,147,407
LIABILITIES				
Accounts Payable & Accrued Expenses	15,133,058	5,729,599	20,862,657	332,957
Due to Primary Government	-	-	-	275,000
Salaries and Benefits Payable	5,805,377	653,382	6,458,759	421,378
Unearned Revenue	25,475,382	3,444,702	28,920,084	2,567
Other Liabilities	2,333,754	197,468	2,531,222	-
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	9,490,958	12,469,962	21,960,920	715,321
Notes Payable	-	-	-	156,203
Capital Leases	630,008	-	630,008	-
Claims Liabilities	6,665,789	-	6,665,789	-
Compensated Absences	6,748,669	543,181	7,291,850	-
Due in More Than One Year:				
Bonds Payable	110,039,457	208,952,562	318,992,019	9,291,034
Notes Payable	1,000,000	-	1,000,000	944,120
Capital Leases	488,763	-	488,763	-
Claims liabilities	19,436,972	-	19,436,972	-
Compensated Absences	2,858,954	-	2,858,954	-
Refundable Advances - ARPA	-	-	-	2,974,314
Net Other Post Employment Benefits Liability	14,898,955	-	14,898,955	-
Net Pension Liability	93,643,495	4,035,039	97,678,534	-
Total Liabilities	314,649,591	236,025,895	550,675,486	15,112,894
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on pensions and OPEB	55,852,770	1,080,491	56,933,261	1,464,658
Deferred on refunding of bonds	438,140	-	438,140	-
Deferred lease revenue	-	-	-	1,236,461
Deferred parking revenue	-	-	-	85,517
Total Deferred Inflows of Resources	56,290,910	1,080,491	57,371,401	2,786,636
NET POSITION				
Net Investment in Capital Assets	109,045,808	163,129,284	272,175,092	34,432,666
Restricted for:				
Net Pension Asset	54,229,047	-	54,229,047	663,874
Donor Imposed	-	-	-	261,154
Capital Projects	-	-	-	-
Operation and Maintenance Reserve	-	13,988,956	13,988,956	-
Rate Stabilization Reserve	-	14,762,972	14,762,972	-
Debt Service	-	-	-	598,348
Park Operations & Other - Expendable	932,727	-	932,727	-
Park Operations & Other - Nonexpendable	4,282,211	-	4,282,211	-
Under Contractual Agreement	-	-	-	2,430,637
Other Purposes	4,167,832	-	4,167,832	-
Unrestricted	(67,804,638)	569,600	(67,235,038)	16,572,391
Total Net Position	\$ 104,852,987	\$ 192,450,812	\$ 297,303,799	\$ 54,959,070

The notes to financial statements are an integral part of this statement.

City of Wilmington, Delaware
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Units
		Charges for Services	Grants and Contributions		Governmental Activities	Primary Government		
			Operating	Capital		Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Governmental Services	48,213,853	15,173,601	12,321,918	500,000	(20,218,334)	-	(20,218,334)	-
Real Estate and Housing	11,160,706	810,728	7,549,272	-	(2,800,706)	-	(2,800,706)	-
Public Works	25,550,617	1,500,782	992,539	4,072,471	(18,984,825)	-	(18,984,825)	-
Parks and Recreation	12,169,473	100,602	4,677,532	753,827	(6,637,512)	-	(6,637,512)	-
Public Safety	78,688,169	15,706,418	9,769,219	-	(53,212,532)	-	(53,212,532)	-
Interest on Long-term Debt	4,745,811	-	-	-	(4,745,811)	-	(4,745,811)	-
Total Governmental Activities	180,528,629	33,292,131	35,310,480	5,326,298	(106,599,720)	-	(106,599,720)	-
Business Type Activities	82,084,721	89,825,406	-	230,512	-	7,971,197	7,971,197	-
Total Primary Governments	\$ 262,613,350	\$ 123,117,537	\$ 35,310,480	\$ 5,556,810	(106,599,720)	7,971,197	(98,628,523)	-
Component Units:								
Christina Gateway Corporation	56,919	-	-	-	-	-	-	(56,919)
Wilmington UDAG Corporation	576,212	65,187	-	-	-	-	-	(511,025)
Wilmington Parking Authority	5,299,531	5,326,261	-	(309,620)	-	-	-	(282,890)
Downtown Visions	2,979,615	2,797,790	513,853	1,228	-	-	-	333,256
Riverfront Business Improvement District	583,054	621,113	-	1,968	-	-	-	40,027
Rock Manor Golf Corporation	278,400	542,599	-	-	-	-	-	264,199
Total Component Units	\$ 9,773,731	\$ 9,352,950	\$ 513,853	\$ (306,424)	-	-	-	(213,352)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					44,652,510	-	44,652,510	-
Income Taxes					70,857,682	-	70,857,682	-
Real Estate Transfer					8,074,103	-	8,074,103	-
Lodging & Franchise Taxes					3,292,902	-	3,292,902	-
Investment Earnings					(772,567)	68	(772,499)	-
Other Revenues including Capital Asset Gains					700,388	-	700,388	-
Loss on land held for development					-	-	-	-
Grants, Entitlements, and Contributions not Restricted to Specific Programs					20,273,279	-	20,273,279	-
Total General Revenues					147,078,297	68	147,078,365	-
Transfers					-	-	-	-
Total General Revenues after Transfers					147,078,297	68	147,078,365	-
Change in Net Position					40,478,577	7,971,265	48,449,842	(213,352)
Net Position - Beginning					64,374,410	184,479,547	248,853,957	54,353,311
Prior Period Adjustment (Note 18)					-	-	-	819,111
Net Position - Ending					\$ 104,852,987	\$ 192,450,812	\$ 297,303,799	\$ 54,959,070

The notes to the financial statements are an integral part of this statement.

City of Wilmington, Delaware

Balance Sheet
Governmental Funds
June 30, 2022

	General	American Rescue Plan	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note 3)	\$ 49,179,573	\$ 17,348,340	\$ -	\$ 9,980,130	\$ 76,508,043
Receivables, Net (Note 4)	24,208,743	-	-	1,438,004	25,646,747
Due from Other Funds (Note 7)	25,404,651	-	-	-	25,404,651
Due from Other Component Unit	275,000	-	-	-	275,000
Due From Other Governments	60,543	-	1,537,216	3,428,628	5,026,387
Advances Due From Other Funds	-	-	-	-	-
Property Held for Future Use	-	-	-	31,000	31,000
Restricted Cash and Investments (Note 3)	-	-	16,801,721	5,130,292	21,932,013
Prepaid Items & Other Assets	1,325,384	-	-	40,127	1,365,511
TOTAL ASSETS	100,453,894	17,348,340	18,338,937	20,048,181	156,189,352
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 9,156,909	\$ 325,417	\$ 2,171,971	\$ 1,705,260	\$ 13,359,557
Salaries and Benefits Payable	5,515,332	21,125	-	189,084	5,725,541
Due to Other Funds	-	-	-	865,461	865,461
Unearned Revenue	553,829	17,001,798	5,609,480	2,864,104	26,029,211
Other Liabilities	2,333,754	-	-	-	2,333,754
Total Liabilities	17,559,824	17,348,340	7,781,451	5,623,909	48,313,524
Deferred Inflows of Resources:					
Unavailable Revenues	11,227,665	-	1,232,229	2,476,553	14,936,447
Fund Balances:					
Nonspendable					
Advance to Motor Vehicle Fund (Note 7)	2,743,257	-	-	-	2,743,257
Trust for Park Operations	-	-	-	932,727	932,727
Other nonspendable	1,325,384	-	-	30,010	1,355,394
Restricted					
Capital Projects	-	-	9,325,257	-	9,325,257
Park Operations	-	-	-	4,235,049	4,235,049
Other Purposes	164,793	-	-	4,003,039	4,167,832
Committed					
Budget Reserve Account	17,686,531	-	-	-	17,686,531
Economic Development	-	-	-	1,851,761	1,851,761
Other Purposes	-	-	-	1,643,839	1,643,839
Tax Stabilization Reserve	49,746,440	-	-	-	49,746,440
Assigned	-	-	-	915,078	915,078
Unassigned	-	-	-	(1,663,784)	(1,663,784)
Total Fund Balances	71,666,405	-	9,325,257	11,947,719	92,939,381
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 100,453,894	\$ 17,348,340	\$ 18,338,937	\$ 20,048,181	\$ 156,189,352

The notes to financial statements are an integral part of this statement.

City of Wilmington, Delaware
Reconciliation of Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2022

The Total Net Position reported for governmental activities in the Statement of Position (Page 20) is different because:

Total Fund Balances for Government Funds (Page 22)	\$ 92,939,381
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in Note 6 are included in the Statement of Net Position. Also excluded are \$17,824,870 of internal service fund assets accounted for in the following line.	201,044,271
Long-Term receivables applicable to the Governmental Activities are not due and receivable in the current year and accordingly, are not reported as fund assets	
Notes Receivable (Net)	794,178
Internal Service funds are used by management to charge the costs of centrally managed services to using funds and departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The increase is equal to the internal service Net Position.	3,357,538
Net Pension Asset	54,229,047
Some of the city's taxes and other revenues will be collected after yearend, but are not available soon enough to pay current-year's expenditures and, therefore, are reported as deferred inflows of resources in the fund statements.	15,490,276
Deferred Outflows of Resources:	
Deferred amounts on refunding of bonds	847,670
Deferred amounts on pensions	32,333,894
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.	
Compensated Absences	\$ (9,413,787)
Other Post Employment Benefit (OPEB) Liability	(14,898,960)
Accrued Interest on Long Term Debt	(1,519,442)
Capital Leases	(1,118,771)
Bonds and Notes Payable	(119,305,391)
Net Pension Liability	(93,643,495)
	(239,899,846)
Deferred Inflows of Resources:	
Deferred amounts on bond refunding	(438,140)
Deferred amounts on pensions	(55,845,282)
	(56,283,422)
Total Net Position of Governmental Activities (Page 20)	<u>\$ 104,852,987</u>

The notes to the financial statements are an integral part of this statement.

City of Wilmington, Delaware

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022**

	General	American Rescue Plan	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 43,637,012	\$ -	\$ -	\$ -	\$ 43,637,012
Wage	63,467,109	-	-	-	63,467,109
Net Profit	9,467,500	-	-	-	9,467,500
Franchise	837,945	-	-	993,886	1,831,831
Real Estate Transfer	8,074,103	-	-	-	8,074,103
Head	3,085,601	-	-	-	3,085,601
Lodging & Natural Gas	1,352,635	-	-	-	1,352,635
Intergovernmental	27,590,661	10,671,093	2,469,856	16,194,015	56,925,625
Licenses and Permits	6,520,759	-	-	-	6,520,759
Fines and Forfeitures	8,067,327	-	-	-	8,067,327
Charges for Services	9,413,938	-	3,820,533	3,014,183	16,248,654
Investment Earnings	136,559	-	-	274,899	411,458
Total Revenues	<u>181,651,149</u>	<u>10,671,093</u>	<u>6,290,389</u>	<u>20,476,983</u>	<u>219,089,614</u>
EXPENDITURES					
Current:					
General Governmental Services	31,986,071	5,496,419	-	9,589,846	47,072,336
Real Estate and Housing	2,253,285	3,802,473	-	4,632,371	10,688,129
Public Works	20,186,817	-	-	1,069,958	21,256,775
Parks and Recreation	6,783,929	777,201	96,113	3,264,590	10,921,833
Public Safety	94,646,337	95,000	236,336	3,820,713	98,798,386
Debt service:					
Principal retirement	9,839,416	-	-	-	9,839,416
Interest and other charges	5,197,934	-	-	50,000	5,247,934
Capital Outlays	-	-	11,406,902	390,964	11,797,866
Total Expenditures	<u>170,893,789</u>	<u>10,171,093</u>	<u>11,739,351</u>	<u>22,818,442</u>	<u>215,622,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,757,360</u>	<u>500,000</u>	<u>(5,448,962)</u>	<u>(2,341,459)</u>	<u>3,466,939</u>
OTHER FINANCING SOURCES (USES)					
Net Appreciation in fair value of investments	-	-	-	(947,603)	(947,603)
Transfers Out	(1,843,027)	(500,000)	(278,660)	-	(2,621,687)
Transfers In	-	-	-	2,621,687	2,621,687
Gain on Sale of Assets	199,924	-	-	-	199,924
Bond Anticipation Note Issued	34,500	-	97,766	-	132,266
Total Other Financing Sources (Uses)	<u>(1,608,603)</u>	<u>(500,000)</u>	<u>(180,894)</u>	<u>1,674,084</u>	<u>(615,413)</u>
EXTRAORDINARY ITEM					
Debt Forgiveness	-	-	-	730,285	730,285
Net Change in Fund Balances	9,148,757	-	(5,629,856)	62,910	3,581,811
Fund Balance - Beginning	<u>62,517,648</u>	<u>-</u>	<u>14,955,113</u>	<u>11,884,809</u>	<u>89,357,570</u>
Fund Balance - Ending	<u>\$ 71,666,405</u>	<u>\$ -</u>	<u>\$ 9,325,257</u>	<u>\$ 11,947,719</u>	<u>\$ 92,939,381</u>

The notes to financial statements are an integral part of this statement.

City of Wilmington, Delaware
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the Statement of Activities (Page 21) are different because:

Net Change in Fund Balances - Total Governmental Funds (Page 24) \$ 3,581,811

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The following is the amount by which capital asset acquisitions exceeded depreciation expense.

Capital Assets Acquisition	\$ 11,783,227	
Depreciation Expense	<u>(9,043,610)</u>	2,739,617

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The following are the net changes in these non-current resources.

Port of Wilmington Sale Proceeds (Note 5)	\$ (514,331)	
Property and Other Taxes	(1,061,429)	
Fees and Fines	<u>(700,530)</u>	(2,276,290)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

	Debt Issued	Repayments	
General Obligation Bond Issued	\$ (132,266)	\$ 9,348,304	
Bond Premiums	-	2,247,609	
Deferred Refunding Gain	-	-	
Capital Lease	-	515,887	
Amortization of Premiums and Deferred Losses	-	(876,749)	
Net Adjustment	<u>\$ (132,266)</u>	<u>\$ 11,235,051</u>	\$ 11,102,785

The governmental fund reports outlays for properties held for future use as expenditures. However in the government-wide statement of net position these amounts are reported as the cost of assets held for development, net of a subsidy allowance.

(396,257)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Other post employment benefit (OPEB) expenditures are reported in the Statement of Activities based on the Annual Required Contribution (ARC) regardless of the expended amount. In addition, interest on long-term debt is not recognized under the modified basis of accounting until due, rather than as it accrues. The following are the impact of the net changes in balances.

Compensated Absences	\$ 436,436	
Other Post Employment Benefit (OPEB) Liability	2,653,010	
Accrued Interest on Long-Term Debt	<u>(1,127,695)</u>	1,961,751

The cost of pension benefits earned 23,765,160

Change in Net Position of Governmental Activities (page 21) \$ 40,478,577

The notes to the financial statements are an integral part of this statement.



The Kalmar Nyckel anchored in March 1638 off “The Rocks” on the Christina River, and when spring arrived, the colonists built Fort Christina.

City of Wilmington, Delaware
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Taxes:				
Property	\$ 43,256,728	\$ 43,256,728	\$ 43,637,012	\$ 380,284
Wage	64,079,093	64,079,093	63,467,109	(611,984)
Net Profit	6,000,000	6,000,000	9,467,500	3,467,500
Franchise	764,123	764,123	837,945	73,822
Real Estate Transfer	3,054,389	3,054,389	8,074,103	5,019,714
Head	3,291,445	3,291,445	3,085,601	(205,844)
Lodging & Natural Gas	1,235,390	1,235,390	1,352,635	117,245
Intergovernmental	23,079,558	23,079,558	27,590,661	4,511,103
Licenses and Permits	4,637,047	4,631,047	6,520,759	1,889,712
Fines and Forfeitures	8,212,759	8,212,759	8,067,327	(145,432)
Charges for Services	8,585,776	8,458,592	9,413,938	955,346
Investment Earnings	336,000	336,000	136,559	(199,441)
Total Revenues	<u>166,532,308</u>	<u>166,399,124</u>	<u>181,651,149</u>	<u>15,252,025</u>
Expenditures:				
General Governmental Services:				
Mayor's Office	7,962,601	7,896,454	6,635,160	1,261,294
City Council	1,827,437	1,826,077	1,722,349	103,728
Audit	849,136	877,156	890,518	(13,362)
Law	2,536,273	2,538,223	2,423,294	114,929
Finance	10,409,920	10,419,661	9,481,100	938,561
Human Resources	2,301,745	2,301,880	1,731,207	570,673
Treasurer	449,510	449,510	400,044	49,466
Planning	1,445,500	1,445,502	1,336,092	109,410
Information Technologies	8,664,381	8,962,135	8,886,432	75,703
Real Estate and Housing	5,924,606	5,950,906	5,694,459	256,447
Public Works	27,471,714	27,918,049	26,353,422	1,564,627
Parks and Recreation	9,485,864	9,528,337	9,113,087	415,250
Public Safety:				
Licenses and Inspection	5,678,653	5,835,086	5,360,002	475,084
Fire	26,827,493	26,842,712	27,353,523	(510,811)
Police	60,868,428	60,874,497	63,513,100	(2,638,603)
Total Expenditures	<u>172,703,261</u>	<u>173,666,185</u>	<u>170,893,789</u>	<u>2,772,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,170,953)</u>	<u>(7,267,061)</u>	<u>10,757,360</u>	<u>18,024,421</u>
Other Financing Sources (Uses)				
Proceeds from Bond Anticipation Note	-	-	34,500	34,500
Gain on Sale of Assets	-	-	199,924	199,924
Transfers Out*	(1,200,000)	(1,200,000)	(1,843,027)	(3,043,027)
Total Other Financing Sources (Uses)	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,608,603)</u>	<u>(2,808,603)</u>
Net Change in Fund Balances	<u>\$ (7,370,953)</u>	<u>\$ (8,467,061)</u>	<u>9,148,757</u>	<u>\$ 15,215,818</u>
Fund Balance - Beginning			<u>62,517,648</u>	
Fund Balance - Ending			<u>\$ 71,666,405</u>	

The notes to financial statements are an integral part of this statement.

*Reference Note 2C



URBAN ARTIST EXCHANGE ARTIST STABLES





YOUTH APPRENTICESHIP ARTS WORK PROGRAM

City of Wilmington, Delaware
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities			Governmental
	Wilmington Land			Activities
	Water/Sewer	Bank	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and Cash Equivalents (Note 3)	\$ 17,869,709	\$ 451,432	\$ 18,321,141	\$ 25,343,107
Receivables, Net (Note 4)	18,679,340	152,173	18,831,513	3,545,164
Prepaid Items & Other Assets	-	198,444	198,444	719,996
Due from Other Funds (Note 7)	-	-	-	-
Due From Other Governments	244,242	-	244,242	-
Total Current Assets	36,793,291	802,049	37,595,340	29,608,267
Noncurrent assets:				
Restricted Cash and Investments (Note 3)	22,732,709	-	22,732,709	-
Net Pension Asset	1,174,286	-	1,174,286	-
Capital Assets, Net (Note 6):				
Land	4,060,443	-	4,060,443	-
Construction in Progress	38,783,749	-	38,783,749	76,428
Building and Improvements	20,789,957	-	20,789,957	2,806,326
Reservoirs and Water Filter Facilities	122,354,990	-	122,354,990	-
Water Lines	48,894,392	-	48,894,392	-
Facilities	98,080,523	-	98,080,523	-
Sewer Lines	32,619,854	-	32,619,854	-
Vehicles, Machinery & Equipment		13,480	13,480	14,427,144
Property Held for Future Use		353,700	353,700	-
Total Noncurrent Assets	389,490,903	367,180	389,858,083	17,309,898
Total Assets	426,284,194	1,169,229	427,453,423	46,918,165
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions	1,400,346	-	1,400,346	-
Deferred amounts on refunding of bonds	731,766	-	731,766	12,956
Total Deferred Outflow of Resources	2,132,112	-	2,132,112	12,956
LIABILITIES				
Current Liabilities:				
Accounts Payable	4,598,974	68,014	4,666,988	1,402,338
Salaries and Benefits Payable	510,837	142,545	653,382	79,927
Due to Other Funds	28,337	-	28,337	11,341,202
Unearned Revenue	3,444,702	-	3,444,702	-
Other Liabilities	40,318	157,150	197,468	-
Accrued Interest Payable	1,062,611	-	1,062,611	32,266
Bonds Payable	12,469,962	-	12,469,962	251,448
Capital Leases	-	-	-	-
Compensated Absences	543,181	-	543,181	193,837
Claims Liability	-	-	-	6,596,789
Total Current Liabilities	22,698,922	367,709	23,066,631	19,897,807
Noncurrent Liabilities:				
Due to Other Funds (Note 7)	-	-	-	3,163,729
Bonds Payable	208,758,520	194,042	208,952,562	1,006,075
Claims Liabilities	-	-	-	19,505,972
Net Pension Liability	4,035,039	-	4,035,039	-
Total Noncurrent Liabilities	212,793,559	194,042	212,987,601	23,675,776
Total Liabilities	235,492,481	561,751	236,054,232	43,573,583
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts on Pensions	1,080,491	-	1,080,491	-
NET POSITION				
Net investment in capital assets	163,115,804	13,480	163,129,284	12,991,768
Restricted for:				
Operation and Maintenance Reserve	13,964,558	24,398	13,988,956	-
Rate Stabilization Reserve	14,762,972	-	14,762,972	-
Unrestricted		569,600	569,600	-
Unallocated		-	-	(9,634,230)
Total Net Position	\$ 191,843,334	\$ 607,478	\$ 192,450,812	\$ 3,357,538

The notes to financial statements are an integral part of this statement.

City of Wilmington, Delaware

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities			Governmental Activities
	Water/Sewer	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for Services				
Sewer Charges for New Castle County	\$ 20,748,646	-	\$ 20,748,646	\$ -
Water & Sewer Charges for Direct Users	62,546,808	-	62,546,808	-
Other Charges for Services	49,665	-	49,665	35,268,815
Employee Contributions	-	-	-	2,494,354
Other	4,166,231	2,314,056	6,480,287	74,260
Total Operating Revenues	87,511,350	2,314,056	89,825,406	37,837,429
OPERATING EXPENSES				
Personnel Services	10,279,712	203,639	10,483,351	1,147,209
Materials, Supplies and Contracted Services	52,393,135	2,000,021	54,393,156	5,649,567
Subsidy Allowance on Properties Held	-	305,621	305,621	-
Depreciation and Amortization	10,429,223	5,991	10,435,214	3,351,025
Claims Expense	-	-	-	24,411,662
Insurance Premiums	-	26,140	26,140	3,852,482
Total operating expenses	73,102,070	2,541,412	75,643,482	38,411,945
Operating Income (loss)	14,409,280	(227,356)	14,181,924	(574,516)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	-	68	68	-
Interest Expense	(6,437,099)	(4,140)	(6,441,239)	(125,872)
Bond Issuance Costs	-	-	-	-
Gain on Sale of Assets	-	-	-	700,388
Total Non-Operating Revenues (Expenses)	(6,437,099)	(4,072)	(6,441,171)	574,516
Income (Loss) Before Capital Grants and Contributions and Transfers	7,972,181	(231,428)	7,740,753	-
Capital Grants and Contributions	230,512	-	230,512	-
Transfers In	-	-	-	-
Change in net position	8,202,693	(231,428)	7,971,265	-
Total Net Position - Beginning	183,640,641	838,906	184,479,547	3,357,538
Total Net Position - Ending	\$ 191,843,334	\$ 607,478	\$ 192,450,812	\$ 3,357,538

The notes to financial statements are an integral part of this statement.

City of Wilmington, Delaware
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business Type Activities			Governmental
	Water and Sewer Fund	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$ 98,371,019	\$ 1,269,760	\$ 99,640,779	\$ 34,256,319
Receipts from Corporate Grants	-	9,620	9,620	-
Payments to Suppliers	(58,931,741)	(411,635)	(59,343,376)	(32,606,117)
Payments to Employees	(10,906,312)	(203,639)	(11,109,951)	(1,026,172)
Sale of Property	-	120,260	120,260	-
Cash Other	-	-	-	74,260
Acquisition of Property	-	(992,551)	(992,551)	-
Net Cash Provided by Operating Activities	28,532,966	(208,185)	28,324,781	698,290
Cash Flows from Noncapital Financing Activities:				
Proceeds from Notes Payable	-	37,747	37,747	-
Advances (To) From Other Funds	(328,424)	-	(328,424)	138,677
Net Cash Provided by (Used in) Noncapital Financing Activities	(328,424)	37,747	(290,677)	138,677
Cash Flows From Capital and Related Financing Activities:				
Capital Grants and Contributions	924,662	-	924,662	-
Proceeds from Capital Debt	5,185,135	-	5,185,135	-
Acquisition and Construction of Capital Assets	(11,210,188)	-	(11,210,188)	(2,965,940)
Principal Paid on Bonds	(17,178,817)	-	(17,178,817)	(176,564)
Interest Paid on Bonds	(5,337,402)	-	(5,337,402)	(69,077)
Principal Paid on Capital Leases	-	-	-	(372,488)
Interest Paid on Capital Leases	-	-	-	(9,123)
Proceeds from Sale of Capital Assets	-	-	-	830,277
Net Cash (Used in) Capital and Related Financing Activities	(27,616,610)	-	(27,616,610)	(2,762,915)
Cash Flows From Investing Activities:				
Interest received on Notes	-	68	68	-
Net Cash provided by Investing Activities	-	68	68	-
Net Increase (Decrease) in Cash and Cash Equivalents	587,932	(170,370)	417,562	(1,925,948)
Cash and Cash Equivalents - June 30, 2021 (including \$30,277,355 reported in restricted accounts)	40,014,486	621,802	40,636,288	27,269,055
Cash and Cash Equivalents - June 30, 2022 (including \$22,732,709 reported in restricted accounts)	\$ 40,602,418	\$ 451,432	\$ 41,053,850	\$ 25,343,107
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 14,409,280	\$ (227,356)	\$ 14,181,924	\$ (574,516)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:				
Subsidy on Allowance on Properties Held	-	1,180,173	1,180,173	-
Cost of Property Sold	-	417,654	417,654	-
Contributed Property Revenue	-	(886,400)	(886,400)	-
Purchases of Property Held	-	(714,127)	(714,127)	-
Depreciation and Amortization	10,429,223	5,991	10,435,214	3,351,025
Property Grants	-	2,700	2,700	-
Changes in Assets and Liabilities:				
Government Grants Receivable	-	(8,171)	(8,171)	-
Accrued Liabilities	-	(20,975)	(20,975)	-
(Increase) decrease in Receivables	10,864,697	-	10,864,697	(3,506,850)
(Increase) decrease in Prepaid Expense	-	-	-	130,349
Increase (decrease) Pension Assets	(529,171)	-	(529,171)	-
(Increase) decrease Pension Deferred Charges	(960,586)	-	(960,586)	-
(Increase) decrease in Property Acquisition Deposit	-	(25,688)	(25,688)	-
Increase (decrease) in Accounts Payable	(6,370,863)	64,795	(6,306,068)	(1,349,118)
Increase in Accrued Salaries	33,729	-	33,729	9,425
Decrease in Other Liabilities	(167,743)	-	(167,743)	-
Increase in Compensated Absences	(53,251)	-	(53,251)	114,490
Increase (decrease) in Unearned Revenue	(5,028)	142,545	137,517	-
(Increase) decrease Other Assets	-	80	80	-
(Increase) decrease Property Held	-	(296,556)	(296,556)	-
Increase (decrease) in Claims Liability	-	-	-	2,523,485
Increase (decrease) in Environmental Liability	-	157,150	157,150	-
Increase (decrease) Pension Liability	1,758,103	-	1,758,103	-
Increase (decrease) Pension Deferred Inflows	(875,424)	-	(875,424)	-
Net Cash Provided by Operating Activities	\$ 28,532,966	\$ (208,185)	\$ 28,324,781	\$ 698,290

The notes to financial statements are an integral part of this statement.



City of Wilmington
Statement of Fiduciary Net Position

June 30, 2022

ASSETS	
Cash and Cash Equivalents (Note 3)	\$ 6,634,102
Receivables:	
Accrued Interest & Other Receivables	410,012
Total Receivables	<u>410,012</u>
Investments, at Fair Value:	
Money Market Funds	14,794,769
U.S. Treasury Obligations	8,164,073
U.S. Government Agencies - Guaranteed	9,398,105
Municipal Obligations	434,225
Corporate & Foreign Bonds and Funds	25,228,709
Common Equity & Marketable Securities	133,185,058
Mutual Funds	
Global & International Funds	54,594,662
Domestic Equity Funds	21,770,379
Real Estate Investment Trust and Other	30,120,242
Total Investments	<u>297,690,222</u>
Due From Other Pension Trust Funds	-
Total Assets	<u>304,734,336</u>
LIABILITIES	
Accounts Payable	73,084
Due to Other Governments	10,006,816
Compensated Absences	182,103
Liability for Stale-dated Pension Checks	178,646
Total Liabilities	<u>10,440,649</u>
Net Position:	
Net Position Restricted for Pensions	262,999,520
Net Position Restricted for OPEB Benefits	31,294,167
Total Net Position	<u>\$ 294,293,687</u>

The notes to the financial statements are an integral part of this statement.

City of Wilmington, Delaware
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

ADDITIONS	
Contributions:	
City	
Paid Directly by the City	\$ 15,241,180
Paid by the State	
On-Behalf of the City	6,617,935
Employees	1,338,274
Federal Drug Subsidies & Other Revenue	<u>11,880</u>
Total Contributions	<u>23,209,269</u>
Investment Income	
Investment Earnings	50,548,397
Net (Depreciation) in Fair Value	<u>(79,784,733)</u>
Total Investment Income	<u>(29,236,336)</u>
Less: Investment Expense	<u>(598,854)</u>
Net Investment Income	<u>(29,835,190)</u>
Total Additions	<u>(6,625,921)</u>
DEDUCTIONS	
Benefits Paid	35,783,137
Administrative Expenses	<u>968,665</u>
Total Deductions	<u>36,751,802</u>
Net Decrease	
in Plans' Net Position	(43,377,723)
Net Position - Beginning	<u>337,671,410</u>
Net Position - Ending	<u>\$ 294,293,687</u>

The notes to the financial statements are an integral part of this statement.

City of Wilmington, Delaware
Combining Statement of Net Position (Deficit)
Discretely Presented Component Units
June 30, 2021

ASSETS	Christina Gateway Corporation	Wilmington UDAG Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Rock Manor Golf Corporation	Total
Cash and Cash Equivalents (Note 3)	\$ 1,462,918	\$ 3,018,272	\$ 1,627,003	\$ 1,682,145	\$ 334,738	\$ 401,101	\$ 8,526,177
Investments at Fair Value	-	-	8,193,218	-	-	-	8,193,218
Receivables, Net	-	1,353,612	1,209,955	86,929	58,226	36,900	2,745,622
Lease Receivables	-	-	506,438	-	-	764,461	1,270,899
Restricted Assets:							
Cash and Cash Equivalents (Note 3)	-	-	2,974,314	-	-	-	2,974,314
Investments at Cost	-	810,368	-	-	-	-	810,368
Investments at Fair Value	-	-	598,348	-	-	-	598,348
Net Pension Asset	-	-	981,125	-	-	-	981,125
Due From Other Governments	-	-	-	-	-	-	-
Deferred Charges & Other Assets	-	8,404	11,761	51,612	-	-	71,777
Capital Assets, Net:							
Land	-	-	16,319,059	-	-	-	16,319,059
Intangible Assets	-	-	5,000,000	-	-	-	5,000,000
Construction in Progress	-	950,626	120,051	13,100	-	232,491	1,316,268
Building and Improvements	-	-	17,516,305	564,167	-	4,249,892	22,330,364
Vehicles, Machinery & Equipment	-	-	221,962	144,505	51,748	155,439	573,654
Total Assets	1,462,918	6,141,282	55,279,539	2,542,458	444,712	5,840,284	71,711,193
DEFERRED OUTFLOWS OF RESOURCES	-	-	1,147,407	-	-	-	1,147,407
LIABILITIES							
Accounts Payable & Accrued Expenses	3,464	35,886	213,301	12,316	33,748	34,242	332,957
Due to Primary Government	-	-	275,000	-	-	-	275,000
Salaries and Benefits Payable	-	-	169,071	252,307	-	-	421,378
Unearned Revenue	-	-	-	2,567	-	-	2,567
Long-term Liabilities							
Due within One Year							
Bonds Payable	-	-	715,321	-	-	-	715,321
Notes Payable	-	-	-	29,914	-	126,289	156,203
Due in More than One Year							
Bonds Payable	-	-	9,291,034	-	-	-	9,291,034
Notes Payable	-	-	-	406,544	-	537,576	944,120
Refundable Advances - ARPA	-	-	2,974,314	-	-	-	2,974,314
Total Liabilities	3,464	35,886	13,638,041	703,648	33,748	698,107	15,112,894
DEFERRED INFLOWS OF RESOURCES							
Deferred Lease Revenues	-	-	506,438	-	-	730,023	1,236,461
Deferred Parking Revenue	-	-	85,517	-	-	-	85,517
Deferred Pension Related Activities	-	-	1,464,658	-	-	-	1,464,658
Total Deferred Inflows of Resources	-	-	2,056,613	-	-	730,023	2,786,636
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	-	950,626	29,171,022	285,314	51,748	3,973,956	34,432,666
Restricted for:							
Donor Imposed	-	-	-	261,154	-	-	261,154
Restricted for Net Pension Asset	-	-	663,874	-	-	-	663,874
Debt Service	-	-	598,348	-	-	-	598,348
Under Contractual Agreement	-	810,368	1,620,269	-	-	-	2,430,637
Unrestricted	1,459,454	4,344,402	8,678,779	1,292,342	359,216	438,198	16,572,391
Total Net Position	\$ 1,459,454	\$ 6,105,396	\$ 40,732,292	\$ 1,838,810	\$ 410,964	\$ 4,412,154	\$ 54,959,070

The notes to the financial statements are an integral part of this statement.

City of Wilmington, Delaware
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2022

	Program Revenues		Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Christina Gateway Corporation	UDAG Corporation	Wilmington Parking Authority	Downtown Visions	Riverfront Business Improvement District	Rock Manor Golf Corporation	Total
Christina Gateway Corporation	\$ 56,919	\$ -	\$ (56,919)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (56,919)
Wilmington UDAG Corporation	576,212	65,187	-	(511,025)	-	-	-	-	(511,025)
Wilmington Parking Authority	5,299,531	5,326,261	-	-	26,730	-	-	-	26,730
Downtown Visions	2,979,615	2,797,790	-	-	-	(181,825)	-	-	(181,825)
Riverfront Business Improvement District	583,054	621,113	-	-	-	-	38,059	-	38,059
Rock Manor Golf Corporation	278,400	542,599	-	-	-	-	-	264,199	264,199
	<u>9,773,731</u>	<u>9,352,950</u>	<u>(56,919)</u>	<u>(511,025)</u>	<u>26,730</u>	<u>(181,825)</u>	<u>38,059</u>	<u>264,199</u>	<u>(420,781)</u>
General Revenues									
Investment Earnings			-	-	(284,813)	1,228	1,968	-	(281,617)
Grants, Entitlements, and Contributions			-	-	-	513,853	-	-	513,853
Other Revenues including Capital Asset Gains/Losses			-	-	(24,807)	-	-	-	(24,807)
Total General Revenues			<u>-</u>	<u>-</u>	<u>(309,620)</u>	<u>515,081</u>	<u>1,968</u>	<u>-</u>	<u>207,429</u>
Change in Net Position			(56,919)	(511,025)	(282,890)	333,256	40,027	264,199	(213,352)
Net Position (Deficit) - Beginning			<u>1,516,373</u>	<u>6,616,421</u>	<u>40,215,182</u>	<u>1,505,554</u>	<u>370,937</u>	<u>4,128,844</u>	<u>54,353,311</u>
Prior Period Adjustment (Note 18)			<u>-</u>	<u>-</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>19,111</u>	<u>819,111</u>
Net Position (Deficit) - Ending			<u>\$ 1,459,454</u>	<u>\$ 6,105,396</u>	<u>\$ 40,732,292</u>	<u>\$ 1,838,810</u>	<u>\$ 410,964</u>	<u>\$ 4,412,154</u>	<u>\$ 54,959,070</u>

The notes to the financial statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

Pursuant to Title 22, Delaware Code, 1953, the City of Wilmington, Delaware (the City), was granted the rights to exercise all expressed and implied powers and authority of local self-government and home rule under Charter governed by the Delaware Constitution. The City operates under a Mayor-Council form of government.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has adopted all applicable GASB statements effective through the June 30, 2022. The more significant of the City's accounting policies are described below. These policies should be recognized by the reader as integral to the preparation and use of the accompanying financial statements.

A. Financial Reporting Entity

For financial reporting purposes, the City's primary government includes activities of all elected officials, departments and agencies, bureaus, boards, commissions, and authorities that make up the City's legal entity. The City's reporting entity is also comprised of its component units; legally separate organizations for which the City's elected officials are financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. Blended component units are, in substance, part of the primary government even though they are legally separate entities.

The City is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may also be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Blended Component Units

Wilmington Park Trust Commission (WPC) is a municipal trust. WPC was organized for the purpose of financing the maintenance and improvements of the parks in and around the City of Wilmington. WPC consists of three Commissioners: two appointed by the Mayor of the City of Wilmington, and the third is the Director of Parks and Recreation of the City. WPC is included in the City's non-major funds.

Cityfest, Inc. was organized to supplement City contributions to arts and cultural programs. The City appoints the corporation's entire governing board (most of whom are City officials), and provides all executive, administrative and support services, and maintains the books and records. The City has a significant influence over programs, projects, and activities of the Corporation. Cityfest, Inc. is included in the City's non-major funds.

Wilmington Neighborhood Conservancy Land Bank Corporation (Land Bank) was organized to address blight and vacant property issues in the City of Wilmington and is dedicated to the productive and adaptive re-use of problem parcels. The source of funding, decisions about what property to buy and other operational decisions are made by a 15-member board comprised of City Council members, City officials, officials from Wilmington Housing Partnership and representatives from the Governor's office, State Senate and State House of Representatives. The corporation is engaged in only business-type activities and has a December 31 fiscal year end. Land Bank is included in the City's business type activities.

Wilmington Housing Partnership Corporation (WHP) is a nonprofit organization. WHP was organized to assist residents of the City of Wilmington in obtaining affordable housing. It collaborates with select private, nonprofit, and government entities to increase the City's affordable housing stock by promoting renovation and rehabilitation of existing homes and limited construction of new homes in strategically selected areas. The Director of the City's Department of Real Estate and Housing serves as President of the Corporation. WHP is included in the City's non-major funds as part of the Housing Strategic Fund.

Discretely Presented Component Units

The component units' columns in the entity-wide financial statements include the financial data of the City's six other active component units. These units are reported in a separate column to emphasize that they are legally separate from the City's primary government operations.

Rock Manor Golf Course Corporation (Rock Manor) was organized for the purpose of assisting the City in the administration of the golf course operations of the Rock Manor Golf Course and the Ed "Porky" Oliver Golf Course. The City appoints Rock Manor's entire governing board. The City has a significant influence over programs, projects, and activities of the Corporation.

Christina Gateway Corporation offers small business loans and other financial assistance within the City. The City appoints a majority of the governing body (most of whom are City officials), provides all executive, administrative, and support services, and maintains the books and records. The City has significant influence over programs, projects, and activities of the Corporation.

Wilmington UDAG Corporation (UDAG) was organized to enhance urban development and educational, charitable, and philanthropic purposes within the boundaries of the city. The City appoints the corporation's entire governing board (most of whom are City officials), and provides all executive, administrative and support services, and maintains the books and records. The City has a significant influence over programs, projects, and activities of the Corporation.

Wilmington Parking Authority (WPA) owns and operates multistory and surface parking facilities within the boundaries of Wilmington. The Board of Directors of the WPA is appointed by the Mayor and confirmed by the Wilmington City Council. The authority operates within the boundaries of the City. Substantially all the WPA's outstanding revenue bonds are guaranteed by the City. The WPA is the general partner in 800 Garage Associates, L.P. and owns 80% interest in the limited partnership.

Wilmington Downtown Business Improvement District (WDBID) Management Company (d/b/a Downtown Visions) was organized to supplement City safety and cleaning services in the downtown business district. The corporation's services are funded by charges assessed on taxable property in the district at a rate approved by the City. WDBID was created by Ordinance with a specified duration that currently expires on October 1, 2029. WDBID's net position reverts to the City of Wilmington upon dissolution unless City Council extends the Ordinance.

Riverfront Wilmington Business Improvement District (RWBID) was organized to supplement City safety and cleaning service in the Wilmington Riverfront area. The City appoints the corporation's entire board. The corporation's services are funded by charges assessed on taxable property in the district at a rate approved by the City. The corporation has a December 31 fiscal year end.

The financial information for the above component units is presented in the financial statements. Complete financial statements with accompanying notes pertaining to the individual component units can be obtained directly from their administrative offices:

Wilmington Park Trust Commission c/o City of Wilmington Department of Parks and Recreation 500 Wilmington Avenue Wilmington, Delaware 19801	Wilmington Downtown Business Improvement District 409 Orange Street Wilmington, Delaware 19801
Riverfront Wilmington Business Improvement District 800 South Madison Street Wilmington, Delaware 19805	Christina Gateway Corporation, and Wilmington UDAG Corporation c/o City of Wilmington Economic Development Department 800 French Street Wilmington, Delaware 19801
Wilmington Parking Authority 625 North Orange Street Wilmington, Delaware 19801	Rock Manor Golf Corporation c/o City of Wilmington City Treasurer 800 French Street Wilmington, Delaware 19801
Cityfest Inc. c/o City of Wilmington Office of the Mayor 800 French Street Wilmington, Delaware 19801	Wilmington Housing Partnership c/o City of Wilmington Real Estate and Housing Department 800 French Street Wilmington, Delaware 19801
Wilmington Neighborhood Conservancy Land Bank Corporation 404 N Market Street Wilmington, DE 19801	

Related Organizations

Officials of the City's primary government appoint a voting majority of the governing board of the Wilmington Housing Authority, the Wilmington Economic Development Corporation, and the Hope Commission. Although the City appoints the majority of the governing board members, these members do not represent substantially the same governing body of the City. The City is not able to impose its will on the organizations and the organizations do not provide specific financial benefits or impose specific financial burdens to the City. Accordingly, the financial activities of the Wilmington Housing Authority, the Wilmington Economic Development Corporation, and the Hope Commission are not included in the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City (the primary government) and its component units. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as offsetting internal balances and eliminated. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between government and business-type activities have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses relate to a given function or segment and amount of related program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using 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. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers Governmental fund revenues to be available if they are collected within 60 days after yearend. Revenues for 2022 include property taxes levied principally on July 1, 2021 and collected within 60 days after yearend. Other major revenue types considered measurable and "susceptible to" accrual include expenditure-reimbursement type grants (when all applicable eligibility requirements have been met) and certain intergovernmental revenues. Governmental fund expenditures are recognized in the accounting period the liability is incurred, if measurable and payable from current available resources.

Expenses are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenses to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt and acquisitions under capital leases are reported as other financing sources.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial transactions of the City except those resources required to be accounted for in another fund. Revenues are derived principally from property taxes, municipal user taxes, employee wage taxes, and intergovernmental revenues. This fund accounts for expenditures for the general administrative

services of the City, parks and recreation, public safety, public works, licenses and inspections, real estate and housing, and debt service on general long-term obligations.

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds or other Governmental Funds. Revenue sources include bond proceeds, state and federal grants, and project revenues.

The American Rescue Plan Act Fund is used to account for the funds allocated to the City of Wilmington through the American Rescue Plan Act by the U.S. Department of the Treasury.

The City reports the following major enterprise fund:

The Water and Sewer Fund reports City water and sewer utility operations and storm water management activities that provide services financed primarily by user charges.

The City also reports the following fund types:

Internal Service Funds are used to account for goods or services provided by the City to other departments and funds or to other governmental units on a cost-reimbursement basis. The services accounted for in these funds include the motor vehicle pool, self-insurance, workers' compensation, and health and welfare benefits.

Pension Trust Funds reports the City's six pension retirement funds and a pension healthcare trust fund which accumulate resources for pension benefit payments to qualified employees.

With limited exceptions, the effects of internal activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for various functions.

Amounts recorded as program revenues include a) charges to customers or applicants for materials, services or privileges provided, b) operating grants and contributions, and c) capital grants and contributions. Internally dedicated resources including all taxes are reported as general revenues.

The preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent items at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could differ from those estimates.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer fund and internal service funds are charges to customers for sales and services.

The Water and Sewer fund recognizes operating revenues for the portion of connection fees related to the cost to connect customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

D. Assets, Liabilities and Fund Equity**Deposits and Investments**

Cash and Cash Equivalents The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities within one year from the date of acquisition. The City and its component units invest all temporary cash surpluses except for funds managed and invested by outside custodians. These temporary investments consist of certificates of deposit, U.S. Government securities, and time deposits. It is the City's and its component units' policies that all repurchase agreements be secured with U.S. Government securities. It is also their policies to consider demand deposits and highly liquid investments with maturities of one year or less when purchased and not under management of custodians or restricted as "cash and cash equivalents." Accordingly, cash and cash equivalents do not include "pooled investments" and "restricted investments," discussed below, and therefore, the two latter categories are excluded from beginning and ending balances for cash and cash equivalents in the statements of cash flows although restricted cash and cash equivalents are included.

Pooled Investments include pension investments pooled under management of outside custodians, are external in nature, and not considered highly liquid. These pooled investments consist of individual securities with identifiable street names, except for amounts invested in mutual funds as presented in Note 3.

Restricted Investments may occur in connection with various bond and trust agreements. Investments are deposited into restricted accounts for the purpose of constructing capital additions, or expenditures in a blended component unit. Earnings from these three cash and investment categories discussed above are credited to their respective funds. An analysis of the cash and investments is presented in Note 3.

Investments in the Fiduciary Funds are recorded at fair value as measured by quoted prices in an active market. The change for the fiscal year in the aggregate fair value of investments is reflected in the Statement of Changes in Fiduciary Net Position as "Net Appreciation (Depreciation) in Fair Value."

Investment Policies

Primary Government - Pooled Cash - The City's investment policy for surplus cash and investments is governed by the State of Delaware's Constitution. The City is authorized to make direct investments in:

- Certificates of Deposits from financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or, to the extent not insured, collateralized by U.S. Government securities,
- U.S. Government securities,
- Obligations issued or guaranteed by any U.S. Government agency,
- Collateralized repurchase agreements with respect to a U.S. Government securities or U.S. Government agency securities and, Obligations of States, Counties or Cities with a rating of "A" or better.

The City is not authorized to invest in:

- Any speculative type investments,
- Corporate equities,
- Corporate debt securities.

Primary Government - Fiduciary Funds - Deposits and Investments - The investment policy for the City's Pension Trust Funds is in accordance with the Investment Policy Statement of the City of Wilmington Board of Pensions and Retirement. The Investment Policy Statement's general policy is to apply the prudent person rule. Investments are made as a prudent person would act, with discretion and intelligence, to seek reasonable income, preserve capital and avoid speculative investments. The City's Pension Trust Funds may be invested in domestic equities, international equities, fixed income securities, real estate investment trusts, U.S. Government securities, U.S. Government agency securities, U.S. certificates of deposit, bankers' acceptances, commercial paper or alternate investments.

The Investment Policy Statement of the City of Wilmington Board of Pensions and Retirement delineates the following asset mix, intended to meet the Funds' investment objectives while limiting investment risk by assuring an acceptable level of diversification in the portfolio. The following is a summary of investment policy statement targets adopted by the Board of Pensions and Retirement: U.S. Equities at 49%, Non-U.S. Equities at 14%, Fixed Income at 26%, Real Estate at 7%, and Private Infrastructure 4%. The Policy emphasizes having adequate liquidity to permit benefit payments when due, while at the same time fostering growth in response to the Funds' long-term liabilities through asset allocation and investment guidelines. The Policy seeks to optimize diversification through asset allocation and certain other constraints.

Component Units - The Wilmington Park Trust Fund Commission (a blended component unit) has authority to invest in corporate equities and debt through a 1935 Act of the State Legislature. The Wilmington Parking Authority has authority to invest cash from operations and bond issues, and the assets of its pension funds under the Investment Policy Statement approved by its Board of Directors.

Receivables

Property Taxes are recorded as receivables at the time the tax is levied and billed on July 1 of each year and each quarter thereafter. The taxes become a lien when levied. Annual property taxes are due August 31. Penalty and interest on delinquent property taxes are recorded when imposed. A one-time penalty is imposed on delinquent taxes on August 31 at a ten percent (10%) rate (\$20 minimum) and interest is imposed on October 1 and the first of each month thereafter at the rate of one and one-half percent (1 ½%) on the unpaid principal balance.

Water, Sewer, and Stormwater Customer Charges are recorded when billed except that an estimated amount is recorded for services rendered but not yet billed as of the close of the fiscal year. Generally, this estimate is based on actual billings made subsequent to yearend after giving effect to charges for the subsequent reporting period. Thereafter, interest and penalty on delinquent water and sewer charges are recorded when imposed. A one-time penalty is imposed on the fifteenth (15) day after the due date of the charge at a ten percent (10%) rate (\$20 minimum) and interest is imposed on the first day of each month thereafter at the rate of one and one-half percent (1 ½%) on the unpaid principal balance.

Business License Fees are recorded when billed on January 1 of each year. Accounts become delinquent thirty (30) days after billing, at which time a one-time five percent (5%) penalty or a minimum of \$5 is imposed; this penalty becomes part of the base fee. Thereafter, interest and penalty are each assessed at a rate of one and one-half percent (1 ½%) per month.

Wage Taxes are recorded when paid. Wage taxes withheld by employers and remittable to the City at yearend are recorded as receivables. Receivables are also recorded when employers' payments are reconciled to submitted employee W-2 information due January 31. A one-time penalty of five percent (5%) or a minimum of \$5 is imposed on receivables after February 1 with interest imposed at a rate of one and one-half percent (1 ½%) per month until paid; in certain circumstances penalties of 5% per month may be applied. Additional fines and potential criminal penalties may be imposed under certain circumstances.

Parking Citations are recorded at the time the citation is issued. Accounts become delinquent 21 days after issuance; penalties of \$20 are added after 21 days, 45 days, and 90 days for a total penalty of \$60.

Revenues in the government-wide financial statements are susceptible to accrual in the period in which they become measurable unless accorded other treatment by GASB standards. All revenue and receivables in the government-wide and governmental fund statements are shown net of allowances for uncollectible accounts. Allowances are based on historic trends or specific evaluation as necessary.

Due to/Due from Other Funds which are recorded in the fund financial statements are the yearend outstanding balances of a variety of transactions between funds, including cash transactions, operating expenditures and transfers of resources to provide services, to construct assets and to service debt.

Due to/from Other Governments (or Component Units) primarily consist of amounts arising from transfer payments and amounts due from grantors. Certain revenues collected by the State and remitted to the City are recorded as derived revenue transactions; all amounts are remitted to the City within 60 days of yearend and are recorded as receivable.

Internal Balances are the residual balances outstanding between governmental activities and business-type activities as reported in the government-wide financial statements.

Prepaid Items

Significant prepayments to vendors are recorded as prepaid items and recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets are reported in the Government-wide and Proprietary Fund financial statements. The City has defined capital assets as assets with a minimum cost of \$5,000 (\$25,000 to \$50,000 for land improvements, buildings, and infrastructure) and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Donated capital assets including donated works of art and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Collections of art (primarily sculptures) are capitalized but not depreciated if they are preserved and not held for investment. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the City and its component units are depreciated using the straight-line method over the estimated useful lives of the related assets. The City records six months of depreciation in the year the asset is acquired.

The City and its component units generally use the following estimated useful lives unless an asset's life has been adjusted based on actual experience:

<u>Asset Class</u>	<u>Years</u>
Streets & Street Signals	20 - 35
Buildings	50 - 60
Parks and Recreation Facilities	50 - 60
Reservoirs and Water Filter Facilities	50 - 60
Water/Sewer Lines	50 - 60
Wastewater Pump and Treatment Facilities	50 - 60
Machinery and Equipment	10 - 15
Vehicles	5 - 10

Unearned Revenue

Unearned revenue consists of revenues that have not met all requirements of revenue recognition. Unearned items primarily consist of reimbursement-type grants where costs have not yet been incurred and funding has been advanced; this includes instances where the City receives periodic advance funding, but has not expended the funds nor met all the criteria to claim the funds as revenue for the current fiscal period.

Compensated Absences

City employees are granted vacation, sick leave and compensatory time in varying amounts based on length of service and bargaining unit. A limited number of vacation, sick days, and compensatory time may be carried forward from year to year, and upon termination, employees are paid accumulated vacation, sick days, and compensatory time at the appropriate rates. Other than for Governmental Funds, the unpaid vested vacation, sick pay, and compensatory time liabilities have been accrued. In the Governmental Funds, (General Fund and Special Revenue Funds) compensated absences are recorded as expenditures in the year paid, as it is the City's policy to liquidate unpaid vacation, sick leave, and compensatory time at June 30 from future resources (typically, of the General Fund) rather than from currently available, expendable resources.

Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Under GASB No. 65, bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as expenditure.

Deferred Inflows and Outflows

The statements of net position report a separate section for deferred outflows or deferred inflows of resources. Deferred inflows of resources represent acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City had

unavailable revenues, which qualifies as a deferred inflow of resources. This arises under the modified accrual basis of accounting and therefore only reported in the governmental funds balance sheet. The City also had deferred inflows of resources related to pensions and OPEB that are occurring primarily as a result from changes in the components of the net pension liability and net OPEB liability. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has a deferred charge on refunding reported in the government-wide statement of net position and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also had deferred outflows of resources related to pensions that are occurring primarily as a result from changes in the components of the net pension liability and net OPEB liability.

Self-Insurance

The City is exposed to various risks of losses relating to general liability, commercial automobile liability, law enforcement liability, employee benefits liability, employment practices liability, management liability, and abuse/molestation liability (hereinafter “Commercial General Liability”); and inland marine liability. The City has commercial general liability and excess/umbrella insurance to cover these risks, after self-insured retentions, which are covered with Internal Service Funds.

The City also maintains commercial insurance coverage for its commercial property, large value commercial automobiles, inland marine hull, flood, crime, cyberrisk and certain other insurable losses. The City is self-insured for workers compensation and general health claims, which are covered by Internal Service Funds; the City has medical stop loss insurance for large general health claims and specific excess insurance for workers compensation claims.

The claims liabilities included in the Risk Management, Workers’ Compensation and Health and Welfare Funds are based on the results of actuarial studies, and include amounts for claims previously incurred, and including both reported and unreported claims. Claims liabilities are calculated considering the effects of inflation, multi-year loss development trends, and other economic and social factors. It is the City’s practice to obtain actuarial studies annually. Costs are charged back to other funds by these three internal service funds using various allocation methods.

Net Position and Fund Balance

The difference between fund assets, deferred outflows and inflows of resources, and liabilities is “Net Position” on the government-wide, proprietary, and fiduciary fund statements and “Fund Balance” on governmental fund statements. Net position is comprised of three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. The first component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets reflect those assets whose use is restricted by outside parties or legal constraints. The unrestricted component of net position consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

- **Restricted** – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council's formal action to establish committed funds, and to rescind committed funds, is through passage of an ordinance.
- **Assigned** – Amounts that are allocated for a future use by the Mayor but are not spendable until a budget ordinance is passed by City Council.
- **Unassigned** – All amounts not included in other spendable classifications. The General Fund is the only fund that reports a positive unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. When committed resources, assigned resources, and unassigned resources are available for use, it is the City's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

2. Stewardship, Compliance, and Accountability**A. Legally Adopted Governmental Fund Budgets**

Budgets for Governmental funds have been legally adopted for the year ended June 30, 2022. Governmental funds include the General Fund and the non-major funds, which are shown on page 151. Special Revenue funds adopt budgets equal to the expenditures available for reimbursement by grants. All budgets for the above funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary comparison schedules for the General Fund are presented as part of the Basic Statements. Similar comparison schedules for the non-major funds as well as additional detail on General Fund expenditures are presented in the combining and individual fund financial statements and schedule section of this report. More detailed information on the budgeting process is included on pages 141 and 142.

B. Expenditures Over Appropriations

Expenditures for the year ended June 30, 2022, exceeded appropriations in the following funds:

General Fund	Budget Amount	Actual Amount	Variance
Audit	\$ 877,156	\$ 890,518	\$ (13,362)
Fire	26,842,712	27,353,523	(510,811)
Police	60,874,497	63,513,100	(2,638,603)
Total General Funds	88,594,365	91,757,141	(3,162,776)
Non-Major Funds			
Community Development Block Grant	1,733,421	1,822,483	(89,062)
Home Partnership Program	310,676	727,244	(416,568)
Economic Strategic	5,000,000	6,468,517	(1,468,517)
HUD Emergency Shelter	1,171,637	1,172,666	(1,029)
Total Non-Major Funds	8,215,734	10,190,910	(1,975,176)
	\$ 96,810,099	\$ 101,948,051	\$ (5,137,952)

C. Transfers

During the year ended June 30, 2022, the City of Wilmington's General Fund transferred \$25,000 to Wilmington Early Care and Education Council, \$31,186 to Park Recreation Assistance, \$586,841 to Cityfest, Inc. and \$1,200,000 to the Economic Development Fund.

3. Deposits and Investments

The City pools surplus cash and investments of all funds for investment purposes with the City Treasurer. The City also separately pools pension funds with the City Treasurer. Pension funds are held by the City Treasurer and outside custodians; they are managed by the City Treasurer and outside investment managers. Component units use both internal and external management of deposits and investments. Some component units consider certificates of deposit to be investments.

	Primary Government	Fiduciary Funds	Discretely Presented Component Units
<u>Deposits</u>			
Insured Deposits (FDIC)	\$ 1,350,314	\$ 6,634,102	\$ 1,500,000
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	158,119,681	-	2,325,291
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	-	-	527,782
Certificate of Deposits due within One year - Uncollateralized	-	-	-
Uninsured and Uncollateralized	-	-	7,147,418
	<u> </u>	<u> </u>	<u> </u>
Total Deposits	\$ 159,469,995	\$ 6,634,102	\$ 11,500,491
<u>Investments</u>			
Money Market Funds	\$ 4,548,625	\$ 14,794,769	\$ 1,782,107
U.S. Treasury Obligations	-	8,164,073	4,971,555
U.S. Government Agencies - Guaranteed	-	9,398,105	-
Municipal Obligations	-	434,225	50,086
Corporate & Foreign Bonds and Funds	-	25,228,709	1,987,818
Common Equity & Marketable Securities	-	133,185,058	-
Mutual Funds	862,953	76,365,041	-
Real Estate Investment Trust and Other	-	30,120,242	810,368
	<u> </u>	<u> </u>	<u> </u>
Total Investments	\$ 5,411,578	\$ 297,690,222	\$ 9,601,934
	<u> </u>	<u> </u>	<u> </u>
Total Deposits and Investments	\$ 164,881,573	\$ 304,324,324	\$ 21,102,425

Custodial Credit Risk – Deposits

Primary Government and Fiduciary Funds - Custodial credit risk for deposits exists when, in the event of a failure of a depository financial institution, the City may be unable to recover deposits or recover collateral deposits that are in the possession of an outside party. As required by law, all City deposits are federally insured or, to the extent not insured, collateralized by direct obligations of the United States of America.

Custodial Credit Risk – Investments

Primary Government and Fiduciary Funds - Custodial credit risk for investments exists when, in the event of a failure the counterparty to a transaction, a government may be unable to recover the value of investments or collateral securities that are in the possession of an outside party. The table above provides information about the custodial credit risk associated with the Fiduciary Funds' investments. The investments disclosed in the table are uninsured and uncollateralized and held by the City's brokerage firm or bank trust department which is also the counterparty for the securities. The government's investment policy calls for annual reviews of investment custodians and managers.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value.

Primary Government - The City's policy is to limit interest rate risk and to maximize safety and liquidity by investing excess general cash in insured and fully collateralized certificates of deposit and interest bearings bearing checking accounts. The Wilmington Park Trust Fund Commission (a blended component) is exposed to this risk in that it held exchange traded funds and mutual fund assets amounting to \$5,421,695.

Component Units - The Wilmington Parking Authority is exposed to this risk in that they held money market fund assets amounting to \$1,782,102 due within one year, U.S. Treasury Notes amounting to \$4,971,555 and due within five years, Corporate & Foreign Bonds amounting to \$1,987,818 due within five years, and municipal bonds amounting to \$50,086 due within five years as of June 30, 2022. Wilmington UDAG Corporation is exposed to interest rate risk in its investment in the Grow Wilmington Fund (GWF.) The GWF operates a small business loan program. The program makes loans with varying terms and interest rates. As of June 30, 2022, there were six program loans outstanding (including two in default that are considered impaired) with 85% concentrated in one borrower.

Fiduciary Funds - The Investment Policy Statement's policy with regards to interest rate risk is that the average duration of fixed income securities held shall never be more than nine months greater or less than the most recently published average duration of the Barclays Capital Intermediate Government/Credit Index. The following is a maturity schedule summarizing fixed income and short-term investments as of June 30, 2022.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				
		<u>< 1 year</u>	<u>1-4.9</u>	<u>5-9.9</u>	<u>10-19.9</u>	<u>> 20</u>
U.S. Treasuries	\$ 8,164,074	\$ -	\$ 4,682,731	\$ 1,711,495	\$ 1,093,708	\$ 676,140
U.S. Govt. Agencies -						
Guaranteed	9,398,105	-	1,097,297	-	2,394,280	5,906,528
Municipal Bonds	434,225	-	-	-	434,225	-
Corporate & Foreign Bonds	10,652,399	-	6,749,753	2,895,966	1,006,680	-
Total	\$ 28,648,803	\$ -	\$ 12,529,781	\$ 4,607,461	\$ 4,928,893	\$ 6,582,668

Fair Value Measurements

The City follows the provisions of GASBS No.72, *Fair Value Measurement and Application*. Under GASBS No. 72, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASBS No.72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The City has the following recurring fair value measurements as of June 30, 2022:

	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other Governmental Funds				
Exchange Traded Funds	\$ 4,548,625	\$ 4,548,625	\$ -	\$ -
Mutual Funds	862,953	862,953	-	-
Total Other Governmental Funds	<u>\$ 5,411,578</u>	<u>\$ 5,411,578</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds Investments				
Money Market	\$ 14,794,769	\$ 14,794,769	\$ -	\$ -
U.S. Treasury Obligations	8,164,073	8,164,073	-	-
U.S. Government Agencies				
Guaranteed	9,398,105	9,398,105	-	-
Municipal Bonds	434,225	434,225	-	-
Corporate Bonds	25,228,709	25,228,709	-	-
Total Debt Securities	<u>\$ 58,019,881</u>	<u>\$ 58,019,881</u>	<u>\$ -</u>	<u>\$ -</u>

	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Equity Securities				
Materials	\$ 3,490,869	\$ 3,490,869	\$ -	\$ -
Industrials	9,362,582	9,362,582	-	-
Telecommunication Services	4,613,127	4,613,127	-	-
Consumer Discretionary	7,198,623	7,198,623	-	-
Consumer Staples	5,024,848	5,024,848	-	-
Energy	3,601,499	3,601,499	-	-
Financial	10,876,929	10,876,929	-	-
Health Care	12,004,456	12,004,456	-	-
Information Technology	15,513,809	15,513,809	-	-
Utilities	2,869,866	2,869,866	-	-
Real Estate	2,727,008	2,727,008	-	-
Miscellaneous	43,120	43,120	-	-
Total Common Equity Securities	<u>77,326,736</u>	<u>77,326,736</u>	<u>-</u>	<u>-</u>
Mutual Funds	75,913,895	75,913,895	-	-
Common Collective Funds	55,738,080	55,738,080	-	-
Total Fiduciary Funds Investments	<u>\$ 262,639,985</u>	<u>\$ 262,639,985</u>	<u>\$ -</u>	<u>\$ -</u>

**Fiduciary Funds Investments Measured at
Net Asset Value**

Real Estate Investment Trust	<u>\$ 30,120,242</u>
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The Real Estate Investment consists of investment in two partnerships, the objective of the investments is to combine an attractive income yield with long-term capital growth by investing primarily in institutional quality real estate assets and real estate related investments within the United States. These investments are valued at the net asset value (NAV) of interests in the partnerships. The NAV, as provided by the General Partners, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The General Partners will generally determine the NAV of the Funds on at least a quarterly basis. Limited Partners may elect, upon at least 90 days' written notice to the General Partners, to have some or all their Interests redeemed at the Net Asset Value Per Share as of the last day the calendar quarter immediately preceding the date of the redemption. To the extent that liquid assets of the Funds, as determined by the General Partners, are insufficient to satisfy redemption requests, interests are generally expected to be redeemed on a pro rata basis as liquid assets become available. The General Partners cannot be required to sell investments to satisfy redemption requests. As of June 30, 2022, the fair value for this investment was \$29,280,159.

Component Units**Wilmington Parking Authority**

	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Unrestricted Investments				
Money Market Mutual Funds	\$ 1,782,107	\$ 1,782,107	\$ -	\$ -
U.S. Treasury Obligations	4,373,207	4,373,207	-	-
Municipal Bonds	50,086	50,086	-	-
Corporate Bonds	1,987,818	1,987,818	-	-
Total Unrestricted Investments	\$ 8,193,218	\$ 8,193,218	\$ -	\$ -
Restricted Investments				
Treasury obligation fund	\$ 598,348	\$ 598,348	-	-
Total Restricted Investments	\$ 598,348	\$ 598,348	\$ -	\$ -

Credit Risk

The Investment Policy Statement requires that the average quality of fixed income investments in any fixed income manager's portfolio shall equal or exceed Moody's AA or equivalent rating and the minimum quality of any single fixed income investment purchased or retained shall equal Moody's Baa or equivalent rating. As of June 30, 2022, the Pension Trust Funds' fixed income and short-term investments had the following risk characteristics.

Moody's Ratings or Comparable	Percent of Total Benefit Trust Funds	Fair Value
Baa and higher	6.7%	\$ 17,562,179
Government	4.2%	11,086,624
	<u>10.9%</u>	<u>\$ 28,648,803</u>

Concentration of Credit Risk

When investments are concentrated in one issuer (excluding the U.S. Government), this concentration presents a heightened risk of loss. As of June 30, 2022, there were no investments with a fair value in excess of 5% of the Funds' net position invested in any one particular issue.

Foreign Currency Risk

There are no Pension Funds exposed to foreign currency.

Investment Commitments

The Pension Funds had no investment commitments at June 30, 2022.

Reconciliation to Statements of Net Position

The following provides the reconciliation between amounts disclosed above and the amounts presented in the Statements of Net Position.

	<u>Primary Government</u>	<u>Pension Trust Funds</u>	<u>Component Units</u>
Cash and Cash Equivalents	\$ 159,132,460	\$ 6,634,102	\$ 11,500,491
Investments	5,749,113	297,690,222	9,601,934
	<u>\$ 164,881,573</u>	<u>\$ 304,324,324</u>	<u>\$ 21,102,425</u>
Unrestricted	\$ 120,191,163	\$ -	\$ 8,526,177
Restricted	44,690,410	-	12,576,248
Fiduciary Funds	<u>-</u>	<u>304,324,324</u>	<u>-</u>
	<u>\$ 164,881,573</u>	<u>\$ 304,324,324</u>	<u>\$ 21,102,425</u>

Restricted Cash and Investments

At June 30, 2022, the City had \$5,411,578 of investments in a non-major special revenue fund. These are shown as restricted assets in the Statement of Net Position as they are in separate accounts within a blended component unit and are available only for park operations.

The city also had \$41,375,798 in temporarily restricted cash at June 30, 2022. The components were: \$3,330,587 related to Water and Sewer Fund contractual requirements and \$32,917,529 related to unspent proceeds of bond offerings \$19,402,122 in the Water and Sewer Fund, \$13,512,797 in the Capital Projects Fund) The proceeds are invested primarily in certificates of deposit and are tracked and managed separately from operating cash by the City Treasurer. The funds can only be spent on capital projects. The City classifies these as restricted funds due to the source, the management of the funds, and the expenditure restrictions. The funds have never been used for temporary purposes and City policies prevent this from occurring.

Component Unit**UDAG- Grow Wilmington Fund**

On October 28, 2014 Wilmington UDAG Corp (WUC) entered into a Multi-Party Loan and Participation Agreement (MPLPA) with Grow America Fund, Inc. (GAF) and Discover Bank to establish a revolving loan fund (the Grow Wilmington Fund) intended to make loans to small businesses (Program Loans) in the City of Wilmington under the Small Business Act. As of June 30, 2022, WUC's equity interest in the Grow Wilmington Fund was \$810,368 with \$0 related liability. At the termination of the MPLPA, originally set for 2024 or earlier as mutually agreed, WUC will receive back its equity interest in the Grow Wilmington Fund, plus earnings, minus fees and any defaults not covered by collateral. WUC will provide assistance in marketing the Grow Wilmington Fund to potential borrowers. The Program Loans are made in GAF's name as the lender. GAF, with input from WUC, determines the terms for each Program Loan, including the amount of the loan and the security collateral for repayment of the loan. At June 30, 2022 there were six Program Loans outstanding (including two loans which were in default/liquidation status and fully reserved) with approximately 85% of outstanding unreserved portfolio concentrated in one borrower. WUC recognized a net recovery of the amounts previously impaired on its equity interest of \$27,140 for the year ended June 30, 2021.

4. Receivables

Primary Government

Receivables as of yearend for the Government's major and non-major funds (including applicable allowances for uncollectible accounts) are as follows:

	Governmental Activities			Business-type Activities			
	General	Non-Major Funds	Internal Service Funds	Total Governmental Funds	Water & Sewer Fund	Wilmington Land Bank	Total Business Type Activities
Receivables:							
Property Taxes	\$ 6,033,110	\$ -	\$ -	\$ 6,033,110	\$ -	\$ -	\$ -
Wage taxes	15,070,430	-	-	15,070,430	-	-	-
Parking & Red Light Citations	14,479,792	-	-	14,479,792	-	-	-
Business Licenses	2,434,988	-	-	2,434,988	-	-	-
Signs and Licenses	8,496,585	-	-	8,496,585	-	-	-
Stop Loss & Prescription Rebates	-	-	3,497,700	3,497,700	-	-	-
Other	1,235,756	2,303,665	47,464	3,586,885	-	-	-
Utility Bills	-	-	-	-	31,172,500	152,173	31,324,673
Gross Receivables	47,750,661	2,303,665	3,545,164	53,599,490	31,172,500	152,173	31,324,673
Less: Allowance for Uncollectibles	(23,541,918)	(135,005)	-	(23,676,923)	(12,493,160)	-	(12,493,160)
Net Total Receivables	\$ 24,208,743	\$ 2,168,660	\$ 3,545,164	\$ 29,922,567	\$ 18,679,340	\$ 152,173	\$ 18,831,513

Revenues of the Water and Sewer Fund are reported net of the change in uncollectible amounts; the change in 2022 increased revenues by \$209,537.

Discretely Presented Component Units

Net receivables as of yearend for the Component Units are as follows:

	Riverfront					Total
	Downtown Visions	Business Improvement District	Wilmington UDAG Corporation	Rock Manor Golf Corporation	Wilmington Parking Authority	
Receivables:						
Accounts	\$ 86,929	\$ 58,226	\$ -	\$ 36,900	\$ 1,209,955	\$ 1,392,010
Mortgages and Loans	-	-	1,353,612	-	-	1,353,612
Total Receivables	\$ 86,929	\$ 58,226	\$ 1,353,612	\$ 36,900	\$ 1,209,955	\$ 2,745,622

5. Notes Receivable

Primary Government

On September 1, 1995, the City entered into an agreement with the Diamond State Port Corporation (DSPC), selling the assets of the Port of Wilmington for deferred payment notes totaling \$115.5 million over 30 years, at a 7% interest rate. On October 3, 2018 the DSPC paid the outstanding balance of the note in the amount of \$2,591,742. Unearned revenue of \$553,829 is reported as in the government-wide statement of net position and governmental funds balance sheet. See also Note 11.

The City of Wilmington provided a line of construction funding to the Wilmington Housing Partnership Corporation up to a maximum of \$4,000,000 outstanding at any one time. During the year ended June 30, 2019, due to economic factors, the receivable from Wilmington Housing Partnership Corporation became impaired and an allowance for the doubtful portion of the receivable was established by the City. The net receivable at June 30, 2022, is \$0 (\$3,378,371 in principal and \$151,112 in interest less allowance of \$3,529,483) and is included in the government-wide statement of net position and governmental funds balance sheet. The Wilmington Housing Partnership is a blended component unit of the City of Wilmington, as discussed in Note 1. On October 3, 2019 City of Wilmington entered into a forbearance agreement with the Wilmington Housing Partnership Corporation for eighteen months. On November 16, 2021, the forbearance agreement was extended through May 3, 2023.

A note receivable was established with the Wilmington Housing Partnership Corporation on November 30, 2018 in the amount of \$274,737. Interest at the rate of 3% accrues on the unpaid principal balance. All outstanding sums of principal, interest and other charges are due and payable on November 21, 2038. The net receivable at June 30, 2022 is \$0. (\$274,737 in principal less allowance of \$274,737) is included in the government-wide statement of net position and governmental funds balance sheet.

6. Capital Assets**A. Primary Government**

The capital asset activity for Governmental Activities for the year ended June 30, 2022 was as follows:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Governmental activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 24,090,181	\$ -	\$ -	\$ 24,090,181
Art	2,709,713	434,888	-	3,144,601
Construction-In-Progress	<u>15,574,408</u>	<u>6,448,613</u>	<u>(18,150,147)</u>	<u>3,872,874</u>
Total Capital Assets not being Depreciated	<u>42,374,302</u>	<u>6,883,501</u>	<u>(18,150,147)</u>	<u>31,107,656</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	91,418,731	1,150,750	-	92,569,481
Parks and Recreation Facilities	39,546,602	5,480,810	-	45,027,412
Streets and Street Signals	128,328,777	14,998,891	(2,276,011)	141,051,657
Vehicles, Equipment and Other Assets	<u>82,670,574</u>	<u>4,386,745</u>	<u>(2,375,167)</u>	<u>84,682,152</u>
Total Capital Assets Being Depreciated	<u>341,964,684</u>	<u>26,017,196</u>	<u>(4,651,178)</u>	<u>363,330,702</u>
Less Accumulated Depreciation For:				
Buildings	(34,503,521)	(2,156,037)	-	(36,659,558)
Parks and Recreation Facilities	(22,418,327)	(920,701)	-	(23,339,028)
Streets and Street Signals	(56,391,992)	(4,096,850)	2,276,011	(58,212,831)
Vehicles, Equipment and Other Assets	<u>(54,895,623)</u>	<u>(5,221,047)</u>	<u>2,243,897</u>	<u>(57,872,773)</u>
Total Accumulated Depreciation	<u>(168,209,463)</u>	<u>(12,394,635)</u>	<u>4,519,908</u>	<u>(176,084,190)</u>
Total Capital Assets Being Depreciated, Net	<u>173,755,221</u>	<u>13,622,561</u>	<u>(131,270)</u>	<u>187,246,512</u>
Governmental Activities Capital Assets, Net	<u>\$ 216,129,523</u>	<u>\$ 20,506,062</u>	<u>\$ (18,281,417)</u>	<u>\$ 218,354,168</u>

The capital asset activity for Business-type Activities for the year ended June 30, 2022 was as follows:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 4,060,443	\$ -	\$ -	\$ 4,060,443
Construction-In-Progress	41,514,073	10,201,480	(12,931,804)	38,783,749
Total Capital Assets not being Depreciated	<u>45,574,516</u>	<u>10,201,480</u>	<u>(12,931,804)</u>	<u>42,844,192</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	27,767,611	1,008,699	-	28,776,310
Vehicles, Equipment and Other Assets	29,956	-	-	29,956
Reservoirs and Water Filter Facilities	168,838,501	1,279,735	-	170,118,236
Water Lines	75,090,581	728,898	(153,725)	75,665,754
Wastewater Pump and Treatment Facilities	194,917,906	9,670,811	-	204,588,717
Sewer Lines	42,244,552	1,252,360	(264,124)	43,232,788
Total Capital Assets Being Depreciated	<u>508,889,107</u>	<u>13,940,503</u>	<u>(417,849)</u>	<u>522,411,761</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(7,291,309)	(695,044)	-	(7,986,353)
Vehicles, Equipment and Other Assets	(10,485)	(5,991)	-	(16,476)
Reservoirs and Water Filter Facilities	(44,757,424)	(3,005,822)	-	(47,763,246)
Water Lines	(24,960,143)	(1,964,941)	153,725	(26,771,359)
Wastewater Pump and Treatment Facilities	(102,599,554)	(3,908,641)	-	(106,508,195)
Sewer Lines	(10,022,286)	(854,774)	264,124	(10,612,936)
Total Accumulated Depreciation	<u>(189,641,201)</u>	<u>(10,435,213)</u>	<u>417,849</u>	<u>(199,658,565)</u>
Total Capital Assets Being Depreciated, Net	<u>319,247,906</u>	<u>3,505,290</u>	<u>-</u>	<u>322,753,196</u>
Business-type Activities Capital Assets, Net	<u>\$ 364,822,422</u>	<u>\$ 13,706,770</u>	<u>\$ (12,931,804)</u>	<u>\$ 365,597,388</u>

Depreciation expense was charged to functions/programs of the primary government as follow:

Governmental Activities

General Government	\$ 1,553,542
Real Estate and Housing	62,714
Public Works	7,894,707
Parks and Recreation	1,047,239
Public Safety	<u>1,836,433</u>

Total Depreciation Expense - Governmental Activities \$ 12,394,635

Business-type Activities

Water/Sewer	<u>\$ 10,435,214</u>
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Total Depreciation Expense - Business-type Activities \$ 10,435,214

Construction Commitments

The City of Wilmington has active construction contracts as of June 30, 2022. The programs include street paving, an emergency communications system, and a reservoir and other water and wastewater facilities.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
General Capital Projects	\$ 59,344,740	\$ 12,144,169
Reservoirs & Other Water and Wastewater Projects	<u>74,679,514</u>	<u>4,936,051</u>
Total	<u>\$ 134,024,254</u>	<u>\$ 17,080,220</u>

B. Component Units

The Capital asset activity for the City's component units for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 16,319,059	\$ -	\$ -	\$ 16,319,059
Intangible Assets	5,000,000	-	-	5,000,000
Construction-In-Progress	<u>1,503,998</u>	<u>279,270</u>	<u>(467,000)</u>	<u>1,316,268</u>
Total Capital Assets Not Being Depreciated	<u>22,823,057</u>	<u>279,270</u>	<u>(467,000)</u>	<u>22,635,327</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	74,291,078	397,487	(1,581)	74,686,984
Machinery and Equipment	4,743,832	19,771	-	4,763,603
Vehicles & Other Assets	<u>704,217</u>	<u>92,384</u>	<u>-</u>	<u>796,601</u>
Total Capital Assets Being Depreciated	<u>79,739,127</u>	<u>509,642</u>	<u>(1,581)</u>	<u>80,247,188</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(50,143,632)	(2,214,571)	1,581	(52,356,622)
Machinery and Equipment	(4,339,204)	(131,259)	-	(4,470,463)
Vehicles & Other Assets	<u>(430,820)</u>	<u>(85,265)</u>	<u>-</u>	<u>(516,085)</u>
Total Accumulated Depreciation	<u>(54,913,656)</u>	<u>(2,431,095)</u>	<u>1,581</u>	<u>(57,343,170)</u>
Total Capital Assets Being Depreciated, Net	<u>24,825,471</u>	<u>(1,921,453)</u>	<u>-</u>	<u>22,904,018</u>
Capital Assets, Net	<u>\$ 47,648,528</u>	<u>\$ (1,642,183)</u>	<u>\$ (467,000)</u>	<u>\$ 45,539,345</u>

7. Interfund Balances and Transfers

Interfund balances arise primarily from the General Fund’s role as receiver, investor, and disbursing officer of cash. The payable from the Internal Service Funds (primarily the Motor Vehicle Fund) arises from vehicle purchases that will be collected through charges to the General and other funds. Interfund balances are expected to be repaid within one year.

The General Fund is owed \$10,006,817 by the Fiduciary Funds at June 30, 2022. The liability relates to the pension payments disbursed from the General Fund on behalf of the Fiduciary Funds during the year.

The General Fund is owed \$11,341,202 by the Motor Vehicle Fund at June 30, 2022; the liability relates to the acquisition of garage assets and motor vehicles and is shown as an advance to Other Funds as management intends to repay this advance from internal service charges based in part on depreciation incurred over the life of the assets.

The General Fund is also owed \$3,163,729 by the Motor Vehicle Fund, the Risk Management Fund, and the Health and Welfare Fund due to the General Fund’s role as receiver, investor and distributor of cash.

During the year ended June 30, 2022, the City of Wilmington’s General Fund transferred \$25,000 to Wilmington Early Care and Education Council, \$31,186 to Park Recreation Assistance, \$586,841 to Cityfest, Inc. and \$1,200,000 to the Economic Development Fund.

The composition of interfund balances as of June 30, 2022, is as follows:

	<u>Payable Funds</u>					<u>Total</u>
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Water & Sewer</u>	<u>Fiduciary Funds</u>	
Receivable Funds						
General Fund	\$ -	\$ 882,746	\$ 14,504,931	\$ 28,337	\$ 10,006,817	\$ 25,422,831

8. Short Term Debt**Housing Strategic Fund Blended Component – Wilmington Housing Partnership Corporation**

The Wilmington Housing Partnership Corporation (WHPC), a not-for-profit organization is a blended component unit within the City's Housing Strategic Fund. The WHPC is separately incorporated and the City is not liable for its debts. The following is a summary of WHPC's outstanding notes payable as of June 30, 2022:

- Wilmington UDAG Corporation – Short term loan was entered into during the year ended June 30, 2018, that bears at the default interest rate of 5% that was due on December 31, 2018. WHPC has pledged various properties to support this loan. On April 22, 2022, the Board voted to forgive the loan balance due from the Corporation. As a result, the Corporation recognized income from forgiveness of debt of \$500,000 and forgiveness of related accrued interest of \$230,285 as an Extraordinary Item, in the year ended June 30, 2022.

The following is a summary of debt and accrued interest activity for the year ended June 30, 2022:

	Beginning Fiscal Year Liability	Additions	Reductions	Ending Fiscal Year Liability
Wilmington UDAG Corporation	\$ 500,000	\$ -	\$ (500,000)	\$ -
Accrued Interest	180,285	-	(180,285)	-
	<u>\$ 680,285</u>	<u>\$ -</u>	<u>\$ (680,285)</u>	<u>\$ -</u>

9. Long-Term Debt – Primary Government**A. Changes in Long-Term Liabilities**

The following is a summary of debt transactions of the City (primary government) for the year ended June 30, 2022.

	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Government Activities:					
Bonds Payable	\$ 116,209,243	\$ 132,266	\$ (10,121,262)	\$ 106,220,247	\$ 9,490,958
Premium on Debts Issued	<u>16,471,558</u>	-	<u>(2,161,390)</u>	<u>14,310,168</u>	-
Total Bonds Payable	132,680,801	132,266	(12,282,652)	120,530,415	9,490,958
Capital Leases	2,007,146	-	(888,375)	1,118,771	630,008
Insurance Claims Payables	23,579,276	26,912,278	(24,388,793)	26,102,761	6,665,789
Compensated Absences	9,929,570	6,426,722	(6,748,669)	9,607,623	6,748,669
Net Pension Liability	70,293,971	29,019,161	(5,669,637)	93,643,495	-
Net OPEB Liability	<u>10,807,609</u>	<u>4,091,346</u>	-	<u>14,898,955</u>	-
Government Activity					
Long-Term Liabilities	<u>\$ 249,298,373</u>	<u>\$ 66,581,773</u>	<u>\$ (49,978,126)</u>	<u>\$ 265,902,020</u>	<u>\$ 23,535,424</u>
Business-type Activities					
Bonds Payable	\$ 218,878,925	\$ 5,222,882	\$ (15,153,657)	\$ 208,948,150	\$ 12,469,962
Premium on Debt Issue	<u>14,495,393</u>	-	<u>(2,021,019)</u>	<u>12,474,374</u>	-
Total Bonds Payable	233,374,318	5,222,882	(17,174,676)	221,422,524	12,469,962
Net Pension Liability	2,276,936	1,823,106	(65,003)	4,035,039	-
Compensated Absences	<u>596,431</u>	<u>619,355</u>	<u>(672,605)</u>	<u>543,181</u>	<u>543,181</u>
Business-type Activities					
Long-Term Liabilities	<u>\$ 236,247,685</u>	<u>\$ 7,665,343</u>	<u>\$ (17,912,284)</u>	<u>\$ 226,000,744</u>	<u>\$ 13,013,143</u>

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Discreetly Presented Component Units					
Wilmington Parking Authority	\$ 10,751,034	\$ -	\$ (744,679)	\$ 10,006,355	\$ 715,321
Downtown Visions	891,713	-	(455,255)	436,458	29,914
Rock Manor	<u>785,100</u>	<u>-</u>	<u>(121,235)</u>	<u>663,865</u>	<u>126,289</u>
Component Units					
Long-Term Liabilities	<u>\$ 12,427,847</u>	<u>\$ -</u>	<u>\$ (1,321,169)</u>	<u>\$ 11,106,678</u>	<u>\$ 871,524</u>

B. General Obligation Bonds

The City of Wilmington issues general obligation bonds to provide funds for the acquisition and construction of major capital assets.

General Fund revenues are used to satisfy general obligation bonds payable recorded in the governmental activities section of the government-wide statement of net position, and General obligation bonds recorded in the business-type activities section are payable from revenues of the Water & Sewer Fund. These include general obligation financing agreements with the Delaware Drinking Water State Revolving Fund (DDWSRF) acting through the Delaware Department of Health & Social Services and the Delaware Water Pollution Control Revolving Fund (DWPCRF) of the Delaware Department of Natural Resources and Environmental Control. General obligation bonds issued on behalf of the Port of Wilmington are payable from payments made as part of the sale agreement discussed in Note 5. General obligation bonds are secured by the full faith and credit of the City.

Bonds issued by the Wilmington Parking Authority (a discretely presented component unit) are guaranteed by the City if the resources of the Authority are insufficient to cover debt service on the bonds.

The City is subject to the rules and regulations established by the Internal Revenue Code and the U.S. Treasury that, under certain conditions, may create an arbitrage rebate to be paid to the federal government.

The City's governmental funds debt service payments of \$15,087,350 in fiscal year 2022 were within the statutory debt limit of \$29,287,554.

The following is a summary of general obligation bonds outstanding as of June 30, 2022:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding June 30, 2022
2002/2025	\$ 11,000,000	STATE REV LOAN - 2002	2.96%	\$ 2,259,021
2005/2028	13,700,000	STATE REV LOAN - 2005 C	2.37%	5,607,090
2007/2028	2,548,501	STATE REV LOAN - 2006 SRF	2.50%	1,104,080
2007/2028	1,246,499	STATE REV LOAN - 2006B SRF	2.50%	539,576
2007/2028	3,185,000	STATE REV LOAN - 2007 SRF	2.69%	1,390,966
2009/2030	18,975,000	STATE REV LOAN - 2008 SRF	2.92%	11,199,004
2009/2030	5,000,000	STATE REV LOAN - 2008B SRF	2.92%	2,668,666
2009/2031	8,899,999	STATE REV LOAN - 2009 ARRA/SRF	3.24%	2,367,915
2009/2031	2,800,000	STATE REV LOAN - 2009C DWPCRF	2.00%	1,499,636
2011/2032	2,500,000	STATE REV LOAN - 2011 DDWSRF	2.00%	1,684,279
2011/2032	2,500,000	STATE REV LOAN - 2011A DDWSRF	2.00%	1,465,734
2012/2022	1,556,594	STATE REV LOAN - 2011 SEU	1.99%	383
2012/2033	2,500,000	STATE REV LOAN - 2012A DDWSRF	2.41%	1,867,151
2012/2034	2,000,000	STATE REV LOAN - 2012B DDWSRF	2.41%	1,366,543
2012/2035	1,200,000	STATE REV LOAN - 2012C DWPCRF	2.41%	881,344
2012/2032	1,500,000	STATE REV LOAN - 2012D DWPCRF	3.00%	248,510
2014/2034	36,060,000	STATE REV LOAN SRF CO-GEN	3.00%	26,745,943
2014/2036	4,000,000	STATE REV LOAN 2014-A SRF LOAN	2.20%	3,201,688
2014/2036	2,500,000	STATE REV LOAN 2014 SRF LOAN	2.20%	1,862,120
2016/2037	5,000,000	STATE REV LOAN SERIES 2016A SRF	2.00%	4,507,360
2018/2034	3,490,753	STATE REV LOAN SERIES 2017A SRF	2.50%	2,464,061
2018/2039	2,000,000	STATE REV LOAN SERIES 2018A SRF	2.00%	2,000,000
2018/2039	4,000,000	STATE REV LOAN SERIES 2018B SRF	2.39%	3,910,461
2019/2041	15,107,399	STATE REV LOAN SERIES 2019A SRF	2.00%	14,352,029
2019/2039	4,000,000	STATE REV LOAN SERIES 2019D SRF	1.57%	3,817,741
2020/2040	5,000,000	STATE REV LOAN SERIES 2020A-DWSRF	3.00%-5.00%	5,000,000
2020/2040	1,206,460	STATE REV LOAN SERIES 2020B-WPCRF	2.00%	1,206,460
2020/2042	2,120,708	STATE REV LOAN SERIES 2020C-SEPRLF	2.00%	2,034,323
2022/2044	1,369,500	STATE REV LOAN SERIES 2021-WPCRF	2.00%	48,649
2011/2030	2,700,000	BONDS PAYABLE - 2011 C CREB	4.63%	2,700,000
2013/2025	37,535,000	BONDS PAYABLE - 2013 A	2.22%	25,575,037
2015/2035	39,425,000	2015 GO BOND PAYABLE	2.00%-5.00%	32,380,000
2017/2028	40,785,000	BONDS PAYABLE - 2017 REF	2.00%-5.00%	33,675,000
2018/2038	37,030,000	2018 GO BOND PAYABLE	3.00%	23,760,000
2020/N/A (1)	1,000,000	2020 Bond Bill (1)	N/A (1)	1,000,000
2021/2041	88,880,000	BONDS PAYABLE - 2020A	3.00%-5.00%	86,927,614
2022/2023	4,575,000	BONDS PAYABLE - 2020B	.395%-.533%	1,530,000
2022/2023	15,000,000	BONDS PAYABLE - 2022 BAN		132,266
Total General Obligation Bonds Payable				<u>\$ 314,980,650</u>

(1) See note on next page regarding 2020 Bond Bill and purchase agreement

Primary Government

On May 23rd, 2022, the City issued General Obligation Bond Anticipation Notes (BAN) Series of 2022. The BANs mature on November 23, 2023. 2022 BAN (Capital Budgets 2020 and 2022) was issued in the amount of \$15,000,000 and bears interest at 7.9% of the daily London Interbank Offered Rate (LIBOR) plus 0.22%, not to exceed 5%.

The State of Delaware FY2020 Bond Bill (SB 150) allocated \$1,000,000 to the City for property acquisition. The City and State of DE entered into a Memorandum of Agreement dated December 12, 2019 pursuant to which the City and State agreed that the City shall only use the State allocation for the purchase of a commercial property on Market Street in Wilmington, Delaware. The Bond Bill stipulates that proceeds resulting from any subsequent sale of the property shall be subject to a future agreement regarding the use of such proceeds that shall be mutually acceptable to the State, and City.

The City has entered into General Obligation Financing agreements with the DDWSRF acting through the Delaware Department of Health & Social Services, Division of Public Health and the DWPCRF of the Delaware Department of Natural Resources and Environmental Control, but loan amounts have not yet been drawn down and thus are not included in the schedule of outstanding debt. The program related to the loan must start construction within one year of the agreement date. A final loan closing will occur at the end of each project. Unless noted below, the loans' interest rates are set at the time the loans are drawn down. Payments are due every six months, with a term of twenty years. The loans supplement other funding for the costs for the projects specified and are recorded in the Water and Sewer Fund.

- A WPCRF agreement dated August 13, 2021, for an amount not exceeding \$1,369,500 with an interest rate of 2.0% is related to cost associated to Walnut CSO Separation Project.
- A DWSRF agreement dated March 8, 2022, for an amount not exceeding \$7,500,000 in General Obligation Bond at an interest rate of 2.64%. relating to the cost associated with the City's Annual Water Mains Improvement Project to replace aging water mains in the City's water service area.
- A WPCRF agreement dated March 8, 2022, for an amount not exceeding \$11,400,000 in General Obligation Bond at an interest rate of 2.0%. costs associated with the increased size of the stormwater shed and sewer separation acquisition, restoration, and conservation of the Supplemental Wetland Park Project
- In January 2023, the City approved five bond issuances through the State of Delaware Water Pollution Revolving Loan Fund - totaling \$51,884,000.

Annual debt service requirements to maturity for general obligation bonds including the State Revolving Funds are as follows:

Year Ending June 30	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 9,490,958	\$ 4,670,779	\$ 12,469,962	\$ 6,447,972
2024	8,982,301	4,305,200	15,903,971	5,897,562
2025	9,040,842	3,899,524	16,136,643	5,330,317
2026	9,053,969	3,458,901	16,090,381	4,757,851
2027	7,974,038	2,998,357	16,212,077	4,126,812
2027-2032	34,695,480	10,503,111	70,945,874	13,342,506
2033-2037	16,996,473	4,767,228	28,995,191	4,913,235
2038-2041	9,853,920	1,229,259	11,399,166	841,186
	106,087,981	\$ 35,832,359	188,153,265	\$ 45,657,441
Add: Construction Bonds	132,266		20,607,138	
Total	\$ 106,220,247		\$ 208,760,403	

Component Units

Annual debt service requirements to maturity for general obligation bonds of component units are as follows:

Year Ending June 30	Component Units' Debt Service Schedule					
	Wilmington Parking Authority		Downtown Visions		Rock Manor	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 750,000	\$ 335,265	\$ 29,914	\$ -	\$ 61,534	\$ 15,475
2024	785,000	297,765	31,408	-	63,209	13,799
2025	820,000	266,365	33,089	-	64,931	12,078
2026	855,000	233,565	34,802	-	66,699	10,309
2027	875,000	210,053	307,245	-	68,516	8,493
2028-2032	3,780,000	624,962	-	-	274,221	14,810
2033-2037	1,770,000	26,073	-	-	-	-
Total	\$ 9,635,000	\$ 1,994,048	\$ 436,458	\$ -	\$ 599,110	\$ 74,964

C. Conduit Debt Obligations

From time to time, the City has issued revenue bonds for the express purpose of providing capital financing to third parties that are not part of the City or its component units. Although the debt bears the City's name, the City has no obligation for this debt beyond the resources of the third party or the related project as provided for in the bonds. Because the City has no liability for this debt, it is not recorded in the City's financial statements. As of June 30, 2022, five issues with debt of \$34,510,035 remain outstanding.

D. Compensated Absences

The compensated absences liability, attributable to governmental activities will be liquidated by the City's governmental and internal service funds. In the past, approximately 92% has been paid by the General Fund and the remainder by other governmental and internal service funds.

10. Leases**A. Capital Lease – Lessee - Primary Government**

The City authorized the use of capital lease agreements for the acquisition of equipment through enactment of City Council of Ordinance No. 08-084 on December 11, 2008. Under this ordinance, the City was authorized to enter into capital leases not to exceed \$10,000,000, interest of no more than 7 percent, and with lease terms no longer than 5 years.

In 2014, the City entered into a Master Equipment Lease/Purchase Agreement with PNC Bank. The PNC Bank Agreement provided for equipment financing at an adjustable rate of interest of Daily LIBOR + 0.90%. During the year ended June 30, 2022, PNC Bank sold its Municipal Lease Division and terminated the City's Master Lease Agreement. The outstanding lease balance of \$266,000 was converted to a PNC Bank term loan.

In April 2022, the City's Bond Committee authorized a new capital lease agreement with M&T Bank. On September 6, 2022, the City entered a Master Equipment Lease / Purchase Agreement with M&T Bank. The M&T Bank Agreement has a maximum principal amount not to exceed \$6,000,000 and includes a 2% prepayment penalty if a lease is prepaid prior to the halfway point in the term of the lease payment schedule.

On September 8, 2022, the City's initial draw from the Master Equipment Lease / Purchase Agreement was used to finance \$1.1 million of information system network equipment.

As of June 30, 2022, payments under these capital leases and capital assets shown at original costs are as follows:

<u>Year Ending June 30</u>	<u>Primary Government</u>		<u>Type of Property</u>	<u>Primary Government</u>	
	<u>General</u>			<u>General</u>	
2023	\$	524,553	Equipment	\$	2,596,104
2024		467,043	Total		2,596,104
2025		213,013	Less: Accumulated Depreciation		(1,352,089)
Total Minimum Lease Payments		1,204,609	Net Assets Under Lease	\$	1,244,015
Less: Amount Representing Interest		(85,838)			
Present Value of Lease Payments	\$	1,118,771			

B. Leases - Lessee - Primary Government

On October 18, 2018, the City entered an operating lease agreement to lease Baynard Stadium, an athletic stadium located in the City's Brandywine Park, to Salesianum School, Inc., a private high school located in the City near the stadium. The lease term is fifty years with the option to renew for fifty additional one-year terms. The annual lease amount is \$10. Future minimum lease payments total \$470 over the original term. Salesianum School, Inc. was required to renovate Baynard Stadium with an investment of \$15 million to \$20 million and provide existing users of the stadium with access to use the facility. The City's cost and carrying amounts of Baynard Stadium are not determinable.

C. Leases - Lessee - Component Unit - Downtown Visions

On May 31, 2016, Downtown Visions signed a 5 year operating lease agreement for 4,000 square feet of warehouse space in Wilmington, Delaware. The lease requires Downtown Visions to pay \$1 per month. Effective June 1, 2022, the lease was extended on a month-to-month basis.

Downtown Visions extended an operating lease agreement to lease office space in Wilmington, Delaware through October 31, 2022. The lease requires bargain rent of \$0 per month. Downtown Visions recorded the fair market value of the contributed rent at the inception of the lease as a contribution.

The value of the total donated warehouse and office space was \$33,984 for the fiscal year ended June 30, 2022.

D. Operating Leases - Lessor - Component Units

Wilmington Parking Authority

The Authority adopted GASB 87 effective July 1, 2021, adjustments for lease assets and liabilities did not result in a change to the net position. As of June 30, 2022 there were no impaired lease assets.

When a contract contains a lease or a lease contains a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease receivable and a deferred inflow of resources which is calculated based on the value of discounting future lease payments over the term of the lease. Whenever the interest rate implicit in the lease is not explicit, the Authority may apply the guidance for imputation of interest as a means of determining the interest rate.

As of June 30, 2022 the Authority is the lessor for several non-cancellable leases of certain real estate. As a result, a lease receivable of \$590,642 and a related deferral of inflow of resources of \$590,642 has been reflected in the statement of net position.

The following tables summarize the outstanding leases at June 30, 2022:

<u>Principal</u>	Brandywine Gateway		Net Present Value	<u>Interest</u>	Brandywine Gateway		Net Present Value
	Garage Wilmington, Delaware	Garage Day Care Wilmington, Delaware			Garage Wilmington, Delaware	Garage Day Care Wilmington, Delaware	
Contract payment per year \$6,000 \$93,000	\$ 6,000	\$ 93,000					
Extension period payment 95,790		95,790		2023	\$ 5,421	\$ 9,984	\$ 15,405
Implicit interest rate	4.00%	3.00%		2024	5,397	7,459	12,856
2023	\$ 579	\$ 83,016	\$ 83,595	2025	5,373	4,858	10,231
2024	603	85,541	86,144	2026	5,347	2,177	7,524
2025	627	88,142	88,769	2027	5,320	156	5,476
2026	653	90,823	91,476	2028 - 2032	26,163	-	26,163
2027	680	23,134	23,814	2033 - 2037	25,315	-	25,315
2028 - 2032	3,837	-	3,837	2038 - 2042	24,280	-	24,280
2033 - 2037	4,685	-	4,685	Thereafter	115,602	-	115,602
2038 - 2042	5,720	-	5,720				
Thereafter	118,398	-	118,398				
Total minimum future rent income	\$ 135,782	\$ 370,656	\$ 506,438	Total minimum future rent interest income	\$ 218,218	\$ 24,634	\$ 242,852

Rock Manor Golf Corporation

The Rock Manor Golf Corporation has entered into agreements with the City of Wilmington and an independent management company to license the operations of Rock Manor Golf Course and Ed "Porky" Oliver Golf Course. These licenses are for initial 20-year terms beginning in 2007 and 2009, respectively, and provide the management company the full use of these golf course facilities and require it to be responsible for staffing and the acquisition of certain equipment.

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

Year Ending June 30 June 30,	Porky Oliver			Rock Manor		
	Payments	Principal	Interest	Payments	Principal	Interest
2023	\$ 30,000	\$ 22,552	\$ 7,488	\$ 100,000	\$ 78,371	\$ 21,629
2024	35,000	28,543	6,457	100,000	81,553	18,447
2025	35,000	29,702	5,298	100,000	84,864	15,136
2026	35,000	30,909	4,091	100,000	88,310	11,690
2027	35,000	32,164	2,836	100,000	91,896	8,104
2028	35,000	33,469	1,531	100,000	95,627	4,373
2029	17,500	17,241	259	50,000	49,260	740
Totals	\$ 222,500	\$ 194,580	\$ 27,960	\$ 650,000	\$ 569,881	\$ 80,119

Year Ending June 30,	Totals			
	Payments	Principal	Interest	Revenue
2023	\$ 130,000	\$ 100,923	\$ 29,117	\$ 112,311
2024	135,000	110,096	24,904	112,311
2025	135,000	114,566	20,434	112,311
2026	135,000	119,219	15,781	112,311
2027	135,000	124,060	10,940	112,311
2028	135,000	129,096	5,904	112,311
2029	67,500	66,501	999	56,157
	\$ 872,500	\$ 764,461	\$ 108,079	\$ 730,023

E. Capital Lease - Lessee - Component Unit - Rock Manor

The following is a schedule showing the future minimum lease payments under capital leases by years and the present value of the minimum lease payments as of June 30, 2022. The annual installment payments at the beginning of the period are \$66,830 including interest at 4.00%, and the maturity date of the lease period is March 2023.

Year Ending June 30	Business-Type Activities	
	Notes from Direct Borrowing	
	Principal	Interest
2023	\$ 64,755	\$ 2,276

F. Lease Right to Use Assets- Rock Manor

Lease right to use assets were as follows:

	July 1, 2021	Increase	Decrease	June 30, 2022
Lease Right to Use Assets	\$ 297,939	\$ -	\$ -	\$ 297,939
Less: Accumulated Amortization	(100,880)	(41,620)	-	(142,500)
	\$ 197,059	\$ (41,620)	\$ -	\$ 155,439

Amortization charges for assets recorded under lease property under capital lease is included with depreciation. Amortization expense for lease property under capital lease for the years ended June 30, 2022 was \$41,620, calculated using the effective interest method.

11. Deferred Revenues and Deferred Inflows of Resources

Governmental Funds report unavailable revenue as deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
Deferred Inflows of Resources:		
<u>Unavailable Revenue</u>		
General Fund		
Property and Wage Taxes	\$ 6,840,964	\$ -
Citations and Other Revenues	4,386,701	-
Total General Fund	<u>11,227,665</u>	<u>-</u>
Major Fund		
Capital Projects	1,232,229	-
	<u>1,232,229</u>	<u>-</u>
Other Governmental Funds		
Delaware Criminal Justice Planning	666,222	-
Extra Duty Revenue	732,424	-
Home for People with AIDS	122,277	-
Home Partnership Program	414,902	-
Park Recreation Assistance	81,369	-
Special Projects	459,360	-
Total Other Governmental Funds	<u>2,476,553</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 14,936,447</u>	<u>\$ -</u>

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
<u>Unearned Revenues</u>		
General Fund		
Revenue on Notes Receivable	\$ 553,829	\$ -
Major Fund		
Capital Projects	5,609,480	5,609,480
American Rescue Plan Act	17,001,798	17,001,798
Total Major Funds	<u>22,611,278</u>	<u>22,611,278</u>
Non-Major Funds		
Unearned Grant Revenues		
Delaware Criminal Justice Planning	529,724	529,724
Home Partnership Program	29,276	29,276
HUD Community Development	159,365	159,365
HUD Emergency Shelter Grant	281,458	281,458
Special Projects	995,203	995,203
Municipal Street Aid	612,783	612,783
Park Recreation Assistance	256,295	256,295
Total Non-Major Funds	<u>2,864,104</u>	<u>2,864,104</u>
Total Unearned Revenue	<u>\$ 26,029,211</u>	<u>\$ 25,475,382</u>
Water & Sewer Fund		
Unearned Service Charges		<u>\$ 3,444,702</u>

12. Fund Balance/Net Position

The details of the fund balances are included in the Balance Sheet of Governmental Funds (page 22). As noted in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

General Fund

The General Fund had no Unassigned Fund Balance as of June 30, 2022. Of the \$14,504,931 due from the Motor Vehicle Fund, \$2,743,257 related to the acquisition of garage assets and motor vehicles and is considered an Advance (discussed in Note 7) and therefore is classified as Nonspendable Fund Balance.

The General Fund has Committed Funds consisting of the Budget Reserve Account and the Tax Stabilization Reserve.

- The Budget Reserve Account of \$17,686,531 was legislated to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or a public emergency. This is equal to 10% of the fiscal year 2023 budgeted expenditures.
- The Tax Stabilization Reserve provides future tax stabilization for the General Fund. This reserve of \$49,746,440 is funded based on the amount of the General Fund's net unrestricted fund balance. The City is authorized to access the Tax Stabilization Reserve as may be necessary when authorized by City Council by ordinance.

Other Funds

The following fund had Fund Balances designated for specific purposes: the Non major Fund, Wilmington Park Related Commissions (including one blended component) had Park Maintenance Nonspendable Fund Balance of \$932,727 and Restricted Fund Balance of \$4,235,049 for Park Operations.

The Other Non-Major Special Revenue Funds had a Restricted Fund Balances of \$4,003,039 related to cable television and internal capital and related programs. The Other Non-Major Special Revenue Funds had a Fund Balances of \$1,851,761 Committed for Economic Development and \$915,078 Assigned through Citifest (a blended component unit) for arts and cultural purposes.

Business Type Activities / Water and Sewer Fund

The Water and Sewer Fund had a net position of \$191,834,334 as of June 30, 2022. The Operation and Maintenance Reserve provides funding in the event of adverse economic conditions or a public emergency as certified by the Mayor that impacts the operations and maintenance of the Water and Sewer Fund such that immediate action is required. This reserve is determined at the end of each fiscal year and is equal to seventeen percent of the following fiscal year's Water and Sewer Fund operating budget as authorized by City Council by ordinance. The restricted net position for the Operation and Maintenance Reserve as of June 30, 2022 was \$13,964,558.

The Rate Stabilization Reserve within the Water and Sewer Fund provides a reserve to provide future rate stabilization for the Water and Sewer fund. The Water and Sewer Fund Rate Stabilization Reserve amount is the net unrestricted Water and Sewer Fund balance as determined at the fiscal year end. The City is authorized to access the Rate Stabilization Reserve when approved by City Council by ordinance. The restricted net position for the Rate Stabilization Reserve as of June 30, 2022 was \$14,762,972.

13. Self - Insurance Funds**A. Risk Management**

The City is self-insured up to the State Tort Immunity Law limitation of \$300,000 for state law claims, and insurance threshold/retention of \$750,000 for claims not covered by tort immunity for actuarially determined exposure of general liability, automotive liability, law enforcement liability, employee benefits liability, employment practices liability, management liability, abuse/molestation liability, and inland marine liability, and cyber risk (\$100,000 retention). Resources are allocated to the Risk Management Fund (an Internal Service Fund) from the operating funds to provide for expected future payments on claims previously incurred, including both reported and unreported claims. The claims liability includes amounts for incremental claim adjustment expenses and estimates of subrogation. An actuarial valuation is performed on an annual basis. These amounts were not discounted and were adjusted by a risk margin calculated to provide a statistical confidence level of 80%. An analysis of claims liabilities recorded in the Risk Management Fund is presented below:

	Beginning Liability		Claims and		Ending Liability
	Fiscal Year		Changes in	Claim Payments	Fiscal Year
			Estimates		
2020 - 2021	\$ 4,756,390	\$ 1,783,839	\$ (1,328,246)	\$ 5,211,983	
2021 - 2022	5,211,983	3,256,744	(2,939,248)	5,529,479	

B. Workers' Compensation

The City is also self-insured for workers' compensation up to the insurance retention of \$3 million. The City's compensation payments are calculated based upon the Workers' Compensation Law of the State of Delaware. Resources are allocated to the Workers' Compensation Fund (an Internal Service Fund) from operating funds to provide for expected future payments on claims previously incurred, including both reported and unreported claims. An actuarial valuation is performed on an annual basis. This valuation is not discounted and is adjusted by a risk margin calculated to provide a statistical confidence level of 55%. An analysis of the claim liabilities recorded in the Workers' Compensation Fund is presented below:

	Beginning Liability		Claims and		Ending Liability
	Fiscal Year		Changes in	Claim Payments	Fiscal Year
			Estimates		
2020 - 2021	\$ 17,470,452	\$ 3,605,119	\$ (4,069,278)	\$ 17,006,293	
2021 - 2022	17,006,293	3,450,492	(3,661,725)	16,795,060	

C. Health Insurance

The City is also self-insured under an employee health and welfare plan administered by Highmark Blue Cross/Blue Shield of Delaware. The City is self-insured for an employee dental plan administered by an insurance company. The City has medical stop loss insurance for large general health and prescription claims exceeding \$200,000 in any year. Resources are allocated to the Health and Welfare Fund (an Internal Service Fund) from the operating funds to provide for expected future payments on claims previously incurred including both reported and unreported claims. USI calculates the City's claims exposure annually. An analysis of claims liabilities recorded in the Health and Welfare Fund is presented below:

	Claims and			
	Beginning Liability	Changes in		Ending Liability
Fiscal Year	Fiscal Year	Estimates	Claim Payments	Fiscal Year
2020 - 2021	\$ 1,389,000	\$ 15,870,870	\$ (15,898,870)	\$ 1,361,000
2021 - 2022	1,361,000	19,850,936	(17,433,714)	3,778,222

14. Commitments and Contingencies**A. Grant Compliance**

The City receives Federal and State funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on the filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustment resulting from subsequent examinations is recognized in the year in which the results of such examinations become known. City officials do not expect any significant adjustment because of these examinations.

B. Legal Actions – Primary Government

The City a co-permittee on the Post-Closure Permit for the Pigeon Point Landfill operated by the Delaware Solid Waste Authority (DSWA). The City is currently a party to an appeal before the Environmental Appeals Board, appealing DNREC's issuance of a Notice of Violation to DSWA and the City. Management is of the opinion that the outcome of this matter will not have a material adverse effect on the City's financial position.

The City also is involved in lawsuits arising in the ordinary course of business, including claims alleging property damage, personal injury, discriminatory personnel practices, constitutional violations and/or conduct otherwise inconsistent with federal, state or city law. Based on the advice of the City Solicitor, City management is of the opinion that the outcome of this pending litigation will not have a material adverse effect on the City's financial position on June 30, 2022.

C. Contractual Agreements

The city has entered into the following multi-year contractual agreements:

Fleet Services

On October 1, 2017, the City of Wilmington signed a 5-year contract for the maintenance and repairs of all city vehicles.

Refuse Disposal

On July 1, 2021, the City of Wilmington signed a 3-year contract with the Delaware Solid Waste Authority for solid waste and recyclable materials collections.

Traffic Signal Monitoring Systems

On March 14, 2019, City Council approved a three-year contract for the supply of property and services for the City's traffic signal monitoring systems totaling \$4,664,340. The approved contract includes the option for 2 one-year extensions at the same annual price. The City of Wilmington has exercised its option to extend the contract for one additional year.

Wastewater Treatment Plant Services

On March 19, 2020, City Council approved a twenty-year contract for the management, administration, operation, and maintenance of the Wilmington Wastewater Treatment Plant, Renewable Energy and Biosolids Facility, Main Pump Stations, and Storage and Control Structures. This agreement is effective July 1, 2020, at an annual estimated price of \$20 million per year.

New Castle County Sewer Treatment Contract

In May 2022, the City of Wilmington approved a wastewater treatment service agreement with New Castle County for the period of July 1, 2021 through July 30, 2031. The agreement provides for, among other things, the allocation between the City and the County of operations and maintenance costs, capital costs, and debt service costs related to wastewater treatment services. The agreement also resolves the City's claims against the County for certain prior fiscal years, including a true-up and payment of amounts owed by the County for Fiscal Years 2017 through 2021.

15. Pension Trust Funds - Retirement Funds**General Description of the Plans**

The City of Wilmington covers substantially all full-time employees by one of its five single-employer plans and a plan of the Wilmington Parks Trust Fund Commission blended component unit (collectively the “City Sponsored Plans”), as well as Delaware’s County and Municipal Police/Firefighter and Other Employees’ Pension Plans (collectively the “State Plans”), two cost-sharing, multi-employer defined benefit pension plans discussed below. The City's current-year covered payroll and membership of the City Sponsored Plans consisted of the following:

	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non- uniformed</u>	<u>Plan II Non- uniformed</u>	<u>Plan III Non- uniformed</u>	<u>Park Trust</u>
Number of Retirees & Beneficiaries Receiving Benefits	281	455	95	169	357	1
Number of Terminated Employees Entitled to Benefits	7	4	0	70	98	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	8	15	0	1	298	1
Current Year Annual Covered Payroll	\$ 1,392,489	\$ 399,917	\$ -	\$ 28,205	\$15,967,221	\$55,807

The City's current-year total payroll for all employees was \$90,114,913

City Council is responsible for setting benefits and contributions and amending plan provisions of the City Sponsored Plans, which are authorized according to provisions of Chapter 39 of the City Code.

The funding policy, annual pension costs, and funding status and funding progress are presented in a schedule on pages 88 through 92 of the Notes. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future; examples include assumptions about future employment, mortality, and investment rate of return. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The pension funding status and progress for the last seven fiscal years of the City Sponsored Plans is reported as Required Supplementary Information (RSI) immediately following the Notes to the Financial Statements. The RSI schedule presents multiyear trend information that shows whether the actual value of plan assets is increasing or decreasing over time relative to the actual accrued liabilities for benefits.

Cash and Investments

The Board of Pension and Retirement (Trustees) of the Pension Funds receives contributions from the City and State and is responsible for the funding policy. The City Treasurer is the custodian of the Funds' investment assets, effects disbursements from the Funds, and executes other transactions therein. The City Treasurer and outside custodians, both under the direction of the Board of Trustees, manage the Funds' investments. The Trustees have authorized certain cash and investments of the Funds to be pooled for investing by outside custodians. The Funds' portion is reported on the balance sheet as "pooled investments." Funds under outside management at June 30, 2022, represented 99.9% of all available funds. The investment policy of the funds is in accordance with the Objectives and Guidelines Statement and is adopted by the Trustees (Note 3).

As of June 30, 2022, there were no cash or investments with any one organization or issuer in excess of 5% of the individual plans' net positions.

Membership, Benefit and Contribution Provisions

A description of the individual plans including eligibility provisions, types of benefits, and contribution requirements is presented below in general terms on the following pages. The City Board of Pensions and Retirements, various boards of trustees, and the City Treasurer administer the City Sponsored Plans. Financial statements for the City Firefighters' and Police Pension Plans are available from the City Treasurer's Office, Louis L. Redding Building, 800 French Street, Wilmington, Delaware 19801. The State Board of Pension Trustees and the State Office of Pensions administer the State Plans. Benefit provisions of the plans are established under the provisions of the State law and may be amended by an act of the State legislature. The State Plans provide retirement, disability, and death benefits to plans' members and beneficiaries. Ten-year historical trend and solvency test information has not been included in the City's basic financial statements. This information is included in the publicly available Comprehensive Annual Financial Report of the Delaware Public Employees' Retirement System. This can be obtained from the Office of Pensions, 680 Silver Lake Boulevard, Dover, Delaware, 19904-2402 or website at www.delawarepensions.com.

Member pension benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Plan administrative costs are paid from plan assets as approved by the Pension Trustees. Contributions to the City Sponsored Plans by the State of Delaware on behalf of the City are recorded as intergovernmental revenue and pension expense in the City's governmental fund and government-wide statements. The contributions (Firefighters - \$4,603,784 Police - \$2,014,151) are included in the pension statements as separately presented component of City contributions to the trusts. Total pension expense recognized by the City for the ended June 30, 2022 was \$593,474

Separate pension fund financial statements have not been issued for the Non-Uniformed Pension plans, and the Wilmington Parks Trust Fund Commission; accordingly, they are presented below as required by GASB Statement No. 34.

City of Wilmington, Delaware
Statements of Fiduciary Net Position
For the Year Ended June 30, 2022

	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension
ASSETS				
Cash and Cash Equivalents	\$ 1,593	\$ 1,000	\$ 697,506	\$ 4,283
Accrued Interest & Other Receivables	5,442	15,228	166,234	-
Investments, at Fair Value:				
Money Market Funds	281,324	787,224	5,734,711	-
U.S. Treasury Obligations	155,472	435,054	3,169,251	-
U.S. Government Agencies - Guaranteed	178,972	500,814	3,648,296	-
U.S. Government Agencies - Other	8,269	23,139	168,564	-
Corporate & Foreign Bonds	285,861	799,919	5,827,195	-
Common Equity & Marketable Securities	2,531,292	7,083,269	51,599,693	262,905
Mutual Funds				
Global & International Funds	948,075	2,652,981	19,326,245	-
Domestic Equity Funds	79,777	223,240	1,626,231	20,991
Real Estate Investment Trust	557,595	1,560,308	11,366,420	-
Total Investments	5,026,637	14,065,948	102,466,606	283,896
Total Assets	5,033,672	14,082,176	103,330,346	288,179
LIABILITIES				
Accounts Payable	1,898	4,256	18,739	5,940
Due to Other Pension Trust Fund	-	-	3,200,938	-
Due to Other Governments	-	-	10,006,816	-
Compensated Absences	13,654	16,076	56,090	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-
Total Liabilities	54,463	28,849	13,291,036	5,940
Net Position				
Net Position Restricted for Pensions	\$ 4,979,209	\$ 14,053,327	\$ 90,039,310	\$ 282,239

City of Wilmington, Delaware
Statements of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Plan I</u> <u>Non-</u> <u>uniformed</u> <u>Pension</u>	<u>Plan II</u> <u>Non-</u> <u>uniformed</u> <u>Pension</u>	<u>Plan III</u> <u>Non-</u> <u>uniformed</u> <u>Pension</u>	<u>Wilmington</u> <u>Park</u> <u>Trust</u> <u>Pension</u>
ADDITIONS				
Contributions:				
City				
Paid Directly by the City	-	-	\$ 5,078,980	\$ 5,002
Employees	-	-	319,830	-
Other Contributions	-	11,880	-	-
Total Contributions	<u>-</u>	<u>11,880</u>	<u>5,398,810</u>	<u>5,002</u>
Investment Income				
Investment Earnings	1,019,196	2,802,308	17,165,200	10,164
Net Appreciation				
(Depreciation) in Fair Value	(1,523,546)	(4,189,033)	(25,659,417)	(18,405)
Total Investment Earnings	<u>(504,350)</u>	<u>(1,386,725)</u>	<u>(8,494,217)</u>	<u>(8,241)</u>
Less: Investment Expense	(12,207)	(33,562)	(205,587)	-
Net Investment Income	<u>(516,557)</u>	<u>(1,420,287)</u>	<u>(8,699,804)</u>	<u>(8,241)</u>
Total Additions	<u>(516,557)</u>	<u>(1,408,407)</u>	<u>(3,300,994)</u>	<u>(3,239)</u>
DEDUCTIONS				
Benefits Paid	410,699	922,326	6,712,977	11,880
Administrative Expenses	41,222	67,683	286,195	3,069
Total Deductions	<u>451,921</u>	<u>990,009</u>	<u>6,999,172</u>	<u>14,949</u>
Net Change in Plan Net Position	<u>(968,478)</u>	<u>(2,398,416)</u>	<u>(10,300,166)</u>	<u>(18,188)</u>
Net Position - Beginning	<u>5,947,687</u>	<u>16,451,743</u>	<u>100,339,476</u>	<u>300,427</u>
Net Position - Ending	<u>\$ 4,979,209</u>	<u>\$ 14,053,327</u>	<u>\$ 90,039,310</u>	<u>\$ 282,239</u>
Change in Total Pension Liability				
Service Cost	\$ 248,419	\$ 8,294	\$ 1,037,078	\$ 8,757
Interest	-	923,098	8,130,226	20,834
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	-	-	-
Benefit Payments	(410,699)	(910,446)	(6,712,977)	(11,880)
Net Change	<u>(162,280)</u>	<u>20,946</u>	<u>2,454,327</u>	<u>17,711</u>
Pension Liability - Beginning	3,652,043	13,259,818	115,180,881	317,618
Pension Liability - Ending	<u>3,489,763</u>	<u>13,280,764</u>	<u>117,635,208</u>	<u>335,329</u>
Net Pension (Asset) / Liability	<u>\$ (1,489,446)</u>	<u>\$ (772,563)</u>	<u>\$ 27,595,898</u>	<u>\$ 53,090</u>

Firefighters Pension Plan (Closed) and Police Pension Plan (Closed)

Plans' Description and Eligibility: The Firefighters Pension Plan and Police Pension Plans are single-employer defined benefit plans covering all firefighters and police officers, respectively, employed by the City of Wilmington before August 1, 1991. The plans are each split into two benefit groups: pre-1984 and 1984. The 1984 groups include firefighters and police officers hired after June 30, 1984 and pre-July 1, 1984, firefighters and police officers who opted to participate in the new plans. The pre-1984 groups include those firefighters and police officers hired prior to July 1, 1984 that did not opt to participate in the new plans. The Firefighters Pension Plan and Police Pension Plans are administered by boards of trustees comprised of Chief of Fire and Chief of Police, respectively, the City Treasurer, the Director of Finance, the Human Resources Director, the Chairman of the Finance Committee of the City Council, the Chairman of the Public Safety Committee of the City Council, and five members of the Fire and Police Departments of the City, respectively.

Service Benefits: For pre-1984 groups, 50% of final salary plus 2% of final earnings for each year of credited service beyond 20 years; for 1984 groups, 50% of final earnings plus 2.5% of final earnings for each year of credited service beyond 20 years with a total benefit limit of 62.5% of final earnings.

State of Delaware Special Fund Distribution: In accordance with State of Delaware Senate Bill 74, the Plans received funding for a distribution to eligible retirees. SB74 provided for the following one time distributions as defined by following eligibility categories:

- Category 1 - Retirees that were retired for 20 years or more, including surviving beneficiaries, and retirees receiving a disability pension received a \$9,000 distribution.
- Category 2 - Retirees that were retired for 10 years or more received a \$6,000 distribution.
- Category 3 - Retirees that were retired for less than 10 years received a \$3,000 distribution.

As of June 30, 2022, the Plans received a grant from the State Delaware to fund distribution to eligible retirees. The distributions to eligible retirees occurred in early fiscal year 2022 following the receipt of funding from the State of Delaware.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years.

Retirement: Normal - 20 years of credited service. Early - for the 1984 group only, 15 years of credited service; benefit equal to 2.5% of final salary for each year of credited service reduced by 0.4% for each month benefits commence before normal retirement date.

Disability Benefits: Duty-related total disability - 75% of salary. Ordinary with 7 years of credited service, for the pre-1984 groups, 50% of salary and for the 1984 groups, a benefit equal to 2.5% of salary for each year of credited service times the vesting percentage.

Survivor Benefit: On death of a retiree, 50% of the pension the participant was receiving. For the pre-1984 groups, this is a minimum of \$1,344 monthly; if retiree has no surviving spouse, the benefit is payable to the sole surviving dependent parent.

Contributions: Employee - 6% of compensation. Employer - actuarially determined. State of Delaware Senate Bill 74 provided a one time contribution \$3,723,000 (Firefighters - \$1,470,000; Police - \$2,253,000) to fund a one time benefit payment to current retirees.

Death Benefit: Duty - for the pre-1984 groups, surviving spouse receives a lump sum equal to 100% of the final full-year salary and a pension of 50% of final annual salary until death or remarriage. Each child under the age of 18 shall receive \$30 a month starting one year after the employee's death; there is a \$90

family maximum and benefits discontinue at age 18. If the employee is not survived by a spouse, a pension equal to 50% is paid to the sole surviving dependent parent. For the 1984 groups, benefits are the same except the amounts change to \$50 a month per child with a maximum of \$150 per family.

Changes in the Plans' Net Pension Liability: Changes in the Plans' net pension liability for the year ended June 30, 2022 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Police Plan			
Balance June 30, 2021	\$ 143,769,626	\$ 113,108,675	\$ 30,660,951
Changes for the Year			
Service Cost	194,187	-	194,187
Interest	9,849,618	-	9,849,618
Contributions - Other Entities	-	2,014,151	(2,014,151)
Contributions - Employer	-	5,566,108	(5,566,108)
Contributions - Employees	-	80,464	(80,464)
Net Investment Income	-	(9,484,812)	9,484,812
Benefit Payments	(14,580,520)	(14,580,520)	-
Administrative Expense	-	(247,690)	247,690
Net Changes	<u>(4,536,715)</u>	<u>(16,652,299)</u>	<u>12,115,584</u>
Balance June 30, 2022	<u>\$ 139,232,911</u>	<u>\$ 96,456,376</u>	<u>\$ 42,776,535</u>
Firefighters Plan			
Balance June 30, 2021	\$ 82,403,541	\$ 61,120,878	\$ 21,282,663
Changes for the Year			
Service Cost	58,564	-	58,564
Interest	5,595,606	-	5,595,606
Contributions - Other Entities	-	4,603,784	(4,603,784)
Contributions - Employer	-	10,051	(10,051)
Contributions - Employees	-	23,995	(23,995)
Net Investment Income	-	(4,811,439)	4,811,439
Benefit Payments	(9,658,561)	(9,658,561)	-
Administrative Expense	-	(142,569)	142,569
Net Changes	<u>(4,004,391)</u>	<u>(9,974,739)</u>	<u>5,970,348</u>
Balance June 30, 2022	<u>\$ 78,399,150</u>	<u>\$ 51,146,139</u>	<u>\$ 27,253,011</u>

Nonuniformed Employees Plan I (Closed)

Plan Description and Eligibility: The Nonuniformed Employees Plan I is a single-employer defined benefit plan that covers all Nonuniformed City employees hired before July 1, 1979, who have not opted to convert to a later plan. The Plan is administered by the City's Board of Pensions and Retirement which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a Member of Council, chosen by the Council, and four other employees who shall be appointed by the Mayor and confirmed by the City Council.

Service Benefits: 2½% of final average earnings (five consecutive years out of the last ten that produce the highest average) times years of service; benefit is not less than \$1,000 or more than \$4,500 annually.

Vesting/Retirement: 20 years of credited service; age 60 and 15 years of credited service; or age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as retirement reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed with 20 years of credited service or age 60 and 15 years of credited service; benefit to surviving spouse equal to 50% of retirement as if retirement commenced the day before death; payments continue until death or remarriage.

Death Benefit: Same as Survivor Benefit.

Contributions: Employee - none. Employer - actuarially determined.

Nonuniformed Employees Plan II (Closed)

Plan Description and Eligibility: The Nonuniformed Employees Plan II is a single-employer defined benefit plan that covers all nonuniformed City employees hired after June 30, 1979, and before January 1, 1991, employees hired before June 30, 1979, but not eligible for Plan I, employees who have opted to convert from Plan I, and not employees who have opted to convert to a later plan. The Plan is administered by the City's Board of Pensions and Retirement which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a Member of Council, chosen by the Council, and four other employees who shall be appointed by the Mayor and confirmed by the City Council.

Service Benefits: 1.75% of final average earnings (five consecutive years out of the last ten that produce the highest average) times credited years of service (maximum 25 years) with a maximum benefit of \$11,000; a credited year of service for every year with 1,500 hours of service.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years.

Retirement: Normal - Age 65 and 5 years of credited service. Early - retirement at age 60 with 5 years of credited service; benefits reduced by .4% for each month benefits commence before age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as early retirement (without reduction for early commencement) reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed, attained age 60 and 5 years of credited service; benefit to surviving spouse equals to 50% of retirement as if retirement commenced the day before death (without reduction for early commencement); payments continue until death or remarriage. If employee is unmarried, a designated beneficiary receives a total equal to 120 monthly payments.

Contributions: Employee - none. Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

Nonuniformed Employees Plan III (Closed)

Plan Description and Eligibility: The Nonuniformed Employees Plan III is a single-employer defined benefit plan that covers all Nonuniformed City employees hired after December 31, 1990, and employees who have opted to convert from Plan I or Plan II. As of July 1, 2011, this plan became closed to new employees. The Plan is administered by the City's Board of Pensions and Retirement which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a Member of Council, chosen by the Council, and four other employees who shall be appointed by the Mayor and confirmed by the City Council.

Service Benefits: Effective July 1, 2008, 2.0% of final average earnings (five consecutive years out of the last ten that produce the highest average) times credited years of service (maximum 35 years); a credited year of service for every year with 1,500 hours of service after hire, buyback or December 31, 1990. Previously, this was 1.85% of final average earnings with a maximum service of 30 years.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years. Contributions and interest are refunded for less than 5 years of credited service.

Retirement: Normal - Age 65 and 5 years of credited service; age plus years of service equal 85. Early - retirement at age 55 with 5 years of credited service; benefits reduced by .4% for each month benefits commence before age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as early retirement (without reduction for early commencement) reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed, attained age 55 and 5 years of credited service; benefit to surviving spouse equal to 50% of retirement, if retirement commenced the day before death (without

reduction for early commencement); payments continue until death or remarriage. If employee is unmarried, a designated beneficiary receives a total equal to 120 monthly payments.

Contributions: Employee - 2% of compensation. Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

Wilmington Parks Trust Commission Pension Plan

Plan Description and Eligibility: The Park Trust Commission Pension Fund is a single-employer defined benefit plan that covers all Park Trust Commission employees. The Plan is managed by three commissioners who are appointed by the Mayor of the City of Wilmington.

Service Benefits: 2.0% of average monthly earnings multiplied by total years of service (maximum 35 years); a credited year of service for every year with 1,500 hours of service after hire, buyback or December 31, 1990.

Vesting: 50% with 5 years of credited service, 10% more for each additional full year, with 100% at 10 years. Contributions and interest are refunded for less than 5 years of credited service.

Retirement: Normal - Age 65 and 5 years of credited service: age plus years of service, equal 85. Early - retirement at age 55 with 5 years of credited service; benefits reduced by .4% for each month benefits commence before age 65.

Disability Benefits: Eligible with 15 years of credited service, benefit same as early retirement (without reduction for early commencement) reduced by workers' compensation and the excess of earnings over the last rate of pay, if the participant is gainfully employed.

Survivor Benefit: Eligible if actively employed, attained age 55 and 5 years of credited service; benefit to surviving spouse equal to 50% of retirement as if retirement commenced the day before death (without reduction for early commencement); payments continue until death or remarriage. If employee is unmarried, a designated beneficiary receives a total equal to 120 monthly payments.

Contributions: Employee - 2% of compensation. Employer - actuarially determined.

Death Benefit: Same as Survivor Benefit.

State of Delaware's County and Municipal Police and Firefighters' Pension Plan

Plan Description and Eligibility: The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees' Retirement System and managed by its Board of Pension Trustees (the Board). The plan, which is the Delaware's County and Municipal Police and Firefighter Pension Plan, covers City police and firefighter employees hired on or after February 1, 1993. The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members.

Service Benefits: 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. The final monthly compensation is the monthly average of the highest three years of compensation.

Vesting: 5 years of credited service.

Retirement: Normal - Age 62 with 5 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability Benefits: Duty - Total Disability - 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents. Duty - Partial Disability - Same as Service Benefits, subject to minimum 50% of final average compensation. Non-Duty - Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% for each dependent not to exceed 20% for all dependents. Partial disability to a minimum of 30% of final average monthly compensation.

Survivor Benefits: If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

Contributions: Employee - 7% of compensation. Employer - determined annually by the Board of Pension Trustees.

The Employer contribution policy is set by State law and requires contributions by active members and by participating employers. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2022 was 16.03% of covered payroll.

State of Delaware's County and Municipal Other Employees' Pension Plan

Plan Description and Eligibility: The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees' Retirement System and managed by its Board of Pension Trustees. The plan, which is the Delaware's County and Municipal Other Employees' Pension Plan, covers all full-time non-uniformed and uniformed City employees hired on or after July 1, 2011, and all officials who are elected or appointed on or after July 1, 2011. The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members.

Service Benefits: 1/60th of final average monthly compensation multiplied by years of credited service, subject to maximum limitations. For this plan, final average monthly compensation is the monthly average of the highest five years of compensation.

Vesting: 5 years of credited service.

Retirement: Normal - Age 62 with 5 years of service; age 60 with 15 years of credited service; or after 30 years of credited service.

Disability Benefits: Same as Service Benefits. Employee must have 5 years of credited service.

Survivor Benefits: If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62.

Contributions: Employee - 3% of earnings in excess of \$6,000. Employer - determined annually by the Board of Pension Trustees.

The Employer contribution policy is set by State law and requires contributions by active members and by participating employers. The contributions required of participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2022 was 7.06% of covered payroll.

NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

The City aggregate net pension and OPEB liabilities and deferred inflows and outflows of resources are as follows:

Plan	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Net OPEB Liability	Deferred Inflows of Resources
Nonuniformed Employees Plan I (Closed)	\$ 1,489,446	\$ 238,103	\$ -	\$ -	\$ -
Nonuniformed Employees Plan II (Closed)	772,563	719,452	-	-	-
Nonuniformed Employees Plan III (Closed)	-	5,797,562	27,595,898	-	152,864
Wilmington Park Trust	-	23,586	53,090	-	7,492
Firefighters Plan	-	2,634,829	27,253,011	-	-
Police Plan	-	5,104,557	42,776,535	-	-
State of Delaware's County and Municipal Police and Firefighters' Pension Plan	47,006,527	12,246,490	-	-	45,369,038
State of Delaware's County and Municipal Other Employees' Pension Plan	6,134,797	1,871,118	-	-	5,871,144
Other Post-Employment Benefits - OPEB	-	5,098,543	-	14,898,955	5,532,723
	<u>\$ 55,403,333</u>	<u>\$ 33,734,240</u>	<u>\$ 97,678,534</u>	<u>\$ 14,898,955</u>	<u>\$ 56,933,261</u>

Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress

The following are the annual pension costs, actuarial methods, assumptions and funding status and funding progress of the City Sponsored Plans and the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	Firefighters Pension	Police Pension	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension	County & Municipal Police and Firefighters (3)	County & Municipal Other Employees (3)
Plan Type	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Cost sharing Multi-Employer	Cost sharing Multi-Employer
Employer Contributions								
Required Contribution	\$ 4,700,463	\$ 7,493,631	\$ -	\$ -	\$ 5,078,980	\$ 14,367	\$ 5,508,302	\$ 1,107,507
Actual Contribution	4,613,835	7,580,259	-	-	5,078,980	5,002	5,508,302	1,107,507
Contribution Excess (Deficiency)	<u>\$ (86,628)</u>	<u>\$ 86,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,365)</u>	<u>\$ -</u>	<u>\$ -</u>
Actuarial Valuation Date	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	July 1, 2020 (2)	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2021
Net Pension Liability								
Total Pension Liability	78,399,150	139,232,911	3,489,763	13,280,764	117,635,208	335,329	167,254,015	22,256,586
Plan Fiduciary Net Position	<u>51,146,139</u>	<u>96,456,376</u>	<u>4,979,209</u>	<u>14,053,327</u>	<u>90,039,310</u>	<u>282,239</u>	<u>(214,260,542)</u>	<u>(28,391,383)</u>
Net Pension Liability (Asset)	<u>\$ 27,253,011</u>	<u>\$ 42,776,535</u>	<u>\$ (1,489,446)</u>	<u>\$ (772,563)</u>	<u>\$ 27,595,898</u>	<u>\$ 53,090</u>	<u>\$ (47,006,527)</u>	<u>\$ (6,134,797)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.24%	69.28%	142.68%	105.82%	76.54%	84.17%	128.19%	127.56%
City's Proportionate Share of the Net Pension Liability	100%	100%	100%	100%	100%	100%	34%	29%

The following are the annual pension costs, actuarial methods, assumptions and funding status and funding progress of the City Sponsored Plans and the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	<u>Firefighters Pension</u>	<u>Police Pension</u>	<u>Plan I Non-uniformed Pension</u>	<u>Plan II Non-uniformed Pension</u>	<u>Plan III Non-uniformed Pension</u>	<u>Wilmington Park Trust Pension</u>	<u>County & Municipal Police and Firefighters</u>	<u>County & Municipal Other Employees</u>
Deferred Outflows of Resources								
Net Difference Due to Change in Proportion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,734	\$ 168,260	\$ 111,341
Net Difference Between Projected and Actual Earnings on Plan Investments	2,634,829	5,104,557	238,103	719,452	5,797,562	19,852	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	-	4,457,864	342,971
Changes Of Assumption	-	-	-	-	-	-	1,618,963	286,492
Contributions Made After the Measurement Date	-	-	-	-	-	-	6,001,403	1,130,314
	<u>\$ 2,634,829</u>	<u>\$ 5,104,557</u>	<u>\$ 238,103</u>	<u>\$ 719,452</u>	<u>\$ 5,797,562</u>	<u>\$ 23,586</u>	<u>\$ 12,246,490</u>	<u>\$ 1,871,118</u>
Deferred Inflows of Resources								
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ -	\$ -	\$ -	\$ -	\$ 152,864	\$ 7,492	\$ 40,032,718	\$ 5,244,219
Net Difference Due to Change in Proportion	-	-	-	-	-	-	54,701	9,793
Changes Of Assumption	-	-	-	-	-	-	3,431,111	184,889
Differences Between Expected and Actual Experience	-	-	-	-	-	-	1,850,508	432,243
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,864</u>	<u>\$ 7,492</u>	<u>\$ 45,369,038</u>	<u>\$ 5,871,144</u>
2023	351,659	651,565	20,200	81,716	1,065,073	2,338	(10,240,333)	(1,336,503)
2024	349,497	681,818	26,005	90,331	870,829	9,357	(9,480,928)	(1,219,636)
2025	127,775	296,154	6,138	33,361	531,078	(1,092)	(10,039,354)	(1,289,053)
2026	1,805,898	3,475,020	185,760	514,044	3,177,718	5,491	(9,256,324)	(1,283,195)
2027	-	-	-	-	-	-	412,572	(31,926)
Thereafter	-	-	-	-	-	-	(519,584)	29,973
Total	<u>\$ 2,634,829</u>	<u>\$ 5,104,557</u>	<u>\$ 238,103</u>	<u>\$ 719,452</u>	<u>\$ 5,644,698</u>	<u>\$ 16,094</u>	<u>\$ (39,123,952)</u>	<u>\$ (5,130,339)</u>

Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress - Continued

The following are the annual pension costs, actuarial methods, assumptions and funding status and funding progress of the City Sponsored Plans and and the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	Firefighters Pension		Police Pension		Plan I Non-uniformed Pension		Plan II Non-uniformed Pension		Plan III Non-uniformed Pension		Wilmington Park Trust Pension		County & Municipal Police and Firefighters		County & Municipal Other Employees	
Actuarial Assumptions																
Discount Rate	7.2% (4)		7.2% (4)		7.2% (4)		7.2% (4)		7.2% (4)		6.5%(5)		7%(6)		7%(6)	
Investment Rate of Return (7)	7.20%		7.20%		7.20%		7.20%		7.20%		6.50%		7.00%		7.00%	
Asset Class:																
	Target		Target		Target		Target		Target		Target		Target		Target	
	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation (10)</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	53.0%	6.5%	5.7%	32.3%	5.7%	32.3%
International Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	4.5%	7.3%	5.7%	18.1%	5.7%	18.1%
Real Estate	7.0%	4.7%	7.0%	4.7%	7.0%	4.7%	7.0%	4.7%	7.0%	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Income	26.0%	1.8%	26.0%	1.8%	26.0%	1.8%	26.0%	1.8%	26.0%	1.8%	39.8%	3.7%	2.0%	20.6%	2.0%	20.6%
Alternative Investments	4.0%	12.0%	4.0%	12.0%	4.0%	12.0%	4.0%	12.0%	4.0%	12.0%	n/a	n/a	n/a	n/a	n/a	n/a
Cash	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	4.3%	7.8%	24.2%	7.8%	24.2%
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	1.0%	0.0%	4.8%	0.0%	4.8%
Projected Salary Increases	3.00%		3.00%		4.00% per year graded to 3.00% per year based on age (8)						0.00%		2.5% + Merit		2.5% + Merit	
Includes Inflation Rate of	3.00%		3.00%		0.00%		0.00%		3.00%		n/a		Projected Salary Increases includes inflation of 2.50%			
Cost-of-Living Adjustments	None(9)		None(9)		None		None		None		None		0.0%		0.0%	
Mortality Rates	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA				<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.						<i>Pre-retirement:</i> None		<i>RP-2014</i> tables with gender adjustments for healthy annuitants and disabled retirees and adjusted versions of <i>MP-2015</i> mortality improvement scale on a fully generational basis			
	<i>Disabled Lives:</i> 2018 PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table						<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Scale AA for 15 years.					
Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate																
1% Decrease	\$	33,278,293	\$	54,920,891	\$	(1,270,983)	\$	355,764	\$	40,024,562	\$	94,132	\$	(21,750,565)	\$	(2,653,381)
Discount Rate		27,253,011		42,776,535		(1,489,446)		(772,563)		27,595,898		53,090		(47,006,527)		(6,134,797)
1% Increase		22,003,476		32,343,976		(1,683,608)		(1,746,253)		17,005,346		18,045		(67,808,268)		(9,626,786)
Money-Weighted Rate of Return	-6.63%		-10.51%		-8.54%		-8.58%		-6.51%		6.50%		n/a		n/a	

Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress - Continued
Explanations to Funding Policy, Annual Pension Cost, and Funded Status and Funding Progress Schedule

1. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, therefore actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.
2. The actuarial valuation is done every other year. The last valuation completed as of the July 1, 2020. The valuation calculates an Annual Required Contribution for each of the following two years; this may be recalculated to reflect significant changes in staff levels or salary increases. Actual contributions are based on the higher of percentage of pay (actual amounts may vary based on actual payroll) or level dollar. The Total Pension Liability as of June 30, 2022 was determined by a roll forward of the actuarial valuations.
3. The City's proportion of the Plans' collective net pension liability, collective deferred inflows, collective outflows of resources, and collective pension expense is based on the ratio of the City's contributions to the Plans' total employer contribution (excluding contributions for specific individual employer liabilities) during the measurement period.
4. The discount rate as of June 30, 2022 is 7.20%, which is assumed long-term expected rate of return on plan investments. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payment for current plan members following the procedures described in paragraphs 39-45 of GASBS No. 67.
5. The discount rate as of June 30, 2022 is 6.5%, which is assumed long-term expected rate of return on plan investments. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payment for current plan members following the procedures described in paragraphs 39-45 of GASBS No. 67.
6. The discount rate used to measure the total pension liability as of June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at the rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
7. The long-term expected rate of return for each pension plan's investment net of investment expenses, was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized by plan.
8. 4.00% per year until age 30, 3.50% from ages 30 through 44, 3.00% per year from ages 45 and thereafter.
9. Pursuant to section 708 of Title 18 of the Delaware code, a special fund was created by the general assembly in the hopes of supplementing and ensuring adequate pensions for police their surviving spouses. The related contributions were not made in relation to the Actuarially Determined Contribution. These one time contributions of \$2,253,000 and respectively, were for a one-time payment made to retirees, and were excluded from the actual employer contributions
10. Effective October 1, 2021, the Pension Board approved the following changes to target to the Target Allocation. Decrease fixed income targets from 29% to 26%; Add infrastructure assets to a total of 4%; Decrease private real estate targets from 8% to 7%. Motion was approved unanimously

Component Units (Wilmington Parking Authority)

The Wilmington Parking Authority Pension Plan (the Plan) is non-contributory single-employer defined-benefit pension plan that covers substantially all employees of the Authority. The participant data as of June 30, 2022 was measured as of January 1, 2022 and the financial information as of June 30, 2022 was measured as of the time.

Benefits Provided

The Plan provides retirement benefits to Plan members and beneficiaries. A member may retire after reaching normal retirement, which occurs at the latter of the participant's sixty-fifth birthday or the completion of ten years of service. Vesting begins after five years of service at 50 percent and increases 10 percent per year, fully vesting after ten years of service. Normal retirement benefits are calculated at 1.75 percent of the participant's average monthly compensation, times years of service as of the normal retirement date (maximum of thirty years).

As of June 30, 2022 and 2021, the following category of employees were covered by the Authority's Pension Plan:

Category	Number	
	2022	2021
Active employees	16	16
Inactive employees or beneficiaries currently receiving	18	15
Inactive employees entitled to but not yet receiving benefits	17	21
Total employees	51	52

Contributions

The Authority's policy is to contribute, at a minimum, the annual pension cost as determined by the Plan's actuary. The actuarial funding method being used to develop costs under the plan is the aggregate actuarial cost method. This method assumes that an annual contribution (normal cost) is made each year, determined by spreading the unfunded present value of future benefits as a level percentage of future payrolls.

Net Pension Asset

The net pension asset for the year ended June 30, 2022 was determined by an actuarial valuation as of June 30, 2022. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Description	Percentage
Inflation	3.00 percent
Salary increases	4.50 percent, including inflation
Investment rate of return	6.00 percent, including inflation

The actuarial assumptions used in the June 30, 2022 valuation was based on the recommendation of the actuary and adopted by the Plan's management. In addition, mortality rates are based on the RP-2014 Combined Mortality Table without any collar adjustment with future mortality improvement on a generational basis using Scale MP-2019.

The long-term expected rate of return of plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return	
		Before Inflation	After Inflation
Domestic equity	70%	4.40%	6.65%
Fixed income	30%	0.98%	3.23%

Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the employer will be made at rates determined by the Plan's management actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Authority's Net Pension Asset

The following table reflects changes in the Authority's net pension asset as of and for the year ended June 30, 2022:

Description	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension (Asset) Liability [a]-[b]
Beginning balances	\$ 4,959,070	\$ 6,838,816	\$ (1,879,746)
Changes for the year:			
Service cost	92,394	-	92,394
Interest	291,561	-	291,561
Contributions - employer	-	-	-
Net investment income	-	(597,070)	597,070
Benefit payments, including refunds of employee contributions	(192,112)	(192,122)	-
Difference between expected and actual experience	(89,118)	-	(89,118)
Changes of assumptions	-	-	138,868
Administrative expenses	-	(6,714)	6,714
Net changes	<u>102,725</u>	<u>(795,896)</u>	<u>898,621</u>
Ending balances	\$ <u>5,061,795</u>	\$ <u>6,042,920</u>	\$ <u>(981,125)</u>

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset calculated using the discount rate of 6.00 percent, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Description	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net pension liability (asset)	<u>\$ (373,553)</u>	<u>\$ (981,125)</u>	<u>\$ (1,497,004)</u>

Expected and Actual Experience Differences

The difference between expected and actual experience with regard to economic and demographic factors is amortized over a closed period equal to the average of the expected remaining service lives, which is 5.00 years. The first year of amortization is recognized as pension expense with the remaining years as either deferred outflows or deferred inflows. For the years ended June 30, 2022 and 2021, the collective amount of the difference between expected and actual experience is \$459,567 and \$447,479 of inflows, respectively.

Change in Assumptions

The change in assumptions about future economic or demographic factors or other inputs is amortized over the weighted average of the expected remaining service life of active and inactive members, which is 5.00 years. The first year of amortization is recognized as pension expense with the remaining years as either deferred outflows or deferred inflows. For the years ended June 30 2022 and 2021, the collective amount of change in assumptions is \$240,934 and \$277,074 of outflows, respectively.

Difference Between Expected and Actual Investment Earnings on Pension Plan Investments

The difference between the actual earnings on plan investments compared to the Plan's expected rate of return of 6.00% is amortized over a closed period of 5 years. The first year of amortization is recognized as pension expense with the remaining years to be shown as either deferred outflows or deferred inflows of resources. For the years ended June 30, 2021 and 2020, the collective amount of the difference between expected and actual earnings is \$98,618 and \$1,264,999 of inflows, respectively.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

The following table presents the components of pension expense for the fiscal years ended June 30:

Description	2022	2021
Service Cost	\$ 92,394	\$ 138,265
Interest	291,561	297,419
Administrative expense	6,714	7,260
Amortization of difference between expected and actual experience	(77,030)	(59,206)
Expected earnings on plan investments	(404,364)	(311,440)
Amortization of changes in assumptions	36,140	36,140
Amortization of investment return differences	<u>(164,947)</u>	<u>(417,276)</u>
Pension expense	<u>\$ (219,532)</u>	<u>\$ (308,838)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

As of and for the year ended June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Description	Deferred Resources	
	Outflows	Inflows
Contributions made subsequent to the measurement date	\$ -	\$ -
Net difference between expected and actual earnings	801,147	899,765
Net difference between expected and actual experience	72,539	532,106
Changes in assumptions	273,721	32,787
Totals	\$ 1,147,407	\$ 1,464,658

The following table reflects amounts reported as deferred outflows of resources and deferred inflows of resources that will be recognized in pension expense:

Fiscal Years Ending June 30,	Amount
2023	\$ (163,246)
2024	(135,854)
2025	(122,474)
2026	163,038
2027	(15,492)
2028 and thereafter	(43,223)
Total	\$ (317,251)

Funding Policy

The Authority's policy is to contribute to an insurance company, at a minimum, the annual pension cost as determined by the Plan's actuary. Administrative costs of the Plan are paid by the Authority. Annual required contributions for the years ended June 30, 2022 and 2021 were \$0 and \$67,736, respectively. Contributions made by the Authority for the years ended June 30, 2022 and 2021 were \$0 and \$0. The annual required contribution amount was determined as part of the June 30, 2022 and June 30, 2021 actuarial valuations using the following actuarial methods and assumptions:

Description	Percentages
Actuarial cost method	Aggregate
Asset valuation method	Fair market value
Investment rate of return	6.00%
Projected salary increases	4.50%

Funded Status

The Schedule of Funding Progress presented as Required Supplementary Information (RSI) following the notes to the financial statements presents multi-year trend information about whether the actuarial valuation of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The following table provides an analysis of the funding progress of the Plan as of June 30, 2022, the most recent value date:

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	(Over) or Under- funded AAL (2-1)	Funded Ratios (1/2)	Covered Annualized Covered Payroll (5)	UAAL as a Percentage of Covered Payroll ((2-1)/5)
06/30/2022	\$ 6,042,920	\$ 5,061,795	\$ (981,125)	119.38%	\$ 824,517	(118.99%)

For purposes of the above schedule, the AAL for the Plan is determined using the entry age actuarial cost method. The annual required contribution for the plan is calculated using the aggregate actuarial cost method. The purpose of doing this is to provide information that serves as a surrogate to the funded state and funding progress of the plan.

Stand-alone financial statements for the Plan are not available; however, the funds have a valuation performed every year, a copy of which is available at the request of the Finance Director of the Authority.

Post-Retirement Benefits

The Authority provides a \$3,000 post-retirement death benefit for all regular full-time employees retiring on or after their normal retirement date, or after the sum of their age and years of service equal to or exceed 90. At June 30, 2022 and 2021, the Authority accrued \$36,000 and \$33,000 for these benefits, respectively.

In June 2016, the Authority acquired the rights to a subterranean parcel of airspace (the Property) for \$5,000,000 (the Purchase Price). In turn, the Authority entered into a lease with Midtown Parking, LLC, the tenant who intends to construct a public parking garage. The tenant entered into a mortgage with M&T Bank (the Lender) in the amount of \$13,250,000 to which the Authority joined in such mortgage. This non-recourse joinder was executed for the purpose of granting the Lender, a fee mortgage interest in the Ground Lessor's (Midtown Parking, LLC) interest in and to the property.

Rental payments are contingent upon the profitability of the garage and were scheduled to begin on July 30, 2017. The minimum annual guaranteed rent is \$200,000. Should such payments be less than \$200,000 per year, such deficiencies shall be added to the purchase price as noted hereafter.

16. Post-Retirement Healthcare Benefit Fund (Other Post-Employment Benefits - OPEB)**General Description of the Plan**

The City under City Code Section 39-5 provides post-retirement health care benefits (the Retired City Employees Medical Program) to all active full-time employees employed by the City as of and after January 1, 2000 who are eligible for a City pension or retired employees receiving a pension pursuant to the State "County and Municipal Pension" with not less than 20 years of service as city employees. The Plan is administered by the city's Board of Pension and Retirements which consists of the following: the Director of Finance, the Mayor's Chief of Staff, the City Auditor, the City Solicitor, the Human Resources Director, the City Treasurer, a Member of Council, chosen by the Council, and four other employees who shall be appointed by the mayor and confirmed by the City Council. The plan's benefit terms and contribution requirements were established by, can be diminished or eliminated by the City Council. Under certain conditions, spouses of retirees and employees receiving a disability pension are also covered. Eligibility and healthcare benefits are different based on certain criteria significantly based on employee's hire date.

- a. Benefits for employees employed with the City as of January 1, 2000, or hired after January 1, 2000 and before July 1, 2011, are provided healthcare coverage including: the Program pays not less than 80% of the blended rate up to a maximum of \$8,000 for eligible retirees who are less than 65 years of age. The Program pays not less than 80% of the blended rate up to \$4,000 for retirees who are 65 years or older. The blended rate is the average cost of medical coverage to the City for all active participants in the medical coverage program.
- b. Benefits for employees hired on or after July 1, 2011 are provided healthcare coverage including: the Program pays not less than 80% of the actual cost of insuring the employee up to a maximum of \$4,000 for eligible retirees. Enrollment in Medicare when eligible is required.
- c. Eligible retirees may participate in the dental program, but the retiree pays the full premium.

Separate financial statements are not issued and accordingly are included here. As of June 30, 2022, the plan's participants are summarized as follows:

Inactive Plan Members Currently Receiving Benefits	
Retirees	325
Spouses and Widows	15
Inactive Plan Members Entitled to Receive Future Benefits	11
Active Plan Members	<u>1006</u>
Total Plan Members	<u><u>1,357</u></u>

Total OPEB expense for the year ended June 30, 2022 was \$(1,597,956) due to plan changes and claims Experience.

Statement of Fiduciary Net Position

	<u>2022</u>
ASSETS	
Cash and Cash Equivalents	\$ 700,490
Accrued Interest & Other Receivables	8
Due From Pension Trust Fund	3,200,938
Investments, at Fair Value:	
Money Market Funds	22,004
Corporate & Foreign Bonds	
Mutual Funds	
Global & International Funds	4,809,751
Domestic Equity Funds	12,357,302
Bond Funds	<u>10,217,702</u>
Total Investments	<u>27,406,759</u>
Total Assets	<u>31,308,195</u>
LIABILITIES	
Accounts Payable	<u>14,028</u>
Total Liabilities	<u>14,028</u>
NET POSITION	
Restricted for OPEB	<u><u>\$31,294,167</u></u>

Statement of Changes in Fiduciary Net Position

	<u>2022</u>
ADDITIONS	
Contribution:	
Paid Directly by the City	\$ 4,581,039
Employees/Pensioners	913,985
Total Contributions	<u>5,495,024</u>
Investment Income	
Investment Earnings	1,025,602
Net Appreciation in Fair Value	(5,313,045)
Total Investment Earnings	<u>(4,287,443)</u>
Less: Investment Expense	(9,537)
Net Investment Income	<u>(4,296,980)</u>
Total Additions	<u>1,198,044</u>
DEDUCTIONS	
Benefits Paid	3,294,062
Administrative Expenses	173,523
Total Deductions	<u>3,467,585</u>
Net Increase in Plan Net Position	(2,269,541)
Net Position Restricted For OPEB - Beginning	<u>33,563,708</u>
Net Position Restricted For OPEB - Ending	<u><u>\$ 31,294,167</u></u>

Contribution Requirements

The City's funding policy is for its governmental activities to fund at least the actuarially determined Annual Required Contribution (ARC), of the explicit liability and the City's business-activities fund its full ARC. For the year ended June 30, 2022, the city contributed \$4,581,038 and retiree premium sharing added \$913,985.

Investments

The Plan's assets are invested in accordance with the City's Board of Pension and Retirement's Investment Policy Statement.

No investment from a single issuer that is not insured by the U.S Government represented 5% or more of the Plan's investments as of June 30, 2022.

The Plan's long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return excluding inflation for each major asset class and the Plan's target asset allocation as of June 30, 2022, are as follows:

Asset Class	Expected Long-Term Real Rate of Return	Target Asset Allocation
Domestic Equity	5.50%	49.00%
International Equity	5.60%	14.00%
Real Estate	4.70%	8.00%
Fixed Income	1.80%	28.00%
Cash	0.00%	1.00%

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -12.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan's Total OPEB Liability, Plan Fiduciary Net Position and Net OPEB Liability

The following summarizes the changes in Plan's Total OPEB Liability, Plan Fiduciary Net Position and Net OPEB Liability for the year ended June 30, 2022:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance June 30, 2021	<u>\$ 44,371,312</u>	<u>\$ 33,563,708</u>	<u>\$ 10,807,604</u>
Changes for the Year			
Service Cost	1,976,831	-	1,976,831
Interest	3,139,041	-	3,139,041
Changes of assumptions	-	4,581,038	(4,581,038)
Contributions - Employees	-	-	-
Contributions - Employer	-	913,985	(913,985)
Net Investment Income	-	(4,296,979)	4,296,979
Benefit Payments	(3,294,062)	(3,294,062)	-
Administrative Expense	<u>-</u>	<u>(173,523)</u>	<u>173,523</u>
Net Changes	<u>1,821,810</u>	<u>(2,269,541)</u>	<u>4,091,351</u>
Balance June 30, 2022	<u><u>\$ 46,193,122</u></u>	<u><u>\$ 31,294,167</u></u>	<u><u>\$ 14,898,955</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability			67.75%
Covered Payroll			\$ 60,172,231
Net OPEB Liability as a Percentage of Covered Payroll			24.76%

OPEB Liability Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in the value of actuarial assets and liabilities. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Significant methods and assumptions are as follows:

Measurement Date	June 30, 2022, updated from the June 30, 2020 actuarial valuation
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.2%
Expected Return on Plan Assets	7.2% per year, net of investment expenses
Healthcare Trend Rate - As follows from July 1, 2020 through July 1, 2032	
Pre-Medicare	decreasing from 8.25% in 2022 to 3.78% in 2041 and beyond
Medicare Eligible	decreasing from 6.40% in 2022 to 3.78% in 2041 and beyond
Payroll Increase	3% Annually
Rate of Mortality	
Healthy Lives	RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table
Administrative Expenses	Average monthly per capita cost for 2020-2021 of \$36.45 and \$52.79 for Pre-Medicare and Medicare participants, respectively.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2010 through July 1, 2014.

Schedule of Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,491,080
Changes in assumptions	2,297,298	1,041,643
Net difference between projected and actual earnings on OPEB plan investments	2,801,245	-
	<u>\$ 5,098,543</u>	<u>\$ 5,532,723</u>

Amortization of Net Deferred Outflows and Inflows

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Year Ended June 30:
2023	\$ 47,123
2024	48,206
2025	(14,201)
2026	419,967
2027	(935,275)
Thereafter	-

Sensitivity of the Net OPEB Liability

The following presents the Plan's net OPEB liability using a discount rate that is 1-percentage point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Total OPEB Liability	\$ 50,906,252	\$ 46,193,122	\$ 41,679,267
Plan Fiduciary Net Position	31,294,167	31,294,167	31,294,167
Net OPEB Liability	<u>\$ 19,612,085</u>	<u>\$ 14,898,955</u>	<u>\$ 10,385,100</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	61.5%	67.7%	75.1%

Sensitivity of Health Care Trend

The following presents the Plan's net OPEB liability using a healthcare trend rate that is 1-percentage point lower and 1-percentage-point higher than the current healthcare trend rate:

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB Liability	\$ 42,530,416	\$ 46,193,122	\$ 49,933,957
Plan Fiduciary Net Position	31,294,167	31,294,167	31,294,167
Net OPEB Liability	<u>\$ 11,236,249</u>	<u>\$ 14,898,955</u>	<u>\$ 18,639,790</u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 73.6%	 67.7%	 62.7%

17. Tax Abatements

The City of Wilmington offers a comprehensive array of services designed to assist businesses considering moving to or expanding within Wilmington. To facilitate capital investment and encourage employment within the boundaries of Wilmington, the City offers several tax abatement programs:

- A 5-year abatement of the employer's Head Tax (\$15/month/employee) for businesses new to the City that hire at least 50 new employees, or if less than 25 employees, invest in a City location or commit to a City tenure of at least 5 years; abatements are also available for existing businesses meeting certain conditions. The Head Tax abatement is authorized under City Code Section 5-102A. The following is the current status of the City's head tax abatements.
 - A Chemical Company – Under the abatement program and an agreement with the City, the Company agreed to retain approximately 550 full-time employees in the City. The City of Wilmington would forgo \$99,000 a year in head tax revenue but in return receive approximately \$875,000 a year in wage tax revenue. The Company agreed to maintain an average payroll of \$70M a year for 10 years. Additionally, under an Employment Incentive Agreement, the Company received a cash advance in the amount of \$1.65M for committing to keep its location within the City of Wilmington and \$350,000 for building infrastructure improvements. This abatement expired July 1, 2022. The City is in the process of performing a final reconciliation with the Company, to determine any amounts receivable or payable.
 - A Financial Services Company – This Company relocated approximately 135 full-time employees to the City. The City of Wilmington would forgo \$22,500 per year in head tax revenue but in return receive approximately \$285,000 per year in wage tax revenue. This abatement expired July 1, 2022. The City is in the process of performing a final reconciliation with the Company, to determine any amounts receivable or payable.
 - An Advertising & Marketing Company – This Company agreed to maintain at least 70 full-time employees with an annual payroll of at least \$6.5M for 10 ½ years. In return, the City would forgo \$8,400 a year in head tax revenue but receive approximately \$81,250 a year in wage tax revenue. Additionally, the company received a \$300,000 for capital improvements to its leased space. In August 2022, the Company was acquired by another Company which chose not to maintain its employees in the City. The City is in the process of performing a final reconciliation with the Company, to determine any amounts receivable or payable.
 - A Port Operator and Logistics Company – Under the abatement program and an agreement with the City, effective October 3, 2018, this Company received a 5-year head tax exemption to retain 130 new employees for the same period. Annually, the City forgoes \$15,600 in head tax revenue but in return receives approximately \$80,000 in wage tax revenue. This Company has also committed to the State of Delaware to invest \$500,000,000 in port facilities inside and outside of the City over the next 10 years. This Head Tax abatement is due to expire in October 2022.

- Effective July 1, 2019, the abatement of City Real Estate Taxes, based on increased assessments for new or renovated commercial property was authorized by ordinance, creating a straight 5-year, 100% abatement program with no phase-in. The Property Tax abatement is authorized under sections 44-54, 44-56, 44-71, 44-68, 44-70, and 44-71 in City Code. As of June 30, 2022, the City of Wilmington had an assessment reduction of \$60,776,300, resulting in a \$1,212,487 reduction in property tax revenue. The benefits of these reductions are unquantifiable but include increased jobs, wage tax revenue, head tax revenue, and license and inspection fees.
- The following exemptions are available for residential properties per City Code Section 44-71(d)&(e):
 - 5-Year Abatement – 100% of City of Wilmington Real Estate Taxes attributable to qualified improvements for any residential or mixed-use property in those areas of the City identified as market types c through h in the 2015 market value analysis of the City of Wilmington performed by the Reinvestment Fund.
 - 10-Year Abatement – Abatement of City of Wilmington Real Estate Taxes attributable to qualified improvements for any market-rate multi-family residential or market-rate mixed-use property located in designated Mixed Use & Market Rate Multifamily Corridor areas. First five years will be at 100% of City of Wilmington Real Estate Taxes attributable to qualified improvements, then starting with year six, the abatement will be reduced by 20% until fully eliminated at year ten per Section 44-71(d)
 - 5-Year Abatement – Conversion of Commercial Properties to Multi-family Residential or Mixed Use. 100% of City of Wilmington Real Estate Taxes attributable to qualified improvements or substantial improvements for any commercial property that is converted to a market-rate multi-family residential or market-rate mixed-use property properties in designated Mixed Use & Market Rate Multifamily areas per Section 44-71(e).
- Registered vacant properties are eligible for 5-Year Abatement – 100% abatement of City of Wilmington Real Estate Taxes provided that qualified improvements are made to the building, a certificate of occupancy is issued, qualified improvements are permitted for the property's zoning classification, and the building on the vacant property is occupied upon completion of the rehabilitation and remains continuously occupied for a period of no less than five years per Section 44-68:
- The following exemption is available for new construction or renovated structures for any property that is located within the boundaries of any of the city's duly designated city historic districts or is listed on the national register of historic places per Section 44-70:
 - 5-Year Abatement - 100% of City of Wilmington Real Estate Taxes attributable to qualified improvements for new construction of a structure on any designated historic property in accordance with the requirements of the City historic designations.
 - 10-Year Abatement - 100% of City of Wilmington Real Estate Taxes attributable to qualified improvements for renovations of existing structures on any designated historic property in accordance with the requirements of the City historic designations.

18. Implementation of New Pronouncements

For the year ended June 30, 2022, the City has implemented Governmental Standards Board Statement No. 87 (GASBS No. 87), *Leases*, which establishes criteria for financial reporting for leases by governments. The criteria require that governments recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Additionally, the statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

19. Subsequent Events

Management has evaluated subsequent events through the date of the independent's auditor's report, which was the date that the financial statements were available to be issued, for possible adjustment to the financial statements or disclosures in the notes to the financial statements.

Schedule 1 - Schedule of Contributions

In accordance with GASB No. 67 and 68, the following required supplementary information is provided with respect to historical contributions. Information prior to 2014 is not readily available

<u>Plan</u>	<u>Year Ended June 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
Firefighters	2022	\$ 4,700,463	\$ 4,613,835	\$ 86,628	\$ 399,917	1154%
Police	2022	7,493,631	7,580,259	(86,628)	1,392,489	544%
Plan I	2022	-	-	-	-	0
Plan II	2022	-	-	-	28,205	0.00%
Plan III	2022	5,078,980	5,078,980	-	15,967,221	31.81%
County & Municipal						
Police and Firefighters	2022	6,001,403	6,001,403	-	36,388,273	16.49%
Other Employees	2022	1,130,314	1,130,314	-	16,669,452	6.78%
Park Trust	2022	14,367	5,002	9,365	55,807	8.96%
Firefighters	2021	\$ 4,478,022	\$ 3,105,958	\$ 1,372,064	\$ 1,037,078	299%
Police	2021	7,526,482	5,532,031	1,994,451	1,374,519	402%
Plan I	2021	-	20,000	(20,000)	-	0
Plan II	2021	85,938	108,939	(23,001)	65,251	166.95%
Plan III	2021	4,771,601	4,798,611	(27,010)	16,449,655	29.17%
County & Municipal						
Police and Firefighters	2021	5,508,300	5,508,300	-	33,202,551	16.59%
Other Employees	2021	1,108,361	1,108,361	-	15,700,255	7.06%
Park Trust	2021	-	11,435	(11,435)	52,158	21.92%
Firefighters	2020	4,482,869	5,485,114 †	(1,002,245)	1,232,108	445.18%
Police	2020	7,577,035	7,464,815 †	112,220	1,499,092	497.96%
Plan I	2020	-	47,342	(47,342)	-	0.00%
Plan II	2020	87,721	272,739	(185,018)	97,005	281.16%
Plan III	2020	4,808,468	4,959,670	(151,202)	17,005,254	29.17%
County & Municipal						
Police and Firefighters	2020	5,148,321	5,148,321	-	30,567,215	16.84%
Other Employees	2020	1,062,337	1,062,337	-	14,593,642	7.28%
Park Trust	2020	4,716	-	4,716	51,326	0.00%
Firefighters	2019	4,942,448	4,942,448	-	1,531,410	322.74%
Police	2019	7,696,573	7,696,573	-	2,227,697	345.49%
Plan I	2019	47,342	47,342	-	-	0.00%
Plan II	2019	260,859	260,859	-	97,005	268.91%
Plan III	2019	4,958,725	4,958,725	-	17,672,347	28.06%
County & Municipal						
Police and Firefighters	2019	4,895,097	4,895,097	-	29,337,662	16.69%
Other Employees	2019	898,846	898,846	-	12,328,634	7.29%
Park Trust	2019	6,719	6,438	281	50,301	12.80%

Sch. 1 (Cont.)

<u>Plan</u>	<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
Firefighters	2018	5,010,577	6,468,505	(1,457,928)	1,965,421	329.12%
Police	2018	7,843,831	8,660,811	(816,980)	3,189,901	271.51%
Plan I	2018	47,224	46,834	390	-	0.00%
Plan II	2018	260,899	260,899	-	99,991	260.92%
Plan III	2018	5,005,567	5,010,567	(5,000)	18,998,060	26.37%
County & Municipal						
Police and Firefighters	2018	3,167,943	3,167,943	-	28,199,642	11.23%
Other Employees	2018	729,010	729,010	-	3,068,239	23.76%
Park Trust	2018	6,871	-	6,871	50,810	0.00%
Firefighters	2017	\$ 4,818,613	\$ 5,694,748	\$ (876,135)	\$ 2,749,624	207.11%
Police	2017	7,720,417	7,792,823	(72,406)	4,207,671	185.21%
Plan I	2017	142,697	142,271	426	-	0
Plan II	2017	327,005	344,825	(17,820)	125,182	275.46%
Plan III	2017	5,329,433	5,334,462	(5,029)	20,323,708	26.25%
County & Municipal						
Police and Firefighters	2017	3,144,860	3,144,860	-	27,538,276	11.42%
Other Employees	2017	572,848	572,848	-	8,079,653	7.09%
Park Trust	2017	6,871	-	6,871	48,589	0.00%
Firefighters	2016	4,976,363	5,763,606	(787,243)	2,512,968	229.35%
Police	2016	7,924,320	7,951,533	(27,213)	4,050,903	196.29%
Plan I	2016	191,336	181,075.00	10,261	-	0.00%
Plan II	2016	344,868	344,868	-	154,882	222.66%
Plan III	2016	5,281,751	5,281,751	-	21,315,013	24.78%
County & Municipal						
Police and Firefighters	2016	3,936,472	3,936,472	-	28,557,308	13.78%
Other Employees	2016	620,566	620,566	-	9,213,913	6.74%
Park Trust	2016	12,370	14,147	(1,777)	49,790	28.41%
Firefighters	2015	4,715,554	4,250,239	465,315	3,057,532	139.01%
Police	2015	7,949,984	7,806,453	143,531	4,900,751	159.29%
Plan I	2015	260,008	193,527	66,481	42,426	456.15%
Plan II	2015	420,806	341,395	79,411	189,905	179.77%
Plan III	2015	5,504,662	5,436,184	68,478	21,571,117	25.20%
County & Municipal						
Police and Firefighters	2015	3,343,522	3,343,522	-	24,141,030	13.85%
Other Employees	2015	483,619	483,619	-	7,787,744	6.21%
Park Trust	2015	12,370	48,765	(36,395)	47,875	101.86%
Firefighters	2014	4,715,554	4,715,554	-	3,527,279	133.69%
Police	2014	7,949,984	7,949,984	-	5,496,728	144.63%
Plan I	2014	260,008	260,008	-	86,057	302.13%
Plan II	2014	420,806	420,806	-	286,614	146.82%
Plan III	2014	5,504,662	5,504,662	-	22,807,717	24.14%
County & Municipal						
Police and Firefighters	2014	3,348,608	3,348,608	-	23,615,373	14.18%
Other Employees	2014	363,062	363,062	-	5,527,605	6.57%
Park Trust	2014	12,370	24,740	(12,370)	47,875	51.68%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedule 2 - Schedule of Changes in the Employers' Net Pension Liability
And Related Ratios**

In accordance with GASB No. 67 and 68, the following required supplementary information is provided with respect to the City's Net Pension Liability. Information prior to 2014 is not readily available.

<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u> 2022	<u>Police</u> 2022	<u>Plan I Non-uniformed</u> 2022	<u>Plan II Non-uniformed</u> 2022	<u>Plan III Non-uniformed</u> 2022	<u>Park Trust</u> 2022
Total Pension Liability						
Service Cost	\$ 58,564	\$ 194,187	\$ -	\$ 8,294	\$ 1,037,078	\$ 8,757
Interest	5,595,606	9,849,618	248,419	923,098	8,130,226	20,834
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	-
Benefit Payments	(9,658,561)	(14,580,520)	(410,699)	(910,446)	(6,712,977)	(11,880)
Net Change in Total Pension Liability	(4,004,391)	(4,536,715)	(162,280)	20,946	2,454,327	17,711
Total Pension Liability, beginning	82,403,541	143,769,626	3,652,043	13,259,818	115,180,881	317,618
Total Pension Liability, ending (a)	<u>\$ 78,399,150</u>	<u>\$ 139,232,911</u>	<u>\$ 3,489,763</u>	<u>\$ 13,280,764</u>	<u>\$ 117,635,208</u>	<u>\$ 335,329</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 10,051	\$ 5,566,108	\$ -	\$ -	\$ 5,078,980	\$ 5,002
Contributions from Member	23,995	80,464	-	-	319,830	-
Contributions from State / Other	4,603,784	2,014,151	-	-	-	-
Net Investment Income	(4,811,439)	(9,484,812)	(516,557)	(1,420,287)	(8,699,804)	(8,241)
Administrative Expenses	(142,569)	(247,690)	(410,699)	(67,683)	(286,195)	(11,880)
Benefit Payments	(9,658,561)	(14,580,520)	(41,222)	(910,446)	(6,712,977)	(3,069)
Net Change in Fiduciary Net Position	(9,974,739)	(16,652,299)	(968,478)	(2,398,416)	(10,300,166)	(18,188)
Plan Fiduciary Net Position, Beginning	61,120,878	113,108,675	5,947,687	16,451,743	100,339,476	300,427
Plan Fiduciary Net Position, Ending (b)	<u>\$ 51,146,139</u>	<u>\$ 96,456,376</u>	<u>\$ 4,979,209</u>	<u>\$ 14,053,327</u>	<u>\$ 90,039,310</u>	<u>\$ 282,239</u>
Net Pension Liability / (Asset) - Ending (a) - (b)	<u>\$ 27,253,011</u>	<u>\$ 42,776,535</u>	<u>\$ (1,489,446)</u>	<u>\$ (772,563)</u>	<u>\$ 27,595,898</u>	<u>\$ 53,090</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	65%	69%	143%	106%	77%	84%
Covered Payroll	\$ 399,917	\$ 1,392,489	\$ -	\$ 28,205	\$ 15,967,221	\$ 55,807
Net Pension Liability as a % of						
Covered Payroll	6814.67%	3071.95%	0.00%	-2739.10%	172.83%	95.13%

Sch. 2 (Cont.)

<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-</u> <u>uniformed</u>	<u>Plan II Non-</u> <u>uniformed</u>	<u>Plan III Non-</u> <u>uniformed</u>	<u>Park</u> <u>Trust</u>
	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>
Total Pension Liability						
Service Cost	\$ 151,870	\$ 191,681	\$ -	\$ 19,188	\$ 1,068,412	\$ 8,054
Interest	5,704,875	9,928,161	259,800	921,798	7,953,533	18,295
Changes of benefit terms	1,470,000	2,253,000	-	-	478,966	-
Difference between expected and actual experience	1,403,340	(2,679,904)	(478,783)	(485,991)	(314,111)	-
Benefit Payments	(7,874,583)	(12,389,979)	(424,799)	(913,587)	(6,366,140)	(11,880)
Net Change in Total Pension Liability	855,502	(2,697,041)	(643,782)	(458,592)	2,820,660	14,469
Total Pension Liability, beginning	81,548,039	146,466,667	4,295,825	13,718,410	112,360,221	293,720
Total Pension Liability, ending (a)	<u>\$ 82,403,541</u>	<u>\$ 143,769,626</u>	<u>\$ 3,652,043</u>	<u>\$ 13,259,818</u>	<u>\$ 115,180,881</u>	<u>\$ 308,189</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ -	\$ 5,999,923	\$ 20,000	\$ 108,939	\$ 4,798,600	\$ 11,435
Contributions from Member	62,224	85,555	-	-	382,037	-
Contributions from State / Other	6,045,958	4,038,108	-	11,880	11	-
Net Investment Income	11,997,736	22,507,543	1,252,064	3,376,406	19,112,803	49,335
Administrative Expenses	(151,755)	(189,313)	(28,446)	(925,467)	(6,366,140)	(2,835)
Benefit Payments	(7,874,583)	(12,389,979)	(424,799)	(57,463)	(240,776)	(11,880)
Net Change in Fiduciary Net Position	10,079,580	20,051,837	818,819	2,514,295	17,686,535	46,055
Plan Fiduciary Net Position, Beginning	51,041,298	93,056,838	5,128,868	13,937,448	82,652,941	254,372
Plan Fiduciary Net Position, Ending (b)	<u>\$ 61,120,878</u>	<u>\$ 113,108,675</u>	<u>\$ 5,947,687</u>	<u>\$ 16,451,743</u>	<u>\$ 100,339,476</u>	<u>\$ 300,427</u>
Net Pension Liability / (Asset) - Ending (a) - (b)	<u>\$ 21,282,663</u>	<u>\$ 30,660,951</u>	<u>\$ (2,295,644)</u>	<u>\$ (3,191,925)</u>	<u>\$ 14,841,405</u>	<u>\$ 7,762</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	74%	79%	163%	124%	87%	97%
Covered Payroll	\$ 1,037,078	\$ 1,374,519	\$ -	\$ 65,251	\$ 16,449,655	\$ 52,158
Net Pension Liability as a % of						
Covered Payroll	2052.18%	2230.67%	0.00%	-4891.76%	90.22%	14.88%

Sch. 2 (Cont.)

<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-uniformed</u>	<u>Plan II Non-uniformed</u>	<u>Plan III Non-uniformed</u>	<u>Park Trust</u>
	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
Total Pension Liability						
Service Cost	\$ 154,323	\$ 293,517	\$ -	\$ 20,275	\$ 1,094,570	\$ 8,054
Interest	5,691,624	10,189,238	308,907	958,747	7,758,391	18,295
Changes of benefit terms	1,578,000	2,325,000	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	-
Changes of Assumptions	-	-	-	-	-	-
Benefit Payments	(9,380,799)	(14,871,078)	(596,554)	(1,093,542)	(6,183,705)	(11,880)
Net Change in Total Pension Liability	(1,956,852)	(2,063,323)	(287,647)	(114,520)	2,669,256	14,469
Total Pension Liability, beginning	83,504,891	148,529,990	4,583,473	13,832,930	109,691,505	279,251
Total Pension Liability, ending (a)	<u>\$ 81,548,039</u>	<u>\$ 146,466,667</u>	<u>\$ 4,295,825</u>	<u>\$ 13,718,410</u>	<u>\$ 112,360,761</u>	<u>\$ 293,720</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 1,393,193	\$ 5,771,270	\$ 47,342	\$ 260,859	\$ 4,958,725	\$ -
Contributions from Member	73,927	89,944	-	1,279	339,158	-
Contributions from State / Other	5,669,921	4,018,545	-	11,880	945	-
Net Investment Income	2,474,532	4,628,139	271,891	700,860	3,639,278	(24,307)
Administrative Expenses	(113,331)	(185,274)	(38,386)	(72,644)	(253,345)	(2,912)
Benefit Payments	(9,380,799)	(14,871,078)	(596,554)	(1,093,542)	(6,183,705)	(11,880)
Net Change in Fiduciary Net Position	117,443	(548,454)	(315,707)	(191,308)	2,501,056	(39,099)
Plan Fiduciary Net Position, Beginning	50,923,855	93,605,292	5,444,574	14,128,756	80,151,885	293,471
Plan Fiduciary Net Position, Ending (b)	<u>\$ 51,041,298</u>	<u>\$ 93,056,838</u>	<u>\$ 5,128,867</u>	<u>\$ 13,937,448</u>	<u>\$ 82,652,941</u>	<u>\$ 254,372</u>
Net Pension Liability / (Asset) - Ending (a) - (b)	<u>\$ 30,506,741</u>	<u>\$ 53,409,829</u>	<u>\$ (833,042)</u>	<u>\$ (219,038)</u>	<u>\$ 29,707,820</u>	<u>\$ 39,348</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	63%	64%	119%	102%	74%	87%
Covered Payroll	\$ 1,232,108	\$ 1,499,092	\$ -	\$ 97,005	\$ 17,005,254	\$ 51,326
Net Pension Liability as a % of						
Covered Payroll	2475.98%	3562.81%	0.00%	-225.80%	174.70%	76.66%

Sch. 2 (Cont.)

<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-</u> <u>uniformed</u>	<u>Plan II Non-</u> <u>uniformed</u>	<u>Plan III Non-</u> <u>uniformed</u>	<u>Park</u> <u>Trust</u>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
Total Pension Liability						
Service Cost	\$ 191,811	\$ 436,175	\$ -	\$ 20,275	\$ 1,137,508	\$ 7,893
Interest	5,862,901	10,374,193	317,753	950,371	7,554,561	17,412
Changes of benefit terms	109,000	180,000	114,000	152,000	164,000	-
Difference between expected and actual experience	(1,477,323)	(814,787)	(757,923)	(1,420,620)	(2,807,347)	-
Changes of Assumptions	1,296,546	2,569,476	60,225	241,886	2,204,630	(37,452)
Benefit Payments	(7,659,300)	(12,011,676)	(514,101)	(922,046)	(5,802,182)	(11,880)
Net Change in Total Pension Liability	(1,676,365)	733,381	(780,046)	(978,134)	2,451,170	(24,027)
Total Pension Liability, beginning	85,181,256	147,796,609	5,363,519	14,811,066	107,240,335	303,278
Total Pension Liability, ending (a)	<u>\$ 83,504,891</u>	<u>\$ 148,529,990</u>	<u>\$ 4,583,473</u>	<u>\$ 13,832,930</u>	<u>\$ 109,691,505</u>	<u>\$ 279,251</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 1,240,836	\$ 5,849,070	\$ 47,342	\$ 260,859	\$ 4,958,725	\$ 6,438
Contributions from Member	91,885	133,661	-	-	504,771	-
Contributions from State / Other	3,701,612	1,847,503	-	11,880	8,787	2,970
Net Investment Income	3,504,110	6,653,119	410,758	1,014,431	4,498,094	12,988
Administrative Expenses	(125,613)	(199,210)	(60,036)	(81,529)	(277,140)	(11,880)
Benefit Payments	(7,659,300)	(12,011,676)	(514,101)	(922,046)	(5,802,182)	(2,899)
Net Change in Fiduciary Net Position	753,530	2,272,467	(116,037)	283,595	3,891,055	7,617
Plan Fiduciary Net Position, Beginning	50,170,325	91,332,825	5,560,611	13,845,161	76,260,830	293,854
Plan Fiduciary Net Position, Ending (b)	<u>\$ 50,923,855</u>	<u>\$ 93,605,292</u>	<u>\$ 5,444,574</u>	<u>\$ 14,128,756</u>	<u>\$ 80,151,885</u>	<u>\$ 293,471</u>
Net Pension Liability / (Asset) - Ending (a) - (b)	<u>\$ 32,581,036</u>	<u>\$ 54,924,698</u>	<u>\$ (861,101)</u>	<u>\$ (295,826)</u>	<u>\$ 29,539,620</u>	<u>\$ (14,220)</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	60.98%	63.02%	118.79%	102.14%	73.07%	105.09%
Covered Payroll	\$ 1,531,410	\$ 2,227,697	\$ -	\$ 97,005	\$ 17,672,347	\$ 50,301
Net Pension Liability as a % of						
Covered Payroll	2127.52%	2465.54%	0.00%	-304.96%	167.15%	-28.27%

Sch. 2 (Cont.)

<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-</u>	<u>Plan II Non-</u>	<u>Plan III Non-</u>	<u>Park</u>
	<i>2018</i>	<i>2018</i>	<u>uniformed</u>	<u>uniformed</u>	<u>uniformed</u>	<u>Trust</u>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
Total Pension Liability						
Service Cost	\$ 234,550	\$ 478,819	\$ -	\$ 20,454	\$ 1,258,925	\$ 8,092
Interest Cost	6,130,822	10,583,509	386,632	1,053,054	7,575,252	19,062
Difference Between Expected and Actual expenses	-	-	-	-	-	-
Changes in Assumptions	-	-	-	-	-	-
Benefit Payments	(7,463,842)	(11,410,939)	(487,026)	(928,307)	(5,311,556)	(17,820)
Net Change in Total Pension Liability	(1,098,470)	(348,611)	(100,394)	145,201	3,522,621	9,334
Total Pension Liability, beginning	86,279,726	148,145,220	5,463,913	14,665,865	103,717,714	293,944
Total Pension Liability, ending (a)	<u>\$ 85,181,256</u>	<u>\$ 147,796,609</u>	<u>\$ 5,363,519</u>	<u>\$ 14,811,066</u>	<u>\$ 107,240,335</u>	<u>\$ 303,278</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 1,651,227	\$ 6,848,501	\$ 45,666	\$ 260,899	\$ 5,010,567	\$ -
Contributions from Member	117,647	191,395	-	-	542,262	-
Contributions from State / Other	4,817,278	1,812,310	1,168	17,820	1,636	-
Net Investment Income	3,947,989	7,503,707	488,340	1,169,645	6,228,920	14,583
Administrative Expenses	(115,730)	(195,036)	(52,385)	(74,794)	(255,838)	(17,820)
Benefit Payments	(7,463,842)	(11,410,939)	(487,026)	(928,307)	(5,311,556)	(3,032)
Net Change in Fiduciary Net Position	2,954,569	4,749,938	(4,237)	445,263	6,215,991	(6,269)
Plan Fiduciary Net Position, Beginning	47,215,756	86,582,890	5,564,848	13,399,898	70,044,838	292,123
Plan Fiduciary Net Position, Ending (b)	<u>\$ 50,170,325</u>	<u>\$ 91,332,828</u>	<u>\$ 5,560,611</u>	<u>\$ 13,845,161</u>	<u>\$ 76,260,829</u>	<u>\$ 285,854</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 35,010,931</u>	<u>\$ 56,463,781</u>	<u>\$ (197,092)</u>	<u>\$ 965,905</u>	<u>\$ 30,979,506</u>	<u>\$ 17,424</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	58.90%	61.80%	103.67%	93.48%	71.11%	94.25%
Covered Payroll	\$ 1,965,421	\$ 3,189,901	\$ -	\$ 99,991	\$ 18,998,060	\$ 50,810
Net Pension Liability as a % of						
Covered Payroll	1781.35%	1770.08%	0.00%	965.99%	163.07%	34.29%

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<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-</u> <u>uniformed</u>	<u>Plan II Non-</u> <u>uniformed</u>	<u>Plan III Non-</u> <u>uniformed</u>	<u>Park</u> <u>Trust</u>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
Total Pension Liability						
Service Cost	\$ 328,135	\$ 631,591	\$ -	\$ 25,607	\$ 1,346,770	\$ 7,738
Interest Cost	6,197,043	10,602,014	397,681	1,043,065	7,316,385	18,493
Difference Between Expected and Actual expenses	(1,367,656)	(3,766,323)	(464,924)	(566,350)	(721,159)	862
Changes in Assumptions	2,579,588	5,081,048	101,205	237,807	(622,120)	-
Benefit Payments	(7,193,939)	(11,253,686)	(604,889)	(928,766)	(4,850,914)	(17,820)
Net Change in Total Pension Liability	543,171	1,294,644	(570,927)	(188,637)	2,468,962	9,273
Total Pension Liability, beginning	85,736,555	146,850,576	6,034,840	14,854,502	101,248,752	284,671
Total Pension Liability, ending (a)	<u>\$ 86,279,726</u>	<u>\$ 148,145,220</u>	<u>\$ 5,463,913</u>	<u>\$ 14,665,865</u>	<u>\$ 103,717,714</u>	<u>\$ 293,944</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 4,061,268	\$ 6,064,563	\$ 137,532	\$ 327,005	\$ 5,329,433	\$ -
Contributions from Member	170,902	252,462	-	-	415,868	-
Contributions from State / Other	1,633,480	1,728,260	4,739	17,820	5,029	-
Net Investment Income	4,605,151	8,770,524	605,454	1,391,930	6,479,038	22,030
Administrative Expenses	(91,387)	(127,240)	(56,438)	(95,206)	(275,564)	(2,961)
Benefit Payments	(7,193,939)	(11,253,686)	(604,889)	(928,766)	(4,850,914)	(17,820)
Net Change in Fiduciary Net Position	3,185,475	5,434,883	86,398	712,783	7,102,890	1,249
Plan Fiduciary Net Position, Beginning	44,030,281	81,148,007	5,478,450	12,687,120	62,941,948	290,874
Plan Fiduciary Net Position, Ending (b)	<u>\$ 47,215,756</u>	<u>\$ 86,582,890</u>	<u>\$ 5,564,848</u>	<u>\$ 13,399,903</u>	<u>\$ 70,044,838</u>	<u>\$ 292,123</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 39,063,970</u>	<u>\$ 61,562,330</u>	<u>\$ (100,935)</u>	<u>\$ 1,265,962</u>	<u>\$ 33,672,876</u>	<u>\$ 1,821</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	54.72%	58.44%	101.85%	91.37%	67.53%	99.38%
Covered Payroll	\$ 2,749,624	\$ 4,207,671	\$ -	\$ 125,182	\$ 20,323,708	\$ 48,589
Net Pension Liability as a % of	1420.70%	1463.10%	0.00%	1011.30%	165.68%	3.75%
Covered Payroll						

Sch. 2 (Cont.)

<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-uniformed</u>	<u>Plan II Non-uniformed</u>	<u>Plan III Non-uniformed</u>	<u>Park Trust</u>
	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>
Total Pension Liability						
Service Cost	\$ 500,997	\$ 1,066,300	\$ 2,224	\$ 17,301	\$ 1,617,572	\$ 7,512
Interest Cost	6,237,408	10,636,025	443,380	1,070,180	7,223,825	17,927
Benefit Payments	(7,202,381)	(10,999,382)	(629,168)	(952,272)	(4,504,066)	(17,820)
Net Change in Total Pension Liability	(463,976)	702,943	(183,564)	135,209	4,337,331	7,619
Total Pension Liability, beginning	86,200,531	146,147,633	6,218,404	14,719,293	96,911,421	277,052
Total Pension Liability, ending (a)	<u>\$ 85,736,555</u>	<u>\$ 146,850,576</u>	<u>\$ 6,034,840</u>	<u>\$ 14,854,502</u>	<u>\$ 101,248,752</u>	<u>\$ 284,671</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 1,605,363	\$ 6,007,320	\$ 176,336	\$ 344,868	\$ 5,281,751	\$ 14,147
Contributions from Member	157,144	253,095	-	-	442,476	-
Contributions from State / Other	4,158,242	1,944,213	4,739	17,820	6,242	-
Net Investment Income	877,188	1,668,329	115,105	258,960	1,434,763	(2,312)
Administrative Expenses	(100,096)	(112,632)	(64,380)	(97,803)	(250,752)	(3,058)
Benefit Payments	(7,202,381)	(10,999,382)	(629,168)	(952,272)	(4,504,066)	(17,820)
Net Change in Fiduciary Net Position	(504,540)	(1,239,057)	(397,368)	(428,427)	2,410,414	(9,043)
Plan Fiduciary Net Position, Beginning	44,534,821	82,387,064	5,875,818	13,115,547	60,531,534	299,917
Plan Fiduciary Net Position, Ending (b)	<u>\$ 44,030,281</u>	<u>\$ 81,148,007</u>	<u>\$ 5,478,450</u>	<u>\$ 12,687,120</u>	<u>\$ 62,941,948</u>	<u>\$ 290,874</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 41,706,274</u>	<u>\$ 65,702,569</u>	<u>\$ 556,390</u>	<u>\$ 2,167,382</u>	<u>\$ 38,306,804</u>	<u>\$ (6,203)</u>
Plan Fiduciary Net Position as a % of						
Total Pension Liability	51.36%	55.26%	90.78%	85.41%	62.17%	102.18%
Covered Payroll	\$ 2,512,968	\$ 4,050,903	\$ -	\$ 154,882	\$ 21,315,013	\$ 49,790
Net Pension Liability as a % of						
Covered Payroll	1659.64%	1621.92%	0.00%	1399.38%	179.72%	-12.46%

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<i>Fiscal Year Ended June 30,</i>	<u>Firefighters</u> 2015	<u>Police</u> 2015	<u>Plan I Non- uniformed</u> 2015	<u>Plan II Non- uniformed</u> 2015	<u>Plan III Non- uniformed</u> 2015	<u>Park Trust</u> 2015
Total Pension Liability						
Service Cost	\$ 493,756	\$ 1,066,523	\$ 4,490	\$ 31,183	\$ 1,640,457	\$ 7,512
Interest Cost	6,263,481	10,575,592	457,445	1,061,258	6,916,987	17,462
Differences between Actual and Expected Experience	(1,493,659)	(3,633,046)	(333,954)	(97,011)	(1,621,340)	(3,327)
Benefit Payments	(7,025,062)	(10,678,644)	(664,604)	(966,673)	(4,384,851)	(17,820)
Net Change in Total Pension Liability	(1,761,484)	(2,669,575)	(536,623)	28,757	2,551,253	3,827
Total Pension Liability, beginning	87,962,015	148,817,208	6,755,027	14,690,536	94,360,168	273,225
Total Pension Liability, ending (a)	<u>\$ 86,200,531</u>	<u>\$ 146,147,633</u>	<u>\$ 6,218,404</u>	<u>\$ 14,719,293</u>	<u>\$ 96,911,421</u>	<u>\$ 277,052</u>
Plan Fiduciary Net Position						
Contributions from Employer	\$ 435,261	\$ 5,904,595	\$ 240,339	\$ 435,503	\$ 5,719,954	\$ 48,765
Contributions from Member	177,087	295,781	-	-	430,845	-
Contributions from State / Other	3,814,978	1,901,858	14,574	17,820	20,895	-
Net Investment Income	791,946	1,510,221	109,348	235,490	1,115,920	3,485
Administrative Expenses	(75,866)	(100,852)	(52,508)	(85,230)	(229,666)	(3,207)
Benefit Payments	(7,025,062)	(10,678,644)	(664,605)	(966,673)	(4,384,850)	(17,820)
Net Change in Fiduciary Net Position	(1,881,656)	(1,167,041)	(352,852)	(363,090)	2,673,098	31,223
Plan Fiduciary Net Position, Beginning	46,416,477	83,554,105	6,228,670	13,478,637	57,858,436	268,694
Plan Fiduciary Net Position, Ending (b)	<u>\$ 44,534,821</u>	<u>\$ 82,387,064</u>	<u>\$ 5,875,818</u>	<u>\$ 13,115,547</u>	<u>\$ 60,531,534</u>	<u>\$ 299,917</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 41,665,710</u>	<u>\$ 63,760,569</u>	<u>\$ 342,586</u>	<u>\$ 1,603,746</u>	<u>\$ 36,379,887</u>	<u>\$ (22,865)</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	51.66%	56.37%	94.49%	89.10%	62.46%	108.25%
Covered Payroll	\$ 3,057,532	\$ 4,900,751	\$ 42,426	\$ 189,905	\$ 21,571,117	\$ 47,875
Net Pension Liability as a % of Covered Payroll	1362.72%	1301.04%	807.49%	844.50%	168.65%	-47.76%

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	Proportion of Collective Net Pension Asset	Proportion of Total Pension Asset (Liability)	Covered Payroll	Net Pension Asset(Liabilit y) as a Percentage of Covered	Plan's Fiduciary Net Position as a Percentage of Total Pension Asset / Liability
County & Municipal Pension Plans as of June 30, 2022					
Police and Firefighters	34.23%	\$ (47,006,527)	\$ 36,788,190	14.97%	-128.00%
Other Employees	29.29%	(6,134,797)	16,669,452	6.64%	-128.00%
County & Municipal Pension Plans as of June 30, 2021					
Police and Firefighters	33.00%	(9,535,437)	29,337,664	-32.50%	93.25%
Other Employees	27.75%	(1,271,564)	12,328,634	-10.03%	92.74%
County & Municipal Pension Plans as of June 30, 2020					
Police and Firefighters	33.49%	\$ (5,147,440)	\$ 30,567,215	-16.84%	96.67%
Other Employees	29.70%	(630,685)	14,593,642	-4.30%	96.95%
County & Municipal Pension Plans as of June 30, 2019					
Police and Firefighters	33.00%	(9,535,437)	29,337,664	-32.50%	93.25%
Other Employees	27.75%	(1,271,564)	12,328,634	-10.03%	92.74%
County & Municipal Pension Plans as of June 30, 2018					
Police and Firefighters	33.00%	(7,692,573)	28,199,642	-27.28%	94.00%
Other Employees	26.00%	(811,886)	3,068,239	-26.40%	94.41%
County & Municipal Pension Plans as of June 30, 2017					
Police and Firefighters	34.00%	(3,464,628)	27,538,276	-12.58%	97.00%
Other Employees	21.58%	(1,553,472)	8,079,653	-19.23%	87.62%
County & Municipal Pension Plans as of June 30, 2016					
Police and Firefighters	33.00%	(5,234,459)	28,557,308	-18.33%	94.70%
Other Employees	21.58%	(1,337,306)	9,213,913	-14.51%	86.38%
County & Municipal Pension Plans as of June 30, 2015					
Police and Firefighters	33.08%	1,743,533	24,141,030	-7.22%	101.97%
Other Employees	21.78%	(9,293)	7,787,744	0.12%	99.89%
County & Municipal Pension Plans as of June 30, 2014					
Police and Firefighters	33.96%	3,698,693	23,615,373	-15.66%	104.47%
Other Employees	20.75%	76,367	5,527,605	-1.38%	101.07%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Notes to Required Supplementary Information

Note 1 - Methods and Assumptions Used to Determine Contributions Rates

	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-uniformed</u>	<u>Plan II Non-uniformed</u>	<u>Plan III Non-uniformed</u>	<u>Park Trust</u>				
	June 30, 2022									
Actuarial Valuation Date	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020				
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021				
Actuarial Cost Method	Entry Age Normal									
Amortization Method	Level Percent of Pay									
Remaining Amortization	Fully amortized on June 30, 2029									
Asset Valuation Method	5 Year Smoothed Market									
Discount Rate	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%				
Investment Rate of Return	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%				
Asset Class:	Target		Target		Target		Target		Target	
	<u>Allocation (*)</u>	<u>Return</u>	<u>Allocation (*)</u>	<u>Return</u>	<u>Allocation (*)</u>	<u>Return</u>	<u>Allocation (*)</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	53.0%	6.5%
Non-U.S. Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	4.5%	7.3%
Real Estate	7.0%	4.7%	7.0%	4.7%	7.0%	4.7%	7.0%	4.7%	0.0%	0.0%
Fixed Income	26.0%	1.8%	26.0%	1.8%	26.0%	1.8%	26.0%	1.8%	39.8%	3.7%
Alternative Investments	4.0%	12.0%	4.0%	12.0%	4.0%	12.0%	4.0%	12.0%	n/a	n/a
Cash	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	4.3%
Projected Salary Increases	3.00%	3.00%	4.00% per year graded to 3.00% per year based on age				4.00%			
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	n/a				
Cost-of-Living Adjustments	None	None	None	None	None	None				
Mortality Rates						<i>Pre-retirement:</i> None				
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA		<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.			<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.				
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants		<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table							

*Effective October 1, 2021, the Pension Board approved the following changes to target to the T target Allocation. Decrease fixed income targets from 29% to 26%; Add infrastructure assets to a total of 4%; Decrease private real estate targets from 8% to 7%. Motion was approved unanimously

	June 30, 2021									
Actuarial Valuation Date	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal									
Amortization Method	Level Percent of Pay									
Remaining Amortization	Fully amortized on June 30, 2029									
Asset Valuation Method	5 Year Smoothed Market									
Discount Rate	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%
Investment Rate of Return	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%
Asset Class:	Target		Target		Target		Target		Target	
	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%
Non-U.S. Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%
Real Estate	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%
Fixed Income	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%
Projected Salary Increases	3.00%	3.00%	4.00% per year graded to 3.00% per year based on age				4.00%			
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	n/a				
Cost-of-Living Adjustments	None	None	None	None	None	None				
Mortality Rates						<i>Pre-retirement:</i> None				
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA		<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.			<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.				
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants		<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table							

Sch. 2 (Cont.)

June 30, 2020												
Actuarial Valuation Date	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	
Measurement Date	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay										Level Dollar	
Remaining Amortization	Fully amortized on June 30, 2029										15 years	
Asset Valuation Method	5 Year Smoothed Market										Market Value	
Discount Rate	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%	
Investment Rate of Return	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%	
Asset Class:	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	
	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation*</u>	<u>Return</u>	<u>Allocation</u> <u>Return</u>	
Domestic Equity	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	49.0%	5.5%	28.3%	6.5%
Non-U.S. Equity	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	14.0%	5.6%	0.2%	7.3%
Real Estate	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	8.0%	4.7%	0.0%	0.0%
Fixed Income	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	28.0%	1.8%	60.8%	3.7%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.3%
Cash	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	10.8%	1.0%
Projected Salary Increases	3.00%	3.00%	3.00%	3.00%	4.00% per year graded to 3.00% per year based on age	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	n/a	n/a
Cost-of-Living Adjustments	None	None	None	None	None	None	None	None	None	None	None	None
Mortality Rates											<i>Pre-retirement:</i> None	
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA				<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.				<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.			
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table							

*The prior year allocations were used through October 24, 2019. These allocations were effective October 25, 2019

	<u>Firefighters</u>		<u>Police</u>		<u>Plan I Non-uniformed</u>		<u>Plan II Non-uniformed</u>		<u>Plan III Non-uniformed</u>		<u>Park Trust</u>	
June 30, 2019												
Actuarial Valuation Date	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018	July 1, 2018
Measurement Date	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry Age Normal											
Amortization Method	Level Percent of Pay										Level Dollar	
Remaining Amortization	Fully amortized on June 30, 2029										15 years	
Asset Valuation Method	5 Year Smoothed Market										Market Value	
Discount Rate	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	6.50%	6.50%
Investment Rate of Return	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	6.50%	6.50%
Asset Class:	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target	Target
	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>
Domestic Equity	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%	29.2%	6.5%
Non-U.S. Equity	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%	9.6%	6.5%
Real Estate	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%	0.0%	0.0%
Fixed Income	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%	38.1%	6.5%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.1%	0.0%
Projected Salary Increases	3.00%	3.00%	3.00%	3.00%	4.00% per year graded to 3.00% per year based on age	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	n/a	n/a
Cost-of-Living Adjustments	None	None	None	None	None	None	None	None	None	None	None	None
Mortality Rates											<i>Pre-retirement:</i> None	
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA				<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.				<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.			
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants				<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table							

Sch. 2 (Cont.)

June 30, 2018

Actuarial Valuation Date	July 1, 2017	July 1, 2017	July 1, 2017	July 1, 2017	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal					
Amortization Method	Level Percent of Pay					
Remaining Amortization	Fully amortized on June 30, 2029					
Asset Valuation Method	5 Year Smoothed Market					
Discount Rate	7.40%	7.40%	7.40%	7.40%	7.40%	6.50%
Investment Rate of Return	7.40%	7.40%	7.40%	7.40%	7.40%	6.50%
Asset Class:	Target	Target	Target	Target	Target	Target
	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>
Domestic Equity	45.0%	5.5%	45.0%	5.5%	45.0%	5.5%
Non-U.S. Equity	18.0%	5.6%	18.0%	5.6%	18.0%	5.6%
Real Estate	5.0%	4.7%	5.0%	4.7%	5.0%	4.7%
Fixed Income	32.0%	1.8%	32.0%	1.8%	32.0%	1.8%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a
Cash						
Projected Salary Increases	3.00%	3.00%	4.00% per year graded to 3.00% per year based on age			4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	n/a
Cost-of-Living Adjustments	None	None	None	None	None	None
Mortality Rates	<i>Pre-retirement:</i> None					
	<i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA			<i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.		
	<i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants			<i>Disabled Lives:</i> RP-2000 Disabled Mortality Table		
	<i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sace AA for 15 years.					

Note 1 - Methods and Assumptions Used to Determine Contributions Rates (Continued)

	Firefighters	Police	Plan I Non-uniformed	Plan II Non-uniformed	Plan III Non-uniformed	Park Trust
	June 30, 2017					
Actuarial Valuation Date	July 1, 2016	July 1, 2016	July 1, 2016	July 1, 2016	July 1, 2016	July 1, 2016
Measurement Date	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal					
Amortization Method	Level Percent of Pay					
Remaining Amortization	Fully amortized on June 30, 2029					
Asset Valuation Method	5 Year Smoothed Market					
Discount Rate	7.40%	7.40%	7.40%	7.40%	7.40%	6.50%
Investment Rate of Return	7.40%	7.40%	7.40%	7.40%	7.40%	6.50%
Asset Class:	Target	Target	Target	Target	Target	Target
	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>	<u>Allocation</u>	<u>Return</u>
Domestic Equity	49.0%	7.0%	49.0%	7.0%	49.0%	7.0%
Non-U.S. Equity	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%
Fixed Income	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	n/a
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	27.0%
Projected Salary Increases	5.50%	5.50%	5.50%	5.50%	5.50%	4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years none for Park Trust Disabled					

Sch. 2 (Cont.)

June 30, 2016						
Actuarial Valuation Date	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014
Measurement Date	June 30, 2016	June 30, 2016	June 30, 2016	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal					
Amortization Method	Level Percent of Pay					Level Dollar
Remaining Amortization	Fully amortized on June 30, 2029					15 years
Asset Valuation Method	5 Year Smoothed Market					Market Value
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years. Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					

Note 1 - Methods and Assumptions Used to Determine Contributions Rates (Continued)

	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-uniformed</u>	<u>Plan II Non-uniformed</u>	<u>Plan III Non-uniformed</u>	<u>Park Trust</u>
June 30, 2015						
Actuarial Valuation Date	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014
Measurement Date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry Age Normal					Aggregate Cost
Amortization Method	Level Percent Closed Period					n/a
Remaining Amortization	14 years					n/a
Asset Valuation Method	5 Year Smoothed Market					Market Value
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.40%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.40%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years. Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					

Sch. 2 (Cont.)

June 30, 2014						
Actuarial Valuation Date	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012	July 1, 2012
Measurement Date	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial Cost Method	Aggregate Entry Age				Aggregate Cost	
Amortization Method	Level Percent Closed Period				n/a	
Remaining Amortization	17 years				n/a	
Asset Valuation Method	5 Year Smoothed Market				Market Value	
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Investment Rate of Return	7.50%	7.50%	7.50%	7.50%	7.50%	6.50%
Asset Class:						
Domestic Equity	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%
Non-U.S. Equity	8.30%	8.30%	8.30%	8.30%	8.30%	6.50%
Fixed Income	1.50%	1.50%	1.50%	1.50%	1.50%	6.50%
Alternative Investments	n/a	n/a	n/a	n/a	n/a	6.50%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Salary Increases	5.50% (1)	5.50% (1)	5.50% (1)	5.50% (2)	5.50% (2)	4.00%
Includes Inflation rate of	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided
Cost of Living Adjustments	Ad Hoc	Ad Hoc	None	None	None	None
Mortality Rates	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years. Disabled Lives: 2011 Sex Distinct PBGC Disability Mortality Table blended 50%/50% for Social Security Eligible Participants and Non-Social Security Eligible Participants					

(1) Based on a service dependent scale, with 5.5% for service of less than 19 years, 4.5% thereafter.

(2) For employees under 30, 5.5%; 5% thereafter

For the periods presented, there were no changes in benefit terms, changes in size or composition of the population covered or changes in assumptions which significantly affect trends in the amounts reported.

Schedule 3 - Schedule of Investment Returns

In accordance with GASB No. 67, the following required supplementary information is provided indicating the annual money-weighted rate of return, net of investment expense. Information prior to 2014 is not readily available.

<u>Year Ended</u>						
<u>June 30</u>	<u>Firefighters</u>	<u>Police</u>	<u>Plan I Non-uniformed</u>	<u>Plan II Non-uniformed</u>	<u>Plan III Non-uniformed</u>	<u>Park Trust</u>
2022	-6.63%	-10.51%	-8.54%	-8.58%	-6.51%	6.50%
2021	18.97%	24.41%	25.71%	23.28%	32.36%	6.50%
2020	6.83%	6.11%	6.10%	5.52%	8.88%	6.50%
2019	8.32%	8.79%	8.36%	7.96%	6.15%	6.50%
2018	8.91%	9.10%	9.41%	9.19%	8.88%	6.50%
2017	11.15%	11.36%	11.83%	11.57%	11.09%	6.50%
2016	2.27%	2.27%	2.48%	2.22%	2.42%	6.50%
2015	2.27%	2.37%	2.25%	2.31%	2.15%	6.50%
2014	11.80%	11.60%	2.80%	11.50%	24.60%	6.50%

Schedule 4
Schedule of Changes in the Employer's Net OPEB Liability
and Related Ratios
Post-Retirement Healthcare Benefit Fund

In accordance with GASB No. 74, the following required supplementary information is provided with respect to the City's Net OPEB Liability. Information prior to 2017 is not readily available.

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 1,976,831	\$ 1,763,814	\$ 2,186,769	\$ 2,072,507	\$ 2,077,031	\$ 1,829,043
Difference between expected and actual experience		(5,088,596)	-	(1,998,188)	-	-
Changes of assumptions		(1,458,301)	-	5,360,358	-	-
Changes of Benefit Payments		(22,328,857)	-	-	-	-
Interest Cost	3,139,041	3,117,444	4,990,730	4,605,559	4,404,968	4,218,769
Benefit Payments	(3,294,062)	(5,781,915)	(2,498,752)	(3,518,770)	(4,010,507)	(3,308,910)
Net Change in Total OPEB Liability	1,821,810	(29,776,411)	4,678,747	6,521,466	2,471,492	2,738,902
Total OPEB Liability, beginning	44,371,312	74,147,723	69,468,976	62,947,510	60,476,018	57,737,116
Total OPEB Liability, ending (a)	<u>46,193,122</u>	<u>\$ 44,371,312</u>	<u>\$ 74,147,723</u>	<u>\$ 69,468,976</u>	<u>\$ 62,947,510</u>	<u>\$ 60,476,018</u>
Plan Fiduciary Net Position						
Contributions from Employer	4,581,038	4,481,367	4,240,630	\$ 4,525,548	\$ 3,237,230	\$ 3,468,492
Contributions from Member	913,985	864,153	949,470	933,503	948,969	98,998
Contributions from State/Other	-	-	-	26,985	123,141	749,554
Net Investment Income	(4,296,979)	6,535,952	1,466,220	1,511,431	1,438,784	1,741,353
Administrative Expenses	(3,294,062)	(43,293)	(50,272)	(57,292)	(42,347)	(52,610)
Benefit Payments	(173,523)	(5,781,915)	(2,498,752)	(3,518,770)	(4,010,507)	(3,308,910)
Net Change in Fiduciary Net Position	(2,269,541)	6,056,264	4,107,296	3,421,405	1,695,270	2,696,877
Plan Fiduciary Net Position, Beginning	33,563,708	27,507,444	23,400,148	19,978,743	18,283,473	15,586,596
Plan Fiduciary Net Position, Ending (b)	<u>\$ 31,294,167</u>	<u>\$ 33,563,708</u>	<u>\$ 27,507,444</u>	<u>\$ 23,400,148</u>	<u>\$ 19,978,743</u>	<u>\$ 18,283,473</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 14,898,955</u>	<u>\$ 10,807,604</u>	<u>\$ 46,640,279</u>	<u>\$ 46,068,828</u>	<u>\$ 42,968,767</u>	<u>\$ 42,192,545</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	67.75%	75.64%	37.10%	33.68%	31.74%	30.23%
Covered Payroll	60,172,231	\$ 57,775,546	\$ 55,773,289	\$ 53,652,529	\$ 52,664,700	\$ 57,356,023
Net OPEB Liability as a % of Covered Employee Payroll	24.76%	18.71%	83.62%	85.87%	81.59%	73.56%

Schedule 4 (Cont.)

**Notes to Required Supplementary Information
OPEB Liability Methods and Assumptions**

June 30, 2022

Actuarial Valuation Date	July 1, 2020	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.20%	
Investment Rate of Return	7.20%	
Asset Class:		
	<u>Target Allocation</u>	<u>Long-term Expected Return</u>
Domestic Equity	47.00%	6.90%
Non-U.S. Equity	18.00%	8.10%
Fixed Income	35.00%	1.80%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2022 through July 1, 2041		
Pre-Medicare	.25% per year from 8.25% to 4.35%	
Medicare Eligible	.2% per year from 6.4% to 4.35%	
Rate of Mortality		
Healthy Lives	Healthy Lives: RP-2000 Combined Health Mortality Table projected fully generational with Scale AA	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of \$36.45 and \$52.79 for Pre-Medicare and Medicare participants, respectively.	

June 30, 2021

Actuarial Valuation Date	July 1, 2020	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.20%	
Investment Rate of Return	7.20%	
Asset Class:		
	<u>Target Allocation</u>	<u>Long-term Expected Return</u>
Domestic Equity	47.00%	6.90%
Non-U.S. Equity	18.00%	8.10%
Fixed Income	35.00%	1.80%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2022 through July 1, 2041		
Pre-Medicare	from 8.25% to 3.78%	
Medicare Eligible	from 6.40% to 3.78%	
Rate of Mortality		
Healthy Lives	Healthy Lives: RP-2000 Combined Health Mortality Table projected fully generational with Scale AA	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of \$36.45 and \$52.79 for Pre-Medicare and Medicare participants, respectively.	

Schedule 4 (Cont.)

June 30, 2020

Actuarial Valuation Date	July 1, 2018	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.20%	
Investment Rate of Return	7.20%	
Asset Class:	<u>Target Allocation</u>	<u>Long-term Expected Return</u>
Domestic Equity	47.00%	6.90%
Non-U.S. Equity	18.00%	8.10%
Fixed Income	35.00%	1.80%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2019 through July 1, 2032		
Pre-Medicare	.3% per year from 8.4% to 4.5%	
Medicare Eligible	.1% per year from 5.8% to 4.5%	
Rate of Mortality		
Healthy Lives	Healthy Lives: Combined Health Mortality Table projected fully generational with Scale AA	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of \$35.81 and \$51.57 for Pre-Medicare and Medicare participants, respectively.	

June 30, 2019

Actuarial Valuation Date	July 1, 2018	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.20%	
Investment Rate of Return	7.20%	
Asset Class:	<u>Target Allocation</u>	<u>Long-term Expected Return</u>
Domestic Equity	47.00%	6.90%
Non-U.S. Equity	18.00%	8.10%
Fixed Income	35.00%	1.80%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2019 through July 1, 2032		
Pre-Medicare	.3% per year from 8.4% to 4.5%	
Medicare Eligible	.1% per year from 5.8% to 4.5%	
Rate of Mortality		
Healthy Lives	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of \$35.81 and \$51.57 for Pre-Medicare and Medicare participants, respectively.	

Schedule 4 (Cont.)

June 30, 2018

Actuarial Valuation Date	July 1, 2016	
Actuarial Cost Method	Individual Entry Age Actuarial Cost Method	
Discount Rate	7.40%	
Investment Rate of Return	7.40%	
Asset Class:		
	<u>Target Allocation</u>	<u>Long-term Expected Return</u>
Domestic Equity	47.00%	6.80%
Non-U.S. Equity	18.00%	8.30%
Fixed Income	35.00%	1.10%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2017 through July 1, 2032		
Pre-Medicare	.3% per year from 9% to 4.5%	
Medicare Eligible	.1% per year from 6% to 4.5%	
Rate of Mortality		
Healthy Lives	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of \$35.81	

June 30, 2017

Actuarial Valuation Date	July 1, 2016	
Actuarial Cost Method	Entry Age Actuarial Cost Method	
Discount Rate	7.40%	
Investment Rate of Return	7.40%	
Asset Class:		
	<u>Target Allocation</u>	<u>Long-term Expected Return</u>
Domestic Equity	47.00%	6.80%
Non-U.S. Equity	18.00%	8.30%
Fixed Income	35.00%	1.10%
Cash	0.00%	0.00%
Payroll Increase	3% Annually	
Healthcare Trend Rate - Decreasing as follows from July 1, 2017 through July 1, 2032		
Pre-Medicare	.3% per year from 9% to 4.5%	
Medicare Eligible	.1% per year from 6% to 4.5%	
Rate of Mortality		
Healthy Lives	Healthy Lives: RP-2000 Mortality Table projected with Scale AA for 15 years	
Uniformed Disabled Lives	2016 PBGC Disabled Mortality Tables, 100% Non-Social Security Disabled	
Non-Uniformed Disabled Lives	RP-2000 Disabled Mortality Table	
Administrative Expenses	Average monthly per capita cost of \$35.81	

The following changes were made between the July 1, 2014 and July 1, 2016 valuations:

- Healthy mortality rates were updated to fully incorporate fully generational mortality improvement.
- NonUniform and Uniform disabled mortality rates were updated from the Sex Distinct PBGC Disability Mortality with a 50% / 50% blend based on Social Security eligibility to RP-2000
- Retirement Rates were updated for non-uniform Plan II actives with 34 or more years of service and extended from age 65 to age 70 for City Council Plan II.
- The discount rate was increased from 4.78% to 7.4%.
- Salary scale was adjusted from 4% to 3%.

**Schedule 5 - Schedule of Actuarially Determined Contributions
Post-Retirement Healthcare Benefit Fund (OPEB)**

In accordance with GASB No. 74, the following required supplementary information is provided with respect to the City's Actuarially Determined OPEB Contribution. Information prior to 2017 is not readily available.

<u>Fiscal Year End</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions Recognized by Plan</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2022	\$2,065,470	\$ 4,581,038	\$ (2,515,568)	\$ 60,172,231	7.61%
2021	4,333,599	4,481,367	(147,768)	57,775,546	7.76%
2020	4,277,311	4,240,630	36,681	55,773,289	7.60%
2019	3,883,050	4,525,548	(642,498)	53,652,529	8.43%
2018	3,848,008	3,360,372	487,636	52,664,700	6.38%
2017	8,155,227	3,567,490	4,587,737	57,356,023	6.22%

Schedule 5 (Cont.)

Notes to Schedule of Contribution

June 30, 2022

Actuarial Valuation Date	June 30, 2020
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	26-year closed amortization as of July 1, 2018
Discount Rate	7.20%
Ultimate Medical Trend	3.78%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$36.45 and \$52.79 for Pre-Medicare and Medicare participants, respectively.

June 30, 2021

Actuarial Valuation Date	June 30, 2020
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	28-year closed amortization as of July 1, 2018
Discount Rate	7.20%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$36.45 and \$52.79 for Pre-Medicare and Medicare participants, respectively.

Schedule 5 (Cont.)

June 30, 2020

Actuarial Valuation Date	June 30, 2018
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	28-year closed amortization as of July 1, 2018
Discount Rate	7.20%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$35.81 and \$51.57 for Pre-Medicare and Medicare participants, respectively.

June 30, 2019

Actuarial Valuation Date	June 30, 2018
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	28-year closed amortization as of July 1, 2018
Discount Rate	7.20%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$35.81 and \$51.57 for Pre-Medicare and Medicare participants, respectively.

Schedule 5 (Cont.)

June 30, 2019

Actuarial Valuation Date	June 30, 2018
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	28-year closed amortization as of July 1, 2018
Discount Rate	7.20%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$35.81 and \$51.57 for Pre-Medicare and Medicare participants, respectively.

June 30, 2018

Actuarial Valuation Date	June 30, 2016
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	30-year closed amortization as of July 1, 2016
Discount Rate	7.40%
Amortization growth Rate	3.00%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$35.81.

Schedule 5 (Cont.)**June 30, 2018**

Actuarial Valuation Date	June 30, 2016
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Amortization Method	30-year closed amortization as of July 1, 2016
Discount Rate	7.40%
Amortization growth Rate	3.00%
Ultimate Medical Trend	4.50%
Salary Increases	3.00%
Mortality Rates:	Healthy: RP-2000 Healthy Mortality Table projected fully generational with Scale AA. Disabled: - Uniform: 2016 PBGC Disabled Mortality Tables - Non-Uniform: RP-2000 Disabled Mortality Tables
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$35.81.

June 30, 2017

Valuation Date:	June 30, 2014
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation
Actuarial Cost Method:	Projected Unit Cost
Amortization Method	30 year open amortization
Asset Valuation Method:	Market Value.
Actuarial Assumptions:	
Amortization Growth Rate	4.00%
Projected Salary Increases	4.00%
Discount Rate	4.78%
Ultimate Rate of Medical Inflation	4.50%
Mortality Rates	RP-2000 projected with Scale AA 15 years.
Administrative Expenses	
Per Person Cost Trends:	Average monthly per capita cost of \$38.05.

See additional information regarding assumption in the notes to the schedule of changes in net pension liability.

**Schedule 6 - Schedule of OPEB Investment Returns
Post-Retirement Healthcare Benefit Fund (OPEB)**

In accordance with GASBS No. 74, the following required supplementary information is provided indicating the annual money-weighted rate of return, net of investment expense. Information prior to 2017 is not readily available.

<u>Year Ended June 30</u>	<u>Money Weighted Rate of Return</u>
2022	-12.41%
2021	26.55%
2020	6.05%
2019	6.57%
2018	13.32%
2017	10.60%

Schedule 7

Component Units (Wilmington Parking Authority)SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
AS OF AND YEARS ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ 92,394	\$ 138,265	\$ 131,187
Difference between expected and actual experience	(89,118)	(365,199)	84,529
Changes of assumptions	-	138,868	(15,880)
Interest Cost	291,561	297,419	267,774
Benefit Payments	(192,112)	(138,022)	(156,147)
Net Change in Total OPEB Liability	102,725	71,331	311,463
Total OPEB Liability, beginning	4,959,070	4,887,739	4,576,276
Total OPEB Liability, ending (a)	<u>\$ 5,061,795</u>	<u>\$ 4,959,070</u>	<u>\$ 4,887,739</u>
Plan Fiduciary Net Position			
Net Investment Income	\$ (597,070)	1,720,803	365,673
Administrative Expenses	(6,714)	(7,260)	(7,783)
Benefit Payments	(192,112)	(138,022)	(156,147)
Net Change in Fiduciary Net Position	(795,896)	1,575,521	201,743
Plan Fiduciary Net Position, Beginning	6,838,816	5,263,295	5,061,552
Plan Fiduciary Net Position, Ending (b)	<u>\$ 6,042,920</u>	<u>\$ 6,838,816</u>	<u>\$ 5,263,295</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ (981,125)</u>	<u>\$(1,879,746)</u>	<u>\$ (375,556)</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	<u>119.38%</u>	<u>137.91%</u>	<u>107.68%</u>
Covered Payroll	<u>\$ 824,517</u>	<u>\$ 786,713</u>	<u>1,224,287</u>
Net OPEB Liability as a % of Covered Employee Payroll	<u>-118.99%</u>	<u>-238.94%</u>	<u>-30.68%</u>

Schedule 7 (Cont.)

SCHEDULE OF PENSION CONTRIBUTIONS
YEARS ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ -	\$ 67,736	\$ 146,573
Contributions in relation to the actuarially determined contribution	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 67,736</u>	<u>\$ 146,573</u>
Covered payroll	<u>\$ 824,517</u>	<u>\$ 786,713</u>	<u>\$ 1,224,287</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Schedule 7 (Cont.)

Component Units (Wilmington Parking Authority)

SCHEDULE OF FUNDING PROGRESS
AS OF AND YEARS ENDED JUNE 30

The following table provides an analysis of the funding progress. For purposes of this schedule, the AAL for the Plan is determined using the entry age actuarial cost method. The annual required contribution for the plan is calculated using the aggregate actuarial cost method. The purpose of doing this is to provide information that serves as a surrogate to the funded state and funding progress of the plan

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	(Over) or Underfunded AAL (UAAL) (2-1)	Funded Ratios (1/2)	Covered Payroll (5)	UAAL as a percentage of covered payroll ((2-1)/5)
June 30, 2022	\$6,042,920	\$5,061,795	(\$981,125)	119.38%	\$82,517	-1189.00%
June 30, 2021	\$6,838,816	\$4,959,070	(\$1,879,746)	137.91%	\$786,713	-238.94%
June 30, 2020	\$5,263,295	\$4,887,749	(\$375,546)	107.68%	\$1,224,287	-30.67%
June 30, 2019	\$5,061,552	\$4,576,276	(\$485,276)	110.60%	\$1,161,247	-41.79%
June 30, 2018	\$4,789,675	\$4,507,711	(\$281,964)	106.26%	\$1,078,319	-26.15%
June 30, 2017	\$4,297,130	\$4,160,346	(\$136,784)	103.29%	\$1,144,093	-11.96%
June 30, 2016	\$3,754,617	\$3,869,343	\$114,726	97.04%	\$1,075,130	10.67%
June 30, 2015	\$3,579,968	\$3,568,620	(\$11,348)	100.32%	\$1,075,130	-1.06%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF WILMINGTON, DELAWARE

MAJOR GOVERNMENTAL FUND

GENERAL FUND

The General Fund is the general operating fund of the City of Wilmington. It is used to account for all financial resources except those required to be recorded in another fund.

The following budget and actual schedule presents General Fund activity at its lowest level of legal budgetary control – the department.

Budgetary Accounting Control

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General Fund and certain Non-major Funds and, in addition, the annual appropriated Capital Budget is adopted. Unexpended appropriations in the operating budget of the General Fund lapse at year-end. Annual budgets are adopted on the basis that revenue estimates and/or accumulated unreserved fund balance are sufficient to fully fund appropriations. Budgets presented in these financial schedules include all amendments adopted during the year. Legally adopted Governmental Fund Budgets are discussed in Note 2 A.

Budgets for the other Special Revenue Funds, which are non-major funds, are appropriated based on grant agreements with various State, Federal, and private agencies. Based on the duration of these agreements, budget appropriations often overlap the City's fiscal year and remain open until completion of the grant. Therefore, the Special Revenue Funds' actual results of operations also represent the Funds' final appropriations through June 30, 2021, with the unspent appropriations becoming the succeeding year's authorization. The Director of Finance has the authority to re-appropriate these unspent appropriations into the succeeding fiscal year. Consequently, the budgeted appropriations for Special Revenue Funds represent the City's final appropriations for the fiscal year supported by the corresponding grant revenues. Budgetary comparison schedules for non-major special revenue funds with legally adopted budgets are presented in the combining and individual fund financial statements and schedules section of this report.

Ninety (90) days prior to the commencement of a new fiscal year, the Mayor must submit to City Council a proposed operating budget. City Council reviews the budget, conducts hearings, and proposes changes in expenditure levels. City Council cannot modify the Mayor's estimates of revenues, but may propose changes in the tax levy in the amount necessary, in the Mayor's estimate, to balance total appropriations and estimated revenues. The annual budget may not be adopted until City Council has enacted required revenue measures.

Thirty (30) days prior to the commencement of a new fiscal year, the annual operating budget is enacted through legislation. Appropriations are legislated at the functional level. By legislative action, the annual appropriated budget may be amended. Budgetary transfers within a function at the expense category (e.g., personal services or travel, materials, supplies) may be made without legislative approval. Appropriation control is maintained through a budget-tracking process within the accounting system at both the functional and object levels.

CITY OF WILMINGTON, DELAWARE

MAJOR GOVERNMENTAL FUND

GENERAL FUND

Budgetary Accounting Control (continued)

The actual results of operations as compared to the City Council-adopted appropriations at the functional level are presented in the Schedule of Revenues, Expenditures and Changes in Fund Balances. Budget and Actual (GAAP Basis) is presented for the General Fund to provide a meaningful comparison of actual results with the budget.

Appropriations for the Capital Projects Fund that remain open and carry over to succeeding years until the related expenditures are made, modified or canceled are adopted on a multi-year basis. Appropriations for this fund are controlled on a project basis, and therefore, budgetary comparison schedules on an annual basis do not provide meaningful information and, accordingly, are not presented.

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
MAYOR'S OFFICES				
Office of the Mayor				
Personal Services	\$ 1,744,768	\$ 1,744,768	\$ 1,786,942	\$ (42,174)
Materials, Supplies and Equipment	1,099,214	906,258	191,731	714,527
Special Purpose	672,000	391,610	-	391,610
Debt Service	<u>728,513</u>	<u>728,513</u>	<u>730,854</u>	<u>(2,341)</u>
Office of the Mayor	<u>4,244,495</u>	<u>3,771,149</u>	<u>2,709,527</u>	<u>1,061,622</u>
Management and Budget				
Personal Services	568,656	568,657	589,621	(20,964)
Materials, Supplies and Equipment	<u>4,816</u>	<u>4,816</u>	<u>5,695</u>	<u>(879)</u>
Management and Budget	<u>573,472</u>	<u>573,473</u>	<u>595,316</u>	<u>(21,843)</u>
Office of Emergency Management				
Personal Services	75,552	75,552	71,173	4,379
Materials, Supplies and Equipment	155,901	175,799	151,870	23,929
Debt Service	<u>84,301</u>	<u>84,301</u>	<u>85,471</u>	<u>(1,170)</u>
Office of Emergency Management	<u>315,754</u>	<u>335,652</u>	<u>308,514</u>	<u>27,138</u>
Economic Development				
Personal Services	604,368	604,368	491,116	113,252
Materials, Supplies and Equipment	200,256	230,256	193,666	36,590
Debt Service	<u>538,215</u>	<u>538,215</u>	<u>523,084</u>	<u>15,131</u>
Economic Development	<u>1,342,839</u>	<u>1,372,839</u>	<u>1,207,866</u>	<u>164,973</u>
Cultural Affairs				
Personal Services	291,968	291,968	305,085	(13,117)
Materials, Supplies and Equipment	<u>496,050</u>	<u>853,350</u>	<u>850,866</u>	<u>2,484</u>
Cultural Affairs	<u>788,018</u>	<u>1,145,318</u>	<u>1,155,951</u>	<u>(10,633)</u>
Constituent Services				
Personal Services	601,023	601,023	565,146	35,877
Materials, Supplies and Equipment	<u>97,000</u>	<u>97,000</u>	<u>92,840</u>	<u>4,160</u>
Constituent Services	<u>698,023</u>	<u>698,023</u>	<u>657,986</u>	<u>40,037</u>
Mayor's Offices Total				
Personal Services	3,886,335	3,886,336	3,809,083	77,253
Materials, Supplies and Equipment	2,053,237	2,267,479	1,486,668	780,811
Special Purpose	672,000	391,610	-	391,610
Debt Service	<u>1,351,029</u>	<u>1,351,029</u>	<u>1,339,409</u>	<u>11,620</u>
Mayor's Offices Total	<u>\$ 7,962,601</u>	<u>\$ 7,896,454</u>	<u>\$ 6,635,160</u>	<u>\$ 1,261,294</u>
CITY COUNCIL				
City Council				
Personal Services	\$ 611,542	\$ 611,542	\$ 622,528	\$ (10,986)
Materials, Supplies and Equipment	249,627	215,217	215,851	(634)
Special Purpose	40,000	40,000	40,312	(312)
Debt Service	-	-	-	-
City Council	<u>\$ 901,169</u>	<u>\$ 866,759</u>	<u>\$ 878,691</u>	<u>\$ (11,932)</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CITY COUNCIL (Continued)				
City Clerk				
Personal Services	\$ 766,806	\$ 805,446	\$ 706,601	\$ 98,845
Materials, Supplies and Equipment	159,462	153,872	137,057	16,815
City Clerk	<u>926,268</u>	<u>959,318</u>	<u>843,658</u>	<u>115,660</u>
City Council Offices Total				
Personal Services	1,378,348	1,416,988	1,329,129	87,859
Materials, Supplies and Equipment	409,089	369,089	352,908	16,181
Special Purpose	40,000	40,000	40,312	(312)
Debt Service	-	-	-	-
City Council Offices Total	<u>\$ 1,827,437</u>	<u>\$ 1,826,077</u>	<u>\$ 1,722,349</u>	<u>\$ 103,728</u>
AUDIT				
Audit Department				
Personal Services	\$ 644,715	\$ 644,715	\$ 669,491	\$ (24,776)
Materials, Supplies and Equipment	204,421	232,441	221,027	11,414
Audit Department	<u>\$ 849,136</u>	<u>\$ 877,156</u>	<u>\$ 890,518</u>	<u>\$ (13,362)</u>
LAW				
Law Department				
Personal Services	\$ 2,085,217	\$ 2,085,217	\$ 2,127,543	\$ (42,326)
Materials, Supplies and Equipment	451,056	453,006	295,751	157,255
Law Department	<u>\$ 2,536,273</u>	<u>\$ 2,538,223</u>	<u>\$ 2,423,294</u>	<u>\$ 114,929</u>
FINANCE				
Finance Administrative				
Personal Services	\$ 281,473	\$ 281,473	\$ 255,695	\$ 25,778
Materials, Supplies and Equipment	149,892	125,192	53,411	71,781
Debt Service	64,994	64,994	65,129	(135)
Finance Administrative	<u>496,359</u>	<u>471,659</u>	<u>374,235</u>	<u>97,424</u>
Earned Income Tax				
Personal Services	1,440,763	1,440,763	1,364,552	76,211
Materials, Supplies and Equipment	809,742	814,431	292,001	522,430
Earned Income Tax	<u>2,250,505</u>	<u>2,255,194</u>	<u>1,656,553</u>	<u>598,641</u>
Accounting				
Personal Services	846,856	837,556	741,774	95,782
Materials, Supplies and Equipment	110,723	133,977	133,729	248
Accounting	<u>\$ 957,579</u>	<u>\$ 971,533</u>	<u>\$ 875,503</u>	<u>\$ 96,030</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
FINANCE (Continued)				
Procurement and Records				
Personal Services	\$ 434,718	\$ 437,718	\$ 417,406	\$ 20,312
Materials, Supplies and Equipment	94,005	94,005	125,625	(31,620)
Procurement and Records	<u>528,723</u>	<u>531,723</u>	<u>543,031</u>	<u>(11,308)</u>
Delinquent Accounts Division				
Personal Services	296,489	296,489	292,257	4,232
Materials, Supplies and Equipment	154,745	149,545	122,921	26,624
Delinquent Accounts Division	<u>451,234</u>	<u>446,034</u>	<u>415,178</u>	<u>30,856</u>
Central Cashier				
Personal Services	453,580	459,580	458,141	1,439
Materials, Supplies and Equipment	451,505	458,133	372,394	85,739
Central Cashier	<u>905,085</u>	<u>917,713</u>	<u>830,535</u>	<u>87,178</u>
Billing & Customer Service				
Personal Services	202,188	202,488	197,646	4,842
Materials, Supplies and Equipment	34,106	36,106	45,687	(9,581)
Billing & Customer Service	<u>236,294</u>	<u>238,594</u>	<u>243,333</u>	<u>(4,739)</u>
Finance Parking				
Personal Services	1,364,850	1,364,850	1,313,002	51,848
Materials, Supplies and Equipment	3,219,291	3,222,361	3,229,730	(7,369)
Finance Parking	<u>4,584,141</u>	<u>4,587,211</u>	<u>4,542,732</u>	<u>44,479</u>
Finance Department Total				
Personal Services	5,320,917	5,320,917	5,040,473	280,444
Materials, Supplies and Equipment	5,024,009	5,033,750	4,375,498	658,252
Debt Service	64,994	64,994	65,129	(135)
Finance Department Total	<u>\$ 10,409,920</u>	<u>\$ 10,419,661</u>	<u>\$ 9,481,100</u>	<u>\$ 938,561</u>
HUMAN RESOURCES				
Personnel - Admin				
Personal Services	\$ 289,605	\$ 289,605	\$ 316,217	\$ (26,612)
Materials, Supplies and Equipment	34,027	38,609	25,398	13,211
Personnel - Admin	<u>323,632</u>	<u>328,214</u>	<u>341,615</u>	<u>(13,401)</u>
Human Resource and Services				
Personal Services	1,529,440	1,529,440	1,191,930	337,510
Materials, Supplies and Equipment	415,049	410,602	163,569	247,033
Debt Service	33,624	33,624	34,093	(469)
Human Resource and Services	<u>1,978,113</u>	<u>1,973,666</u>	<u>1,389,592</u>	<u>584,074</u>
Human Resources Department Total				
Personal Services	1,819,045	1,819,045	1,508,147	310,898
Materials, Supplies and Equipment	449,076	449,211	188,967	260,244
Debt Service	33,624	33,624	34,093	(469)
Human Resources Department Total	<u>\$ 2,301,745</u>	<u>\$ 2,301,880</u>	<u>\$ 1,731,207</u>	<u>\$ 570,673</u>
TREASURER				
Treasurer's Office				
Personal Services	\$ 343,417	\$ 343,417	\$ 356,486	\$ (13,069)
Materials, Supplies and Equipment	106,093	106,093	43,558	62,535
Treasurer's Office	<u>\$ 449,510</u>	<u>\$ 449,510</u>	<u>\$ 400,044</u>	<u>\$ 49,466</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance from Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
PLANNING				
Planning				
Personal Services	\$ 1,042,847	\$ 1,042,847	\$ 949,168	\$ 93,679
Materials, Supplies and Equipment	160,875	160,877	141,050	19,827
Debt Service	241,778	241,778	245,874	(4,096)
Planning	<u>\$ 1,445,500</u>	<u>\$ 1,445,502</u>	<u>\$ 1,336,092</u>	<u>\$ 109,410</u>
REAL ESTATE & HOUSING				
Real Estate and Housing - Admin				
Personal Services	\$ 134,584	\$ 134,584	\$ 62,895	\$ 71,689
Materials, Supplies and Equipment	1,340,458	1,338,301	1,322,270	16,031
Debt Service	699,979	699,979	694,647	5,332
Real Estate and Housing - Admin	<u>2,175,021</u>	<u>2,172,864</u>	<u>2,079,812</u>	<u>93,052</u>
Real Estate and Housing - Rehabilitation				
Personal Services	172,938	172,938	330,954	(158,016)
Materials, Supplies and Equipment	508,700	537,157	537,166	(9)
Debt Service	3,067,947	3,067,947	2,746,527	321,420
Real Estate and Housing - Rehabilitation	<u>3,749,585</u>	<u>3,778,042</u>	<u>3,614,647</u>	<u>163,395</u>
Real Estate & Housing Department Total				
Personal Services	307,522	307,522	393,849	(86,327)
Materials, Supplies and Equipment	1,849,158	1,875,458	1,859,436	16,022
Debt Service	3,767,926	3,767,926	3,441,174	326,752
Real Estate & Housing Department Total	<u>\$ 5,924,606</u>	<u>\$ 5,950,906</u>	<u>\$ 5,694,459</u>	<u>\$ 256,447</u>
PUBLIC WORKS				
Public Works - Admin				
Personal Services	\$ 640,817	\$ 683,467	\$ 748,465	\$ (64,998)
Materials, Supplies and Equipment	381,304	384,504	542,260	(157,756)
Debt Service	20,762	20,762	21,742	(980)
Public Works - Admin	<u>1,042,883</u>	<u>1,088,733</u>	<u>1,312,467</u>	<u>(223,734)</u>
Street Maintenance				
Personal Services	133,298	122,498	82,355	40,143
Materials, Supplies and Equipment	485,842	509,270	537,561	(28,291)
Debt Service	3,371,230	3,371,230	3,307,145	64,085
Street Maintenance	<u>3,990,370</u>	<u>4,002,998</u>	<u>3,927,061</u>	<u>75,937</u>
Transportation/WILDOT				
Personal Services	1,642,892	1,560,242	1,309,815	250,427
Materials, Supplies and Equipment	1,376,267	1,619,071	1,139,359	479,712
Debt Service	1,301,172	1,301,172	1,356,497	(55,325)
Transportation/WILDOT	<u>\$ 4,320,331</u>	<u>\$ 4,480,485</u>	<u>\$ 3,805,671</u>	<u>\$ 674,814</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PUBLIC WORKS (Continued)				
Street Cleaning				
Personal Services	\$ 3,232,530	\$ 3,232,530	\$ 3,008,141	\$ 224,389
Materials, Supplies and Equipment	<u>2,335,785</u>	<u>2,333,321</u>	<u>1,948,733</u>	<u>384,588</u>
Street Cleaning	<u>5,568,315</u>	<u>5,565,851</u>	<u>4,956,874</u>	<u>608,977</u>
Rubbish Collection				
Personal Services	3,657,507	3,697,507	3,696,450	1,057
Materials, Supplies and Equipment	3,797,298	3,710,933	3,318,252	392,681
Debt Service	<u>330,796</u>	<u>330,796</u>	<u>612,053</u>	<u>(281,257)</u>
Rubbish Collection	<u>7,785,601</u>	<u>7,739,236</u>	<u>7,626,755</u>	<u>112,481</u>
Property Maintenance				
Personal Services	449,722	460,522	526,202	(65,680)
Materials, Supplies and Equipment	3,434,838	3,700,570	3,329,224	371,346
Debt Service	<u>879,654</u>	<u>879,654</u>	<u>869,172</u>	<u>10,482</u>
Property Maintenance	<u>4,764,214</u>	<u>5,040,746</u>	<u>4,724,598</u>	<u>316,148</u>
Public Works Department Total				
Personal Services	9,756,766	9,756,766	9,371,428	385,338
Materials, Supplies and Equipment	11,811,334	12,257,669	10,815,385	1,442,284
Debt Service	<u>5,903,614</u>	<u>5,903,614</u>	<u>6,166,609</u>	<u>(262,995)</u>
Public Works Department Total	<u>\$ 27,471,714</u>	<u>\$ 27,918,049</u>	<u>\$ 26,353,422</u>	<u>\$ 1,564,627</u>
PARKS & RECREATION				
Parks and Recreation - Admin				
Personal Services	\$ 481,236	\$ 481,236	\$ 488,635	\$ (7,399)
Materials, Supplies and Equipment	183,571	183,571	197,182	(13,611)
Debt Service	<u>561,450</u>	<u>561,450</u>	<u>565,400</u>	<u>(3,950)</u>
Parks and Recreation - Admin	<u>1,226,257</u>	<u>1,226,257</u>	<u>1,251,217</u>	<u>(24,960)</u>
Park Maintenance				
Personal Services	1,996,617	1,996,617	1,899,761	96,856
Materials, Supplies and Equipment	1,408,608	1,407,798	1,512,619	(104,821)
Debt Service	<u>1,774,697</u>	<u>1,774,697</u>	<u>1,648,119</u>	<u>126,578</u>
Park Maintenance	<u>5,179,922</u>	<u>5,179,112</u>	<u>5,060,499</u>	<u>118,613</u>
Recreation				
Personal Services	755,095	755,095	736,970	18,125
Materials, Supplies and Equipment	<u>278,025</u>	<u>292,497</u>	<u>268,135</u>	<u>24,362</u>
Recreation	<u>\$ 1,033,120</u>	<u>\$ 1,047,592</u>	<u>\$ 1,005,105</u>	<u>\$ 42,487</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PARKS & RECREATION (Continued)				
William Hicks Anderson Center				
Personal Services	\$ 488,148	\$ 488,148	\$ 422,814	\$ 65,334
Materials, Supplies and Equipment	407,887	401,248	345,288	55,960
Debt Service	113,634	113,634	115,639	(2,005)
William Hicks Anderson Center	<u>1,009,669</u>	<u>1,003,030</u>	<u>883,741</u>	<u>119,289</u>
Youth and Families				
Personal Services	879,131	879,131	728,849	150,282
Materials, Supplies and Equipment	157,765	193,215	183,676	9,539
Youth and Families	<u>1,036,896</u>	<u>1,072,346</u>	<u>912,525</u>	<u>159,821</u>
Parks and Recreation Department Total				
Personal Services	4,600,227	4,600,227	4,277,029	323,198
Materials, Supplies and Equipment	2,435,856	2,478,329	2,506,900	(28,571)
Debt Service	2,449,781	2,449,781	2,329,158	120,623
Parks and Recreation Department Total	<u>\$ 9,485,864</u>	<u>\$ 9,528,337</u>	<u>\$ 9,113,087</u>	<u>\$ 415,250</u>
LICENSE & INSPECTION				
License and Inspection				
Personal Services	\$ 4,300,967	\$ 4,300,967	\$ 4,024,832	\$ 276,135
Materials, Supplies and Equipment	1,113,332	1,269,765	1,077,834	\$ 191,931
Special Purpose	262,795	262,795	255,657	7,138
Debt Service	1,559	1,559	1,679	(120)
License and Inspection	<u>\$ 5,678,653</u>	<u>\$ 5,835,086</u>	<u>\$ 5,360,002</u>	<u>\$ 475,084</u>
FIRE DEPARTMENT				
Fire - Admin				
Personal Services	\$ 5,802,255	\$ 5,802,255	\$ 6,231,742	\$ (429,487)
Materials, Supplies and Equipment	538,654	531,317	542,415	(11,098)
Debt Service	1,377,254	1,377,254	1,373,170	4,084
Fire - Admin	<u>7,718,163</u>	<u>7,710,826</u>	<u>8,147,327</u>	<u>(436,501)</u>
Fire - Suppression				
Personal Services	16,193,925	16,193,925	16,112,586	81,339
Materials, Supplies and Equipment	1,738,899	1,757,166	1,958,495	(201,329)
Fire - Suppression	<u>17,932,824</u>	<u>17,951,091</u>	<u>18,071,081</u>	<u>(119,990)</u>
Fire - Prevention				
Personal Services	781,566	781,566	673,240	108,326
Materials, Supplies and Equipment	394,940	399,229	461,875	(62,646)
Fire - Prevention	<u>1,176,506</u>	<u>1,180,795</u>	<u>1,135,115</u>	<u>45,680</u>
Fire Department Total				
Personal Services	22,777,746	22,777,746	23,017,568	(239,822)
Materials, Supplies and Equipment	2,672,493	2,687,712	2,962,785	(275,073)
Debt Service	1,377,254	1,377,254	1,373,170	4,084
Fire Department Total	<u>\$ 26,827,493</u>	<u>\$ 26,842,712</u>	<u>\$ 27,353,523</u>	<u>\$ (510,811)</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
POLICE DEPARTMENT				
Police - Admin				
Personal Services	\$ 5,947,293	\$ 5,947,293	\$ 6,301,566	\$ (354,273)
Materials, Supplies and Equipment	1,336,863	1,344,408	1,497,588	(153,180)
Debt Service	106,301	106,301	109,365	(3,064)
Police - Admin	<u>7,390,457</u>	<u>7,398,002</u>	<u>7,908,519</u>	<u>(510,517)</u>
Police - Patrol				
Personal Services	25,401,445	25,401,445	24,592,301	809,144
Materials, Supplies and Equipment	2,720,273	2,720,273	2,886,253	(165,980)
Debt Service	94,079	94,079	96,074	(1,995)
Police - Patrol	<u>28,215,797</u>	<u>28,215,797</u>	<u>27,574,628</u>	<u>641,169</u>
Police - Special Operations				
Personal Services	3,940,310	3,940,310	4,802,286	(861,976)
Materials, Supplies and Equipment	490,967	495,405	599,937	(104,532)
Police - Special Operations	<u>4,431,277</u>	<u>4,435,715</u>	<u>5,402,223</u>	<u>(966,508)</u>
Police - Support Services				
Personal Services	2,137,849	2,137,849	1,487,982	649,867
Materials, Supplies and Equipment	1,831,743	1,791,557	1,298,015	493,542
Police - Support Services	<u>3,969,592</u>	<u>3,929,406</u>	<u>2,785,997</u>	<u>1,143,409</u>
Police - Investigations				
Personal Services	10,144,713	10,144,713	12,570,336	(2,425,623)
Materials, Supplies and Equipment	1,116,953	1,116,953	1,122,134	(5,181)
Police - Investigations	<u>11,261,666</u>	<u>11,261,666</u>	<u>13,692,470</u>	<u>(2,430,804)</u>
Police - Communications				
Personal Services	4,593,692	4,593,692	4,978,357	(384,665)
Materials, Supplies and Equipment	474,507	470,878	551,064	(80,186)
Debt Service	-	-	-	-
Police - Communications	<u>5,068,199</u>	<u>5,064,570</u>	<u>5,529,421</u>	<u>(464,851)</u>
Police Operations				
Materials, Supplies and Equipment	531,440	569,341	619,842	(50,501)
Police Operations	<u>531,440</u>	<u>569,341</u>	<u>619,842</u>	<u>(50,501)</u>
Police Department Total				
Personal Services	52,165,302	52,165,302	54,732,828	(2,567,526)
Materials, Supplies and Equipment	8,502,746	8,508,815	8,574,833	(66,018)
Debt Service	200,380	200,380	205,439	(5,059)
Police Department Total	<u>\$ 60,868,428</u>	<u>\$ 60,874,497</u>	<u>\$ 63,513,100</u>	<u>\$ (2,638,603)</u>

City of Wilmington, Delaware
General Fund
Schedule of Departmental Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
INFORMATION TECHNOLOGIES				
Data Processing				
Personal Services	\$ 1,535,308	\$ 1,535,308	\$ 1,335,534	\$ 199,774
Materials, Supplies and Equipment	4,591,305	4,738,289	5,236,883	(498,594)
Debt Service	112,148	252,148	114,292	137,856
Data Processing	<u>6,238,761</u>	<u>6,525,745</u>	<u>6,686,709</u>	<u>(160,964)</u>
Document Management				
Personal Services	36,714	36,714	37,475	(761)
Materials, Supplies and Equipment	25,097	25,157	16,843	8,314
Document Management	<u>61,811</u>	<u>61,871</u>	<u>54,318</u>	<u>7,553</u>
Mail Service				
Personal Services	66,874	66,874	68,593	(1,719)
Materials, Supplies and Equipment	176,292	178,658	124,886	53,772
Mail Service	<u>243,166</u>	<u>245,532</u>	<u>193,479</u>	<u>52,053</u>
Duplication & Printing				
Personal Services	36,713	36,713	37,476	(763)
Materials, Supplies and Equipment	214,046	214,046	156,573	57,473
Duplication & Printing	<u>250,759</u>	<u>250,759</u>	<u>194,049</u>	<u>56,710</u>
Mapping & Graphics				
Personal Services	221,162	221,162	225,531	(4,369)
Materials, Supplies and Equipment	59,038	59,182	41,969	17,213
Mapping & Graphics	<u>280,200</u>	<u>280,344</u>	<u>267,500</u>	<u>12,844</u>
Communications				
Personal Services	291,503	291,503	295,533	(4,030)
Materials, Supplies and Equipment	1,295,781	1,303,981	1,192,263	111,718
Debt Service	2,400	2,400	2,581	(181)
Communications	<u>1,589,684</u>	<u>1,597,884</u>	<u>1,490,377</u>	<u>107,507</u>
Information Technologies Total				
Personal Services	2,188,274	2,188,274	2,000,142	188,132
Materials, Supplies and Equipment	6,361,559	6,519,313	6,769,417	(250,104)
Debt Service	114,548	254,548	116,873	137,675
Information Technologies Total	<u>\$ 8,664,381</u>	<u>\$ 8,962,135</u>	<u>\$ 8,886,432</u>	<u>\$ 75,703</u>
TOTAL EXPENDITURES	<u>\$ 172,703,261</u>	<u>\$ 173,666,185</u>	<u>\$ 170,893,789</u>	<u>\$ 2,772,396</u>

CITY OF WILMINGTON, DELAWARE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

The **Park Recreation Assistance Fund** accounts for special park programs sponsored by the City of Wilmington. Monies designated for specific programs are contributed by the State of Delaware or private sources.

The **Wilmington Park Related Commissions** accounts for private funds received to finance the renovation and maintenance of parks, fountains, and other receptacles for water in the City of Wilmington. The Fund includes the blended component unit Wilmington Park Trust Fund Commission.

The **Community Development & Recovery Block Grant Fund** accounts for the City's Community Development Block Grants from the United States Department of Housing and Urban Development. Monies are specifically designated to revitalize certain underdeveloped areas of the City, remove artificial barriers, and improve slum areas.

The **Home Partnership Program Fund** accounts for United States Department of Housing and Urban Development Grants designated to carry out multi-year housing strategies through acquisition, rehabilitation, new construction of housing, and tenant-based rental assistance.

The **Housing Strategic Fund** accounts for the City's efforts to acquire and redevelop properties in the City. It includes the Wilmington Housing Partnership Corporation, a not-for-profit organization which is a blended component unit.

The **Economic Strategic Fund** accounts for the City's efforts to attract and retain businesses and jobs in the City by offering employment-based incentives.

The **Delaware Criminal Justice Planning Fund** accounts for grants from the State of Delaware and the federal government for specific local law enforcement-related programs such as training, consulting, counseling, drug enforcement, and equipment.

The **Cityfest Fund** accounts for arts and cultural programs sponsored by the City of Wilmington and private contributions.

The **Cable Television Fund** accounts for cable television franchise revenues in excess of operating expenses designated by City Code to support equipment and capital needs of the cable and television division of City Council.

The **Special Projects and Other Miscellaneous Special Revenue Funds** account for various small grants received by the City. The monies are received from various government and private sources.

City of Wilmington, Delaware
Combining Balance Sheet
Non-Major Governmental Funds - Special Revenue Funds
June 30, 2022

ASSETS	Park Recreation Assistance	Wilmington Park Related Commissions	Community Development & Recovery Block Grants	HOME Partnership Program	Housing Strategic	Economic Strategic	Delaware Criminal Justice Planning	City Fest	Cable Television	Other Non-Major Special Revenue Funds	Total Nonmajor Governmental Funds
Cash and Cash Equivalents (Note 3)	\$ 1,923,768	\$ 147,646	\$ 104,390	\$ 1,416,660	\$ 89,907	\$ 1,849,151	\$ 399	\$ 865,133	\$ 2,347,594	\$ 1,235,482	\$ 9,980,130
Restricted Assets:											
Cash and Investments (Note 3)	-	5,127,682	-	-	-	2,610	-	-	-	-	5,130,292
Receivables, Net (Note 4)	-	637	-	-	-	-	-	591,293	-	846,074	1,438,004
Due from Other Funds (Note 7)	-	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	348,615	5,823	366,934	420,748	-	-	658,868	-	-	1,627,640	3,428,628
Property Held for Future Use	-	-	-	-	31,000	-	-	-	-	-	31,000
Prepaid Items & Other Assets	-	10,117	-	-	30,000	-	-	10	-	-	40,127
Total Assets	2,272,383	5,291,905	471,324	1,837,408	150,907	1,851,761	659,267	1,456,436	2,347,594	3,709,196	20,048,181
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	285,142	763	354,693	1,666	69,102	-	42,607	541,348	23,912	386,027	1,705,260
Salaries and Benefits Payable	5,738	5,230	26,120	1,912	-	-	32,463	-	21,467	96,154	189,084
Due to Other Funds	-	118,136	-	-	68,806	-	-	-	-	678,519	865,460
Unearned Revenue	256,295	-	159,365	29,276	-	-	529,724	-	-	1,889,444	2,864,104
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	547,175	124,129	540,178	32,854	137,908	-	604,794	541,348	45,379	3,050,144	5,623,909
Deferred Inflows of Resources:											
Unavailable Revenues	81,369	-	-	414,902	-	-	666,221	-	-	1,314,061	2,476,553
Fund Balances:											
Nonspendable	-	932,727	-	-	30,000	-	-	10	-	-	962,737
Restricted	-	4,235,049	-	1,389,652	-	-	-	2,302,215	-	311,172	8,238,088
Committed	1,643,839	-	-	-	-	1,851,761	-	-	-	-	3,495,600
Assigned	-	-	-	-	-	-	-	915,078	-	-	915,078
Unassigned	-	-	(68,854)	-	(17,001)	-	(611,748)	-	-	(966,181)	(1,663,784)
Total Fund Balances	1,643,839	5,167,776	(68,854)	1,389,652	12,999	1,851,761	(611,748)	915,088	2,302,215	(655,009)	11,947,719
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,272,383	\$ 5,291,905	\$ 471,324	\$ 1,837,408	\$ 150,907	\$ 1,851,761	\$ 659,267	\$ 1,456,436	\$ 2,347,594	\$ 3,709,196	\$ 20,048,181

City of Wilmington, Delaware
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds - Special Revenue Funds
For the Year Ended June 30, 2022

	Park Recreation Assistance	Wilmington Park Related Commissions	Community Development & Recovery Block Grants	Home Partnership Program	Housing Strategic	Economic Strategic	Delaware Criminal Justice Planning	City Fest	Cable Television	Other Non-Major Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES											
Intergovernmental	\$ 2,363,169	\$ -	\$ 1,187,025	\$ 310,676	\$ -	\$ 5,000,000	\$ 2,195,130	\$ 437,100	\$ -	\$ 4,700,915	\$ 16,194,015
Franchise Tax Revenue	-	-	-	-	-	-	-	-	993,886	-	993,886
Program Revenue	73,807	-	546,396	-	331,231	-	-	57,053	135,000	696,768	1,840,255
Public Contributions	-	1,064	-	-	-	-	-	946,170	-	178,570	1,125,804
Other/Private Contributions	-	22,124	-	-	-	-	-	-	-	26,000	48,124
Investment Earnings	-	274,899	-	-	-	-	-	-	-	-	274,899
Total Revenues	2,436,976	298,087	1,733,421	310,676	331,231	5,000,000	2,195,130	1,440,323	1,128,886	5,602,253	20,476,983
EXPENDITURES											
Current:											
General Governmental Services	-	90,631	-	-	-	6,468,517	-	364,368	747,943.00	1,918,387.00	9,589,846
Real Estate and Housing	-	-	1,822,483	727,244	303,459	-	-	-	-	1,779,185.00	4,632,371
Public Works	-	-	-	-	-	-	-	-	-	1,069,958.00	1,069,958
Parks and Recreation	1,971,785	163,578	-	-	-	-	-	1,041,393	-	87,834.00	3,264,590
Public Safety	-	-	-	-	-	-	2,105,208	-	-	1,715,505.00	3,820,713
Debt Service:											
Interest and Fiscal Charges	-	-	-	-	50,000	-	-	-	-	-	50,000
Capital Outlays	-	76,728	-	-	-	-	-	314,236	-	-	390,964
Total Expenditures	1,971,785	330,937	1,822,483	727,244	353,459	6,468,517	2,105,208	1,719,997	747,943	6,570,869	22,818,442
Excess (Deficiency) of Revenues Over (Under) Expenditures	465,191	(32,850)	(89,062)	(416,568)	(22,228)	(1,468,517)	89,922	(279,674)	380,943	(968,616)	(2,341,459)
Other Financing Sources(Uses)											
Bonds Issued	-	-	-	-	-	-	-	-	-	-	-
Net depreciation in fair value of investments	-	(947,603)	-	-	-	-	-	-	-	-	(947,603)
Transfers In	31,186	-	-	-	278,660	1,700,000	-	586,841	-	122,872	2,719,559
Transfers Out	-	-	-	-	(97,872)	-	-	-	-	-	(97,872)
Total Other Financing Sources (Uses)	31,186	(947,603)	-	-	180,788	1,700,000	-	586,841	-	122,872	1,674,084
Extraordinary Item											
Debt Forgiveness	-	-	-	-	730,285	-	-	-	-	-	730,285
Disposal of operations	-	-	-	-	-	-	-	-	-	-	-
Net change in Fund Balances	496,377	(980,453)	(89,062)	(416,568)	888,845	231,483	89,922	307,167	380,943	(845,744)	62,910
Fund Balance - Beginning	1,147,462	6,148,229	20,208	1,806,220	(875,846)	1,620,278	(701,670)	607,921	1,921,272	190,735	11,884,809
Fund Balance - Ending	\$ 1,643,839	\$ 5,167,776	\$ (68,854)	\$ 1,389,652	\$ 12,999	\$ 1,851,761	\$ (611,748)	\$ 915,088	\$ 2,302,215	\$ (655,009)	\$ 11,947,719

City of Wilmington, Delaware
Schedule of Revenues, Expenditures
Changes in Fund Balances - Budget and Actual
Non-Major Funds - Special Revenue Funds
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Park Recreation Assistance				
Revenues	\$ 2,436,976	\$ 2,436,976	\$ 2,436,976	\$ -
Expenditures	<u>2,436,976</u>	<u>2,436,976</u>	<u>1,971,785</u>	<u>465,191</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,191</u>	<u>\$ (465,191)</u>
Community Development Block Grant				
Revenues	\$ 1,733,421	\$ 1,733,421	\$ 1,733,421	\$ -
Expenditures	<u>1,733,421</u>	<u>1,733,421</u>	<u>1,822,483</u>	<u>(89,062)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,062)</u>	<u>\$ 89,062</u>
Home Partnership Program				
Revenues	\$ 310,676	\$ 310,676	\$ 310,676	\$ -
Expenditures	<u>310,676</u>	<u>310,676</u>	<u>727,244</u>	<u>(416,568)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (416,568)</u>	<u>\$ 416,568</u>
Housing Strategic				
Revenues	\$ 331,231	\$ 331,231	\$ 331,231	\$ -
Expenditures	<u>331,231</u>	<u>331,231</u>	<u>353,459</u>	<u>(22,228)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,228)</u>	<u>\$ (22,228)</u>
Economic Strategic				
Revenues	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
Expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>6,468,517</u>	<u>(1,468,517)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,468,517)</u>	<u>\$ 1,468,517</u>
Delaware Criminal Justice Planning				
Revenues	\$ 2,195,130	\$ 2,195,130	\$ 2,195,130	\$ -
Expenditures	<u>2,195,130</u>	<u>2,195,130</u>	<u>2,105,208</u>	<u>89,922</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,922</u>	<u>\$ (89,922)</u>
Cable Television				
Revenues	\$ 1,128,886	\$ 1,128,886	\$ 1,128,886	\$ -
Expenditures	<u>1,128,886</u>	<u>1,128,886</u>	<u>747,943</u>	<u>380,943</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,943</u>	<u>\$ (380,943)</u>
HUD Emergency Shelter				
Revenues	\$ 1,171,637	\$ 1,171,637	\$ 1,171,637	\$ -
Expenditures	<u>1,171,637</u>	<u>1,171,637</u>	<u>1,172,666</u>	<u>(1,029)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,029)</u>	<u>\$ 1,029</u>
National Endowment for Art				
Revenues	\$ 121,676	\$ 121,676	\$ 121,676	\$ -
Expenditures	<u>121,676</u>	<u>121,676</u>	<u>61,965</u>	<u>59,711</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,711</u>	<u>\$ (59,711)</u>
Delaware Neighborhood Stabilization Program				
Revenues	\$ 137,445	\$ 137,445	\$ 137,445	\$ -
Expenditures	<u>137,445</u>	<u>137,445</u>	<u>28,296</u>	<u>109,149</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,149</u>	<u>\$ (109,149)</u>

CITY OF WILMINGTON, DELAWARE

INTERNAL SERVICE FUNDS

The Internal Service Funds account for certain services provided to operating departments of the City.

The Motor Vehicle Fund accounts for the acquisition and operation of the City's motor vehicle fleet. Activities include short-term rentals for use by employees traveling on City business and long-term vehicles to meet the City's ongoing operational needs.

Additional internal service funds are as follows:

The Risk Management Fund accounts for the City's risk management efforts and includes an actuarially determined reserve under its self-insurance program. Under the self-insurance program, the City assumes the risk for general liability, automobile liability, police professional liability, public officials' liability, and certain property losses. The City pays insurance premiums to cover specific city-owned properties.

The Workers' Compensation Fund accounts for the administration and funding of the City's employee injury claims subject to the Workers' Compensation Laws of the State of Delaware. The City was completely self-insured for its workers' compensation exposure during the period of 1995 through June 30, 2017. Effective July 1, 2017, the City began to pay insurance premiums for specific excess loss insurance for workers compensation exposure. The City has contracted an actuary to determine those losses. The City reflects the liability in the Workers' Compensation Fund.

The Health and Welfare Fund accounts for the administration and funding of the City's employee health, life, and dental coverages in addition to an employee assistance program.

City of Wilmington, Delaware
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	<u>Motor Vehicle</u>	<u>Risk Management</u>	<u>Workers' Compensation</u>	<u>Health and Welfare</u>	<u>Internal Service Funds</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)	\$ -	\$ 6,331,752	\$ 16,655,628	\$ 2,355,727	\$ 25,343,107
Receivables, Net (Note 4)	47,464	-	-	3,497,700	3,545,164
Due From Other Governments	-	-	-	-	-
Prepaid Items & Other Assets	-	-	533,503	186,493	719,996
Total Current Assets	<u>47,464</u>	<u>6,331,752</u>	<u>17,189,131</u>	<u>6,039,920</u>	<u>29,608,267</u>
Noncurrent Assets:					
Capital Assets, Net:					
Construction in Progress	76,428	-	-	-	76,428
Building and Improvements	2,806,326	-	-	-	2,806,326
Machinery & Equipment	623,454	-	7,625	-	631,079
Vehicles	13,796,065	-	-	-	13,796,065
Total Noncurrent Assets	<u>17,302,273</u>	<u>-</u>	<u>7,625</u>	<u>-</u>	<u>17,309,898</u>
Total Assets	<u>17,349,737</u>	<u>6,331,752</u>	<u>17,196,756</u>	<u>6,039,920</u>	<u>46,918,165</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred on Refunding of Bonds	12,956	-	-	-	12,956
Total Deferred Outflows of Resources	<u>12,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,956</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	730,083	217,766	266,102	188,387	1,402,338
Salaries and Benefits Payable	-	9,006	50,858	20,063	79,927
Accrued Interest Payable	16,122	8,072	8,072	-	32,266
Due to Other Funds	11,341,202	-	-	-	11,341,202
Bonds Payable	251,448	-	-	-	251,448
Capital Lease	-	-	-	-	-
Claims Liability	-	1,375,611	3,860,178	1,361,000	6,596,789
Compensated Absences	-	63,925	76,664	53,248	193,837
Total Current Liabilities	<u>12,338,855</u>	<u>1,674,380</u>	<u>4,261,874</u>	<u>1,622,698</u>	<u>19,897,807</u>
Noncurrent Liabilities:					
Due to Other Funds (Note 7)	3,163,729	-	-	-	3,163,729
Bonds Payable	1,006,075	-	-	-	1,006,075
Claims Liabilities	-	4,153,868	12,934,882	2,417,222	19,505,972
Total Noncurrent Liabilities	<u>4,169,804</u>	<u>4,153,868</u>	<u>12,934,882</u>	<u>2,417,222</u>	<u>23,675,776</u>
Total Liabilities	<u>16,508,659</u>	<u>5,828,248</u>	<u>17,196,756</u>	<u>4,039,920</u>	<u>43,573,583</u>
NET POSITION					
Net investment in capital assets	12,984,143	-	7,625	-	12,991,768
Unassigned	(12,130,109)	503,504	(7,625)	2,000,000	(9,634,230)
Total Net Position	<u>\$ 854,034</u>	<u>\$ 503,504</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 3,357,538</u>

The notes to financial statements are an integral part of this statement.

City of Wilmington, Delaware

**Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022**

	Motor Vehicle	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 7,738,460	\$ 4,731,546	\$ 4,434,108	\$ 18,364,701	\$ 35,268,815
Employee Contributions	-	-	-	2,494,354	2,494,354
Other	-	74,260	-	-	74,260
Total Operating Revenues	7,738,460	4,805,806	4,434,108	20,859,055	37,837,429
OPERATING EXPENSES					
Personal Services	-	229,317	507,734	410,158	1,147,209
Materials, Supplies, Equipment and Contracted Services	4,962,342	200,876	273,971	212,378	5,649,567
Depreciation and Amortization	3,350,634	-	391	-	3,351,025
Claims Expense	-	3,256,744	3,450,492	17,704,426	24,411,662
Insurance Premiums	-	1,118,869	201,520	2,532,093	3,852,482
Total Operating Expenses	8,312,976	4,805,806	4,434,108	20,859,055	38,411,945
Operating Income (Loss)	(574,516)	-	-	-	(574,516)
NONOPERATING REVENUES (EXPENSES)					
Interest Expense	(125,872)	-	-	-	(125,872)
Gain on Sales of Assets	700,388	-	-	-	700,388
Total Non-Operating Revenues (Expenses)	574,516	-	-	-	574,516
Change in Net Position	-	-	-	-	-
Total Net Position - Beginning	854,034	503,504	-	2,000,000	\$ 3,357,538
Total Net Position - Ending	\$ 854,034	\$ 503,504	\$ -	\$ 2,000,000	\$ 3,357,538

City of Wilmington, Delaware
Combining Statement of Cash Flows
Internal service funds
June 30, 2022

	Motor Vehicle	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 7,729,310	\$ 4,731,546	\$ 4,434,108	\$ 17,361,355	\$ 34,256,319
Payments to Suppliers	(5,105,072)	(4,124,830)	(4,078,483)	(19,297,732)	(32,606,117)
Payments to Employees	-	(183,065)	(458,688)	(384,419)	(1,026,172)
Cash Other	-	74,260	-	-	74,260
Net Cash Provided by (Used in) Operating Activities	<u>2,624,238</u>	<u>497,911</u>	<u>(103,063)</u>	<u>(2,320,796)</u>	<u>698,290</u>
Cash Flows from Noncapital Financing Activities					
Advances (To) From Other Funds	138,677	-	-	-	138,677
Investment Earnings	-	-	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>138,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,677</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(2,965,940)	-	-	-	(2,965,940)
Principal Paid on Bonds	(176,564)	-	-	-	(176,564)
Interest Paid / Accrued on Bonds	(69,077)	-	-	-	(69,077)
Principal Paid on Capital Leases	(372,488)	-	-	-	(372,488)
Interest Paid on Capital Leases	(9,123)	-	-	-	(9,123)
Disposal Fixed Assets	830,277	-	-	-	830,277
Net Cash Used in Noncapital and Related Financing Activities	<u>(2,762,915)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,762,915)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	497,911	(103,063)	(2,320,796)	(1,925,948)
Cash and Cash Equivalents - June 30, 2021	<u>-</u>	<u>5,833,841</u>	<u>16,758,691</u>	<u>4,676,523</u>	<u>27,269,055</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ -</u>	<u>\$ 6,331,752</u>	<u>\$ 16,655,628</u>	<u>\$ 2,355,727</u>	<u>\$ 25,343,107</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income	\$ (574,516)	\$ -	\$ -	\$ -	\$ (574,516)
Adjustments to Reconcile Operating Income to Cash Provided by (Use in) Operating Activities:					
Depreciation and Amortization	3,350,634	-	391	-	3,351,025
Changes in assets and liabilities:					
(Increase) Decrease in Receivables	(9,150)	-	-	(3,497,700)	(3,506,850)
(Increase) Decrease in Prepaid Expense	110,483	-	(178,503)	198,369	130,349
Increase (Decrease) in Accounts Payable	(253,213)	134,162	234,359	(1,464,426)	(1,349,118)
Increase (Decrease) in Compensated Absences	-	46,149	44,261	24,080	114,490
Increase (Decrease) in Accrued Salaries	-	104	7,662	1,659	9,425
Increase (Decrease) in Claims Liability	-	317,496	(211,233)	2,417,222	2,523,485
Net cash Provided (Used) by Operating Activities	<u>\$ 2,624,238</u>	<u>\$ 497,911</u>	<u>\$ (103,063)</u>	<u>\$ (2,320,796)</u>	<u>\$ 698,290</u>

CITY OF WILMINGTON, DELAWARE

FIDUCIARY FUNDS

Retirement Funds

The following pension funds account for the City's pension plans in the following six pension funds:

Uniformed Plans

Firefighter's Pension
Police Pension

Non-Uniformed Plans

Plan I
Plan II
Plan III
Park Trust
Wilmington Parking Authority

The Police and Fire Pension Funds represent the consolidated financial activity of the old and 1984 Police and Fire Pension Plans, respectively. Both funds include contributions from employees, the State of Delaware, and the City. These plans are closed

Non-Uniformed Plan I and Plan II represent the old and 1979 pension plans for non-uniformed employees and are noncontributory plans solely funded by the City. Both plans are closed.

In fiscal year 1991 and again in 2006, the City offered its active non-uniformed employees an option to transfer to Plan III. This plan is contributory for employees based on options taken. The City also contributes to the plan. This plan is closed

The Park Trust Commission and Wilmington Parking Authority Employees plans are a single-employer defined benefit plans that cover all Park Trust Commission and Wilmington Paring Authority employees.

Post-Retirement Healthcare Benefit Fund

The Retiree Medical Program is a post-employment healthcare benefit program that provides post-retirement health care benefits to all employees who retire from the City on or after January 1, 2000, and meet certain eligibility requirements.

City of Wilmington
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2022

	<u>Firefighters Pension</u>	<u>Police Pension</u>	<u>Plan I Non- uniformed Pension</u>	<u>Plan II Non- uniformed Pension</u>	<u>Plan III Non- uniformed Pension</u>	<u>Wilmington Park Trust Pension</u>	<u>The Wilmington Parking Authority</u>	<u>Total Retirement Funds</u>	<u>Post - Retirement Healthcare Benefit</u>	<u>Total Pension Trust Funds</u>
ASSETS										
Cash and Cash Equivalents (Note 3)	\$ 3,716,941	\$ 1,512,289	\$ 1,593	\$ 1,000	\$ 697,506	\$ 4,283	\$ -	5,933,612	\$ 700,490	\$ 6,634,102
Receivables:										
Accrued Interest & Other Receivables	120,250	102,850	5,442	15,228	166,234	-	-	410,004	8	410,012
Investments, at Fair Value:										
Money Market Funds	2,652,713	5,316,793	281,324	787,224	5,734,711	-	-	14,772,765	22,004	14,794,769
U.S. Treasury Obligations	1,466,005	2,938,291	155,472	435,054	3,169,251	-	-	8,164,073	-	8,164,073
U.S. Government Agencies - Guaranteed	1,687,597	3,382,426	178,972	500,814	3,648,296	-	-	9,398,105	-	9,398,105
U.S. Government Agencies - Other	77,973	156,280	8,269	23,139	168,564	-	-	434,225	-	434,225
Corporate & Foreign Bonds and funds	2,695,494	5,402,538	285,861	799,919	5,827,195	-	-	15,011,007	10,217,702	25,228,709
Common Equity & Marketable Securities	23,868,541	47,839,358	2,531,292	7,083,269	51,599,693	262,905	-	133,185,058	-	133,185,058
Mutual Funds										
Global & International Funds	8,939,767	17,917,843	948,075	2,652,981	19,326,245	-	-	49,784,911	4,809,751	54,594,662
Domestic Equity Funds	752,248	1,507,719	79,777	223,240	1,626,231	20,991	5,202,871	9,413,077	12,357,302	21,770,379
Real Estate Investment Trust and Other	5,257,780	10,538,090	557,595	1,560,308	11,366,420	-	840,049	30,120,242	-	30,120,242
Total Investments	47,398,118	94,999,338	5,026,637	14,065,948	102,466,606	283,896	6,042,920	270,283,463	27,406,759	297,690,222
Due from Other Pension Trust Fund	-	-	-	-	-	-	-	-	3,200,938	3,200,938
Total Assets	51,235,309	96,614,477	5,033,672	14,082,176	103,330,346	288,179	6,042,920	276,627,079	31,308,195	307,935,274
LIABILITIES										
Accounts Payable	10,390	17,833	1,898	4,256	18,739	5,940	-	59,056	14,028	73,084
Salaries and Benefits Payable	-	-	-	-	-	-	-	-	-	-
Due to Other Pension Trust Fund	-	-	-	-	3,200,938	-	-	3,200,938	-	3,200,938
Due to Other Governments	-	-	-	-	10,006,816	-	-	10,006,816	-	10,006,816
Compensated Absences	33,354	62,929	13,654	16,076	56,090	-	-	182,103	-	182,103
Liability for Stale-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	-	178,646	-	178,646
Total Liabilities	89,170	158,101	54,463	28,849	13,291,036	5,940	-	13,627,559	14,028	13,641,587
Net Position										
Held in Trust for Pension & OPEB Benefits	\$ 51,146,139	\$ 96,456,376	\$ 4,979,209	\$ 14,053,327	\$ 90,039,310	\$ 282,239	\$ 6,042,920	\$ 262,999,520	\$ 31,294,167	\$ 294,293,687

City of Wilmington, Delaware
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2022

	<u>Firefighters Pension</u>	<u>Police Pension</u>	<u>Plan I Non- uniformed Pension</u>	<u>Plan II Non- uniformed Pension</u>	<u>Plan III Non- uniformed Pension</u>	<u>Wilmington Park Trust Pension</u>	<u>The Wilmington Parking Authority</u>	<u>Total Retirement Funds</u>	<u>Post - Retirement Healthcare Benefit</u>	<u>Total Pension Trust Funds</u>
ADDITIONS										
Contributions:										
City										
Paid Directly by the City	\$ 10,051	\$ 5,566,108	\$ -	\$ -	\$ 5,078,980	\$ 5,002	\$ -	\$ 10,660,141	\$ 4,581,039	\$ 15,241,180
Paid by the State										
On-Behalf of the City	4,603,784	2,014,151	-	-	-	-	-	6,617,935	-	6,617,935
Employees/Pensioners	23,995	80,464	-	-	319,830	-	-	424,289	913,985	1,338,274
Other Revenue	-	-	-	11,880	-	-	-	11,880	-	11,880
Total Contributions	<u>4,637,830</u>	<u>7,660,723</u>	<u>-</u>	<u>11,880</u>	<u>5,398,810</u>	<u>5,002</u>	<u>-</u>	<u>17,714,245</u>	<u>5,495,024</u>	<u>23,209,269</u>
Investment Income										
Investment Earnings	9,492,985	18,714,074	1,019,196	2,802,308	17,165,200	10,164	318,868	49,522,795	1,025,602	50,548,397
Net Appreciation (Depreciation) in Fair Value	(14,190,596)	(27,974,753)	(1,523,546)	(4,189,033)	(25,659,417)	(18,405)	(915,938)	(74,471,688)	(5,313,045)	(79,784,733)
Total Investment Earnings	(4,697,611)	(9,260,679)	(504,350)	(1,386,725)	(8,494,217)	(8,241)	(597,070)	(24,948,893)	(4,287,443)	(29,236,336)
Less: Investment Expense	(113,828)	(224,133)	(12,207)	(33,562)	(205,587)	-	-	(589,317)	(9,537)	(598,854)
Net Investment Income	<u>(4,811,439)</u>	<u>(9,484,812)</u>	<u>(516,557)</u>	<u>(1,420,287)</u>	<u>(8,699,804)</u>	<u>(8,241)</u>	<u>(597,070)</u>	<u>(25,538,210)</u>	<u>(4,296,980)</u>	<u>(29,835,190)</u>
Total Additions	<u>(173,609)</u>	<u>(1,824,089)</u>	<u>(516,557)</u>	<u>(1,408,407)</u>	<u>(3,300,994)</u>	<u>(3,239)</u>	<u>(597,070)</u>	<u>(7,823,965)</u>	<u>1,198,044</u>	<u>(6,625,921)</u>
DEDUCTIONS										
Benefits Paid	9,658,561	14,580,520	410,699	922,326	6,712,977	11,880	192,112	32,489,075	3,294,062	35,783,137
Administrative Expenses	142,569	247,690	41,222	67,683	286,195	3,069	6,714	795,142	173,523	968,665
Total Deductions	<u>9,801,130</u>	<u>14,828,210</u>	<u>451,921</u>	<u>990,009</u>	<u>6,999,172</u>	<u>14,949</u>	<u>198,826</u>	<u>33,284,217</u>	<u>3,467,585</u>	<u>36,751,802</u>
Net Increase in Plan Net Position	<u>(9,974,739)</u>	<u>(16,652,299)</u>	<u>(968,478)</u>	<u>(2,398,416)</u>	<u>(10,300,166)</u>	<u>(18,188)</u>	<u>(795,896)</u>	<u>(41,108,182)</u>	<u>(2,269,541)</u>	<u>(43,377,723)</u>
Net Position - Beginning	<u>61,120,878</u>	<u>113,108,675</u>	<u>5,947,687</u>	<u>16,451,743</u>	<u>100,339,476</u>	<u>300,427</u>	<u>6,838,816</u>	<u>304,107,702</u>	<u>33,563,708</u>	<u>337,671,410</u>
Net Position - Ending	<u>\$ 51,146,139</u>	<u>\$ 96,456,376</u>	<u>\$ 4,979,209</u>	<u>\$ 14,053,327</u>	<u>\$ 90,039,310</u>	<u>\$ 282,239</u>	<u>\$ 6,042,920</u>	<u>\$ 262,999,520</u>	<u>\$ 31,294,167</u>	<u>\$ 294,293,687</u>

CITY OF WILMINGTON, DELAWARE

STATISTICAL SECTION (Unaudited)

This part of the City of Wilmington’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	163
Revenue Capacity These schedules contain information to help the reader assess the City’s most consistent year-to-year revenue source, the property tax.	168
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	172
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	176
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the services it performs.	179

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

Table 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 68,699,894	\$ 70,032,240	\$ 74,784,855	\$ 73,262,924	\$ 80,030,613	\$ 85,923,514	\$ 92,711,517	\$ 100,713,342	\$ 101,680,177	\$ 109,045,808
Restricted	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160	8,771,679	8,984,278	10,079,262	14,930,228	63,611,817
Unrestricted	17,545,747	(119,636,657)	(116,324,021)	(104,130,565)	(123,390,154)	(120,687,342)	(115,292,703)	(106,335,174)	(52,235,995)	(67,804,638)
Total Governmental Activities Net Position	\$ 107,648,958	\$ (30,918,607)	\$ (29,158,252)	\$ (25,374,162)	\$ (35,775,381)	\$ (25,992,149)	\$ (13,596,908)	\$ 4,457,430	\$ 64,374,410	\$ 104,852,987
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 118,345,142	\$ 116,604,537	\$ 116,858,039	\$ 117,697,946	\$ 120,943,085	\$ 127,230,361	\$ 131,329,111	\$ 141,559,269	\$ 156,439,637	\$ 163,129,284
Restricted	-	-	-	-	-	35,165,006	39,571,786	35,649,991	13,526,488	28,751,928
Unrestricted	(8,337,387)	(3,290,174)	5,835,485	17,194,095	27,456,260	-	2,215,818	1,057,494	13,674,516	569,600
Total Business-type Activities Net Position	\$ 110,007,755	\$ 113,314,363	\$ 122,693,524	\$ 134,892,041	\$ 148,399,345	\$ 162,395,367	\$ 173,116,715	\$ 178,266,754	\$ 183,640,641	\$ 192,450,812
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 187,045,036	\$ 186,636,777	\$ 191,642,894	\$ 190,960,870	\$ 200,973,698	\$ 213,153,875	\$ 224,040,628	\$ 242,272,611	\$ 258,119,814	\$ 272,175,092
Restricted	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160	43,936,685	48,556,064	45,729,253	28,456,716	92,363,745
Unrestricted	9,208,360	(122,926,831)	(110,488,536)	(86,936,470)	(95,933,894)	(120,687,342)	(113,076,885)	(105,277,680)	(38,561,479)	(67,235,038)
Total Primary Government Net Position	\$ 217,656,713	\$ 82,395,756	\$ 93,535,272	\$ 109,517,879	\$ 112,623,964	\$ 136,403,218	\$ 159,519,807	\$ 182,724,184	\$ 248,015,051	\$ 297,303,799

Note: Net position reflects any prior year restatements.

Table II

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities:										
General Government	\$ 28,485,274	\$ 27,630,002	\$ 28,495,073	\$ 28,460,217	\$ 33,209,538	\$ 28,701,894	\$ 31,837,983	\$ 43,376,300	\$ 34,607,485	\$ 48,213,853
Real Estate and Housing	4,925,920	5,431,791	6,434,211	6,874,842	6,310,506	6,708,205	5,934,884	7,577,533	6,887,434	11,160,706
Public Works	23,242,074	23,807,433	23,447,957	25,374,633	24,429,688	24,080,545	25,703,685	24,813,642	21,251,659	25,550,617
Parks and Recreation	9,196,053	9,077,378	10,317,892	9,939,326	11,161,909	11,098,419	13,040,301	11,898,388	10,529,555	12,169,473
Public Safety	90,571,399	90,737,719	83,938,497	89,768,212	103,283,261	90,296,885	92,335,897	91,077,683	65,023,708	78,688,169
Interest on Long-Term Debt	5,150,078	4,743,372	4,342,767	4,602,942	4,316,733	3,883,054	5,096,566	3,439,214	1,344,121	4,745,811
Total Governmental Activities Expenses	161,570,798	161,427,695	156,976,397	165,020,172	182,711,635	164,769,002	173,949,316	182,182,760	139,643,962	180,528,629
Business-type Activities:										
Water/Sewer	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604	73,655,464	75,342,455	81,414,113	73,278,921	82,084,721
Total Business-Type Activities Expenses	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604	73,655,464	75,342,455	81,414,113	73,278,921	82,084,721
Total Primary Government Expenses	\$ 221,479,572	\$ 226,411,971	\$ 221,069,304	\$ 230,463,747	\$ 253,039,239	\$ 238,424,466	\$ 249,291,771	\$ 263,596,873	\$ 212,922,883	\$ 262,613,350
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 9,710,578	\$ 10,378,709	\$ 10,471,882	\$ 11,935,090	\$ 13,029,923	\$ 12,349,560	\$ 14,809,049	\$ 15,790,231	\$ 15,536,758	\$ 15,173,601
Real Estate and Housing	-	-	247,075	339,598	317,489	576,854	135,260	264,168	-	810,728
Public Works	294,972	224,135	162,702	148,264	165,377	154,446	181,463	138,563	169,609	1,500,782
Parks and Recreation	312,783	190,332	79,359	20,714	510,646	226,823	151,455	67,339	21,470	100,602
Public Safety	10,843,278	15,380,748	14,612,394	14,447,109	12,147,225	12,752,764	12,110,695	13,029,392	12,347,146	15,706,418
Operating Grants and Contributions	17,388,953	16,907,582	19,095,300	18,746,664	14,684,689	16,805,129	18,001,181	26,658,603	33,281,312	35,310,480
Capital Grants and Contributions	1,933,252	1,377,611	2,341,802	1,136,175	1,544,083	202,539	2,872,181	5,546,307	1,706,448	5,326,298
Total Governmental Activities Revenues	40,483,816	44,459,117	47,010,514	46,773,614	42,399,432	43,068,115	48,261,284	61,494,603	63,062,743	73,928,909
Business-type Activities:										
Charges for Services:										
Water	67,065,579	76,491,666	73,926,346	77,136,007	83,541,753	83,329,958	84,633,077	79,971,543	84,332,101	89,825,406
Capital Grants and Contributions	469,271	67,784	167,892	502,438	293,155	4,264,405	1,320,726	6,592,609	1,000,000	230,512
Total Business-type Activities Revenues	67,534,850	76,559,450	74,094,238	77,638,445	83,834,908	87,594,363	85,953,803	86,564,152	85,332,101	90,055,918
Total Primary Government Revenues	\$ 108,018,666	\$ 121,018,567	\$ 121,104,752	\$ 124,412,059	\$ 126,234,340	\$ 130,662,478	\$ 134,215,087	\$ 148,058,755	\$ 148,394,844	\$ 163,984,827

Table II

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	\$ 38,383,979	\$ 40,031,479	\$ 40,289,471	\$ 40,785,515	\$ 40,691,422	\$ 42,912,480	\$ 43,926,250	\$ 42,656,450	\$ 42,339,714	\$ 44,652,510
Income Taxes	61,873,590	62,058,990	62,286,478	63,093,666	66,747,652	67,549,952	69,881,277	66,599,449	66,104,832	70,857,682
Other Taxes	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923	3,182,700	3,508,035	5,918,475	4,472,847	8,074,103
Lodging & Natural Gas Taxes	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278	3,366,921	3,466,672	2,968,181	3,012,716	3,292,902
Investment Earnings	1,049,413	1,004,623	324,461	270,511	1,254,149	1,253,510	2,499,919	735,622	1,578,423	(772,567)
Other Revenues including Capital Asset Sales Gains	-	84,681	-	-	176,448	347,572	191,643	370,142	339,579	700,388
Grants, Entitlements, and Contributions not Restricted to Specific Programs	12,505,037	13,621,030	14,137,931	14,539,204	14,743,680	15,726,381	16,484,735	16,648,490	18,591,971	20,273,279
Loan Forgiveness	-	-	-	-	-	-	-	2,845,684	-	-
Transfers	(232,176)	-	2,976	-	-	-	-	-	-	-
Total Governmental Activities	<u>117,619,473</u>	<u>120,102,692</u>	<u>120,813,199</u>	<u>122,030,648</u>	<u>129,280,552</u>	<u>134,339,516</u>	<u>139,958,531</u>	<u>138,742,493</u>	<u>136,440,082</u>	<u>147,078,297</u>
Business-type Activities:										
Investment Earnings	52,142	4,135	3,502	3,647	-	-	-	-	-	-
Transfers	232,176	-	-	-	-	-	-	-	-	-
Other Revenues including Capital Asset Sales Gains	-	-	-	-	-	-	110,000	1,683	-	-
Total Business-type Activities	<u>284,318</u>	<u>4,135</u>	<u>3,502</u>	<u>3,647</u>	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>1,683</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 117,903,791</u>	<u>\$ 120,106,827</u>	<u>\$ 120,816,701</u>	<u>\$ 122,034,295</u>	<u>\$ 129,280,552</u>	<u>\$ 134,339,516</u>	<u>\$ 140,068,531</u>	<u>\$ 138,744,176</u>	<u>\$ 136,440,082</u>	<u>\$ 147,078,297</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ (3,467,509)	\$ 3,134,114	\$ 10,847,316	\$ 3,784,090	\$ (11,031,651)	\$ 12,638,629	\$ 14,270,499	\$ 18,054,336	\$ 59,858,863	\$ 40,478,577
Business-type Activities	<u>7,910,394</u>	<u>11,579,309</u>	<u>10,004,833</u>	<u>12,198,517</u>	<u>13,507,304</u>	<u>13,938,899</u>	<u>10,721,348</u>	<u>5,151,722</u>	<u>12,053,180</u>	<u>7,971,197</u>
Total Primary Government	<u>\$ 4,442,885</u>	<u>\$ 14,713,423</u>	<u>\$ 20,852,149</u>	<u>\$ 15,982,607</u>	<u>\$ 2,475,653</u>	<u>\$ 26,577,528</u>	<u>\$ 24,991,847</u>	<u>\$ 23,206,058</u>	<u>\$ 71,912,043</u>	<u>\$ 48,449,774</u>

Table III

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL FUND										
Nonspendable										
Long-term Note Receivable	\$ 8,771,914	\$ 5,460,671	\$ 3,184,707	\$ 3,121,642	\$ 3,058,580	\$ 2,995,512	\$ 2,932,453	\$ 2,869,385	\$ 2,806,321	\$ 2,743,257
Other nonspendable	-	-	-	-	-	-	-	-	1,649,659	1,325,384
Restricted										
Other Purposes	-	-	-	-	-	-	-	-	-	164,793
Committed										
Budget Reserve Account	14,537,615	15,003,965	15,169,686	15,403,864	15,730,559	15,730,559	16,229,900	16,350,105	17,270,240	17,686,531
Tax Stabilization Reserve	-	-	-	-	-	21,348,108	27,434,463	28,725,708	40,791,428	49,746,440
Unassigned										
Other Purposes	<u>23,262,923</u>	<u>25,592,630</u>	<u>24,694,765</u>	<u>23,788,856</u>	<u>15,139,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 46,572,452</u>	<u>\$ 46,057,266</u>	<u>\$ 43,049,158</u>	<u>\$ 42,314,362</u>	<u>\$ 33,928,774</u>	<u>\$ 40,074,179</u>	<u>\$ 46,596,816</u>	<u>\$ 47,945,198</u>	<u>\$ 62,517,648</u>	<u>\$ 71,666,405</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Park Operations	\$ 879,788	\$ 991,205	\$ 977,910	\$ 968,468	\$ 1,023,792	\$ 1,059,631	\$ 1,084,776	\$ 934,863	\$ 1,123,568	\$ 962,737
Restricted										
Capital Projects Funds	14,826,533	11,551,577	6,778,734	21,340,305	16,024,754	9,815,380	6,113,837	166,676	14,955,113	9,325,257
Park Operations	5,696,996	6,143,028	5,123,545	4,931,600	5,163,418	5,215,212	4,809,017	4,270,394	5,034,922	4,235,049
Other Purposes	-	245,392	478,635	433,004	78,540	2,761,566	3,090,485	4,029,000	3,904,663	4,003,039
Committed										
Affordable Housing	1,178,585	631,127	(346,207)	1,115,369	386,312	-	-	-	-	-
Economic Development	5,550,802	5,550,802	5,215,443	6,732,194	2,924,787	2,059,323	742,102	528,344	1,620,278	1,851,761
Other Purposes	1,644,281	1,742,099	1,891,276	1,694,095	2,064,464	-	214,372	1,175,450	1,778,894	1,643,839
Assigned	-	-	-	-	-	-	-	-	-	915,078
Unassigned	<u>-</u>	<u>(118,672)</u>	<u>(127,655)</u>	<u>(100,017)</u>	<u>(263,146)</u>	<u>(2,546,052)</u>	<u>(3,340,662)</u>	<u>(4,389,798)</u>	<u>(1,577,516)</u>	<u>(1,663,784)</u>
Total All Other Governmental Funds	<u>\$ 29,776,985</u>	<u>\$ 26,736,559</u>	<u>\$ 19,991,681</u>	<u>\$ 37,115,018</u>	<u>\$ 27,402,921</u>	<u>\$ 18,365,060</u>	<u>\$ 12,713,927</u>	<u>\$ 6,714,929</u>	<u>\$ 26,839,922</u>	<u>\$ 21,272,976</u>

Table IV

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes, Related Penalties and Interest										
Property Taxes	\$ 38,181,077	\$ 38,140,803	\$ 40,046,863	\$ 40,246,355	\$ 40,596,912	\$ 43,266,138	\$ 42,747,587	\$ 43,698,151	\$ 44,728,292	\$ 43,637,012
Wage Taxes	56,558,250	55,819,469	57,891,999	57,554,177	60,334,780	60,924,351	61,686,959	58,325,963	57,470,355	63,467,109
Net Profit	5,439,220	5,547,134	5,746,392	5,545,183	6,577,048	6,449,989	6,746,611	7,311,221	7,973,882	9,467,500
Franchise	1,863,137	916,631	899,239	952,421	921,140	2,082,618	2,110,972	1,791,204	2,021,855	1,831,831
Real Estate Transfer	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923	3,182,700	3,508,035	5,918,475	4,472,847	8,074,103
Head Taxes	3,538,656	4,071,552	4,260,172	3,926,973	3,853,010	3,693,366	3,764,224	3,532,970	3,451,363	3,085,601
Lodging & Natural Gas	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278	1,268,092	1,425,278	1,184,616	919,825	1,352,635
Intergovernmental	32,911,841	32,162,180	36,276,503	35,513,456	31,643,707	31,468,695	33,970,313	44,132,779	52,052,657	56,925,625
Licenses and Permits	4,573,516	3,880,469	4,296,561	4,829,292	4,694,187	5,734,367	5,108,362	5,925,045	4,866,404	6,520,759
Fines and Forfeitures	7,096,186	8,466,787	7,387,420	7,889,370	5,936,872	5,670,871	6,553,856	5,129,680	5,487,633	8,067,327
Charges for Services	5,865,902	6,626,184	6,826,272	7,083,670	8,815,269	10,244,245	12,403,678	14,328,858	13,270,193	16,248,654
Investment Earnings	1,049,413	1,004,623	324,455	326,238	997,789	1,321,628	2,176,752	1,474,094	1,413,227	411,458
Other	-	-	-	1,704,229	-	-	-	-	-	-
Total Revenues	161,116,828	159,937,721	167,727,758	168,913,116	170,037,915	175,307,060	182,202,627	192,753,056	198,128,533	219,089,614
EXPENDITURES										
General Government	26,751,489	26,295,676	28,053,730	27,773,804	30,533,408	26,747,981	31,978,559	36,375,921	33,363,808	47,072,336
Real Estate and Housing	4,909,695	5,411,073	6,544,038	6,849,812	6,407,812	6,902,264	6,448,197	7,106,635	7,308,713	10,688,129
Public Works	18,596,378	19,342,030	19,682,837	20,505,252	19,744,936	20,642,668	21,399,743	20,609,358	20,995,372	21,256,775
Parks and Recreation	8,145,406	8,104,354	9,537,746	8,861,133	10,081,649	10,248,387	10,249,471	9,760,979	10,293,473	10,921,833
Public Safety	85,840,469	87,586,989	91,138,795	88,769,676	100,782,119	94,437,075	93,196,217	98,639,258	97,557,070	98,798,886
Debt Service:										
Principal	7,177,478	6,840,368	7,570,521	8,041,584	8,540,841	7,507,637	9,900,113	9,250,285	6,320,813	9,839,416
Interest	5,071,563	5,196,196	4,937,476	5,087,280	4,988,228	4,796,604	4,574,958	4,386,425	3,842,568	5,247,934
Capital Outlay - Capital Projects	9,121,210	4,775,999	6,747,270	8,634,350	6,957,569	8,822,122	12,612,170	20,499,140	14,566,690	11,797,866
Total Expenditures	165,613,688	163,552,685	174,212,413	174,522,891	188,036,562	180,104,738	190,359,428	206,628,001	194,248,507	215,622,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,496,860)	(3,614,964)	(6,484,655)	(5,609,775)	(17,998,647)	(4,797,678)	(8,156,801)	(13,874,945)	3,880,026	3,466,939
OTHER FINANCING SOURCES (USES)										
Proceeds from Sales of Capital Assets	-	-	-	-	-	-	-	-	-	199,924
Capital Lease Issued	-	-	413,828	-	-	505,499	658,289	1,425,265	-	-
Bond Anticipation Notes	-	-	-	-	-	1,399,724	5,532,872	10,655,965	-	132,266
Bond Anticipation Note Repayment	-	-	-	-	(232,485)	-	-	-	(12,823,356)	-
Bonds Issued	16,853,656	-	-	18,317,711	-	-	12,084,876	-	59,219,258	-
Bond Refunding	-	-	-	-	18,887,944	-	-	-	-	-
Premium on Debt Issued	3,604,591	-	-	3,145,040	-	-	850,073	-	12,838,514	-
Payment to Refunded Bond Escrow Agent	(20,275,357)	-	-	(238,505)	(21,523,660)	-	(6,662,166)	-	(28,431,065)	-
Transfers In	676,363	139,434	43,421	2,125,000	1,841,656	523,244	1,889,746	775,850	2,143,914	2,621,687
Transfers Out	(969,899)	(54,753)	(40,445)	(2,180,727)	(1,841,656)	(523,244)	(1,889,746)	(363,576)	(2,143,914)	(2,621,687)
Bond Issuance Cost	-	-	-	-	-	-	-	(48,575)	-	-
Net Appreciation (Depreciation) in Fair Value	-	-	-	-	-	-	-	(611,195)	-	(947,603)
Internal Service Fund Integration (Note 19)	-	-	-	-	-	-	-	(2,076,719)	-	-
Bank Line of Credit Repayment	-	-	-	-	-	-	-	(3,378,370)	-	-
Total Other Financing Sources (Uses)	(110,646)	84,681	416,804	21,168,519	-	1,905,223	12,463,944	6,378,645	30,803,351	(615,413)
EXTRAORDINARY ITEM										
Debt Forgiveness	-	-	-	-	-	-	-	-	65,553	-
Loan Forgiveness	-	-	-	-	-	-	-	2,845,684	(109,609)	730,285
Net Change in Fund Balances	(4,607,506)	(3,530,283)	(6,067,851)	15,558,744	(17,998,647)	(2,892,455)	4,307,143	(4,650,616)	34,639,321	3,581,811
Prior Period Adjustments	-	(25,329)	(372,073)	-	134,752	-	(3,435,639)	-	-	-
Net Change in Fund Balances	\$ (4,607,506)	\$ (3,555,612)	\$ (6,439,924)	\$ 16,388,601	\$ (17,863,895)	\$ (2,892,455)	\$ 871,504	\$ (4,650,616)	\$ 34,639,321	\$ 3,581,811
Debt Service as a Percentage of Noncapital Expenditures	7.83%	7.58%	7.47%	7.91%	7.47%	7.18%	8.14%	7.33%	5.66%	7.40%

Note: For 2011, \$3,566,586 has been reclassified from capital outlays to General Government Services as these assets were not retained by the City.

Table V

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property ¹	Total Taxable Assessed Value ¹	Total Direct Tax Rate
	Residential Property ¹	Commercial / Industrial ¹	Public Utilities ¹	Other ¹			
2022	1,033,963,750	999,994,460	108,863,100	1,400,497,848	1,400,115,230	2,143,203,928	1.9950
2021	1,032,939,750	1,020,818,260	105,490,900	1,402,981,448	1,404,987,732	2,157,242,626	1.9950
2020	1,028,627,550	1,036,650,160	104,208,400	1,392,820,648	1,380,317,549	2,181,989,209	1.9950
2019	1,023,907,450	1,019,988,766	103,171,800	1,394,118,648	1,375,986,077	2,165,200,587	1.9950
2018	1,024,296,850	1,021,750,260	101,395,100	1,399,855,748	1,386,497,563	2,160,800,395	1.9950
2017	1,023,680,150	1,043,252,760	102,091,200	1,396,165,748	1,390,336,833	2,174,853,025	1.9950
2016	1,022,984,750	1,035,348,960	101,798,000	1,399,989,148	1,409,849,628	2,150,271,230	1.8550
2015	1,023,886,650	1,044,702,260	99,982,500	1,397,270,150	1,417,368,498	2,148,473,062	1.8550
2014	1,024,679,550	1,082,958,860	98,233,600	1,375,022,050	1,435,955,650	2,144,938,410	1.7670
2013	1,024,913,050	1,075,701,160	107,892,500	1,373,198,450	1,400,528,750	2,181,176,410	1.7670

Source: New Castle County Board of Taxable Assessment

Notes: Property in the city is assessed at estimated actual value; therefore, the assessed values are equal to actual value.

¹ Assessment and Exemption values as established annually by the Board of Assessment of the City of Wilmington's Certification of Assessment Role.

Table VI

**DIRECT AND OVERLAPPING
PROPERTY TAX RATES
(per \$100 of Assessed Value)
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	City of Wilmington			New Castle County			School Districts		Total	Total
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	Operating	Debt Service	School District	Direct & Overlapping
	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Millage	Rates
2022	1.8550	0.1400	1.9950	0.2689	0.0112	0.2801	2.3140	-	2.3140	4.5891
2021	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2020	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2019	1.8550	0.1400	1.9950	0.2577	0.0224	0.2801	2.3140	-	2.3140	4.5891
2018	1.8550	0.1400	1.9950	0.2241	0.0195	0.2436	2.3140	-	2.3140	4.5526
2017	1.7250	0.1300	1.8550	0.2265	0.0171	0.2436	2.1740	-	2.1740	4.2726
2016	1.7050	0.1500	1.8550	0.2265	0.0171	0.2436	1.9840	-	1.9840	4.0826
2015	1.7250	0.1300	1.8550	0.2217	0.0219	0.2436	1.7710	-	1.7710	3.8696
2014	1.6470	0.1200	1.7670	0.2217	0.0219	0.2436	1.7410	-	1.7410	3.7516
2013	1.6470	0.1200	1.7670	0.2192	0.0244	0.2436	1.6620	-	1.6620	3.6726

Source: City of Wilmington, Revenue Division

Notes: The city's basic property tax rate may be increased by majority vote of the thirteen City Council members. Real property was taxed at 100% of the assessed value of the property. Overlapping rates are those of State, Local and County governments that apply to property owners within the City of Wilmington.

2020 information is used for 2021, not all information for 2021 was available on sources listed above.

Table VII

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2013			2022		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Buccini Pollin Group	\$ 90,000,000	1	2.34%	\$ 160,414,200	1	7.44%
JP Morgan Chase	63,700,000	2	1.66%	54,557,900	2	2.53%
M&T Bank	52,300,000	5	1.36%	52,722,360	3	2.44%
Delmarva Power & Light	36,900,000	7	0.96%	49,362,800	4	2.29%
1313 Owner, LLC	-	-	-	41,000,000	5	1.90%
1201 Market Street LLC	35,000,000	8	0.91%	35,000,000	6	1.62%
Calpine Mid-Atlantic	32,300,000	9	0.84%	32,703,400	7	1.52%
TRC 300 Delaware, LLC	-	-	-	28,548,300	8	1.32%
Verizon Delaware, LLC	-	-	-	23,554,600	9	1.09%
CCI-Bracebridge	54,250,000	4	1.41%	22,976,500	10	1.07%
JEMALS 222 Delaware LLC	-	-	-	22,000,000	11	1.02%
Oak Street	-	-	-	20,319,900	12	0.94%
DCL Leasing Partners	41,000,000	6	1.07%	-	-	-
Bank of America (MBNA)	-	-	-	15,674,900	13	0.73%
Hub Properties Trust	31,100,000	10	0.81%	-	-	-
E.I. DuPont Nemours & Co	58,500,000	3	1.52%	-	-	-
Rodney Square Investors, LP	29,300,000	11	0.76%	-	-	-
Totals	\$ 524,350,000		13.64%	\$ 558,834,860		25.91%

Sources: City of Wilmington, Finance Department
City of Wilmington, Office of Management and Budget

Table VIII

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Total Tax Levy¹	Collected within the Fiscal Year of Levy		Collections in	Total Collections to Date	
	for Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2022	43,384,137	40,058,816	92.3%	126,166	40,184,982	92.6%
2021	42,087,729	41,348,521	97.0%	200,971	41,147,550	98.0%
2020	44,189,398	42,689,502	97.0%	98,070	42,787,572	97.0%
2019	45,615,595	42,338,103	93.0%	127,455	42,465,558	93.0%
2018	44,048,151	42,013,651	95.4%	134,236	42,147,887	95.7%
2017	40,668,276	39,149,761	96.3%	145,857	39,295,618	96.6%
2016	40,870,003	38,674,616	94.6%	85,165	38,759,781	94.8%
2015	40,483,896	39,025,330	96.4%	106,780	39,132,110	96.7%
2014	38,093,079	37,124,677	97.5%	185,624	37,310,301	97.9%
2013	38,259,246	37,731,960	98.6%	28,896	37,760,856	98.7%

Source: City of Wilmington, Finance Department

Note: ¹ For presentation purposes, the City considers Tax Levy to be the taxes levied during the normal tax year and excludes adjustments to prior year taxes.

Table IX

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage	
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases		of Personal Income	Per Capita ¹
2022	\$ 120,562,914	\$ 1,118,771	\$ 221,418,112	-	\$ 343,099,797	14.45%	\$ 4,849
2021	132,233,745	2,007,146	233,222,162	-	367,463,053	17.14%	5,183
2020	110,729,761	4,028,738	199,688,398	-	314,446,897	14.82%	4,481
2019	113,278,478	4,509,973	209,826,762	-	327,615,213	15.61%	4,638
2018	113,331,514	6,336,576	200,618,903	-	320,286,993	16.64%	4,504
2017	121,071,460	8,906,107	205,942,497	-	335,920,064	17.90%	4,702
2016	130,158,601	8,002,476	212,336,961	-	350,498,038	18.77%	4,880
2015	118,554,593	6,342,315	188,301,573	-	313,198,481	17.31%	4,361
2014	123,749,602	8,923,438	185,462,754	-	318,135,794	17.56%	4,473
2013	131,313,797	7,826,042	177,282,263	-	316,422,102	17.34%	4,438

Sources: City of Wilmington, Treasurer's Office
State of Delaware, Department of Labor

Notes: Details regarding the City's outstanding debt can be found in the note 9 to the financial statements.

¹ See Table XIII for population data.

This ratio uses population data from the prior calendar year.

Table X

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property¹	Per Capita²
2022	\$ 314,980,650	13.26%	\$ 4,452
2021	334,341,502	15.50%	\$ 4,716
2020	295,940,402	13.56%	4,218
2019	323,105,240	14.92%	4,592
2018	313,950,417	14.53%	4,415
2017	327,013,957	15.04%	4,577
2016	342,495,562	15.93%	4,769
2015	306,856,166	14.28%	4,273
2014	309,212,356	14.42%	4,348
2013	308,596,060	14.15%	4,329

Source: City of Wilmington, Treasurer's Office

Notes: ¹ See Table V for Actual Taxable Value of Property data.

² See Table XIII for population data.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022
(Unaudited)**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
New Castle County Debt*	\$ 173,660,075	15.3%	\$ 26,569,991
Various School Districts	<u>309,488,928</u>	15.6%	<u>48,280,273</u>
Subtotal - Overlapping Debt	483,149,003		74,850,264
City of Wilmington Direct Debt	114,434,013	100%	<u>114,434,013</u>
Totals			<u>\$ 189,284,277</u>

Sources: New Castle County Finance Department
State of Delaware, Treasurer's Office

Note: The Estimated Percentage Applicable is based on the real estate assessable base estimated to be within City boundaries.

*2021 information is used for 2022, not all information for 2022 was available on sources listed above.

Table XII

**CITY OF WILMINGTON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Budget	\$ 145,043,428	\$ 147,325,316	\$ 150,039,645	\$ 151,696,858	\$ 154,038,640	\$ 154,923,078	\$ 162,299,001	\$ 167,387,739	\$ 167,387,739	\$ 174,866,185
Debt Service Limit	25,382,600	25,781,930	26,256,938	26,546,950	26,956,762	27,111,539	28,402,325	29,292,854	28,612,684	30,222,920
Total Net Debt Service Applicable to Limit	<u>12,249,041</u>	<u>10,768,172</u>	<u>12,478,444</u>	<u>13,078,215</u>	<u>13,474,832</u>	<u>12,220,563</u>	<u>12,901,708</u>	<u>13,636,710</u>	<u>9,688,331</u>	<u>15,506,487</u>
Legal Debt Service Margin	<u>\$ 13,133,559</u>	<u>\$ 15,013,758</u>	<u>\$ 13,778,494</u>	<u>\$ 13,468,735</u>	<u>\$ 13,481,930</u>	<u>\$ 14,890,976</u>	<u>\$ 15,500,617</u>	<u>\$ 15,656,144</u>	<u>\$ 18,924,353</u>	<u>\$ 14,716,433</u>
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	48.00%	42.00%	48.00%	49.00%	50.00%	45.00%	45.00%	47.00%	34.00%	51.00%

Note: The City is limited to the issuance of general obligation debt provided that the payments of principal and interest in the fiscal year do not exceed 17.5% of the annual operating budget of that fiscal year. The limitation excludes amounts issued for Water and Sewer purposes.

Table XIII

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)**

Calendar Year	Population	Personal Income	Per Capita Income	Employment	Unemployment Rate	Median Age	Median Household Effective Buying Income
2022	70,750	\$ 2,374,865,250	\$ 33,567	31,392	6.80%	35.90	\$ 49,354
2021	70,898	2,143,813,724	30,238	31,881	8.40%	35.60	45,032
2020	70,166	2,121,679,508	30,238	31,881	8.40%	35.80	45,032
2019	70,635	2,098,283,310	29,706	30,393	3.70%	35.70	42,854
2018	71,106	1,924,270,572	27,062	33,460	4.30%	35.00	40,221
2017	71,442	1,876,281,246	26,263	31,918	7.50%	35.30	40,065
2016	71,948	1,867,122,548	25,951	32,622	7.00%	35.10	38,979
2015	71,817	1,809,142,047	25,191	30,320	5.10%	34.80	38,727
2014	71,119	1,811,472,049	25,471	28,652	9.60%	34.80	39,761
2013	71,292	1,824,362,280	25,590	27,985	11.20%	33.70	39,019

Sources: Delaware Office of Occupational and Labor
 Delaware Office of State Planning
 United States Census Bureau
 United State Department of Labor - Bureau of Labor Statistics

Notes: ¹ Numbers for prior years revised due to releases of updated data by the United States Census Bureau and the United States Department of Labor.

Table XIV

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	Calendar Year 2013			Calendar Year 2022		
	Employees	Rank	Percentage of Total ¹ Employment	Employees	Rank	Percentage of Total ¹ Employment
State of Delaware	13,000	1	4.62%	31,400	1	11.53%
Christiana Care Health System	10,400	2	3.69%	13,412	2	4.92%
JP Morgan Chase	-	-	0.00%	11,500	3	4.22%
Amazon (DE Fulfillment Centers)	-	-	0.00%	7,300	4	2.68%
Dover Air Force Base	-	-	0.00%	6,156	5	2.26%
Bank of America (MBNA)	7,100	4	2.52%	6,000	6	2.20%
Federal Government	-	-	0.00%	5,800	7	2.13%
Perdue Farms, Inc.	-	-	0.00%	5,780	8	2.12%
Mountaire Farms, Inc.	-	-	0.00%	5,032	9	1.85%
University of Delaware	4,000	7	1.42%	4,746	10	1.74%
Walmart Stores, Inc.	4,700	6	1.67%	4,517	11	1.66%
Bayhealth	-	-	0.00%	4,150	12	1.52%
Nemours (A.I. DuPont Hospital)	-	-	0.00%	4,100	13	1.51%
DuPont Company (Science and Engineering)	-	-	0.00%	3,000	14	1.10%
W.L. Gore & Associates, Inc.	-	-	0.00%	3,000	15	1.10%
Beebe Healthcare	-	-	0.00%	2,800	16	1.03%
Citibank Delaware	2,000	11	0.71%	2,800	17	1.03%
Delaware Tech. Comm. College (Public Ed.)	-	-	0.00%	2,600	18	0.95%
AstraZeneca Pharmaceuticals LP	4,500	5	1.60%	2,500	19	0.92%
Christina School District	2,300	9	0.82%	2,500	20	0.92%
Red Clay School District	1,750	12	0.62%	2,300	21	0.84%
New Castle County Government	1,250	22	0.44%	2,100	22	0.77%
Capital One	-	-	0.00%	2,000	23	0.73%
M&T Bank (Wilmington Trust Corp.)	1,700	13	0.60%	1,857	24	0.68%
WSFS Bank	-	0	0.00%	1,838	25	0.67%
Colonial School District	1,271	21	0.45%	1,629	27	0.60%
Brandywine School District	1,450	17	0.52%	1,541	30	0.57%
Amtrak	1,400	20	0.50%	990	50	0.36%
Siemens Healthcare Diagnostics	1,630	15	0.58%	1,150	39	0.42%
A.I. Dupont Institute	2,821	8	1.00%	3,000	14	1.10%
YMCA of Delaware	2,300	10	0.82%	1,550	28	0.57%
Comcast	1,450	18	0.52%	-	-	0.00%
Delaware Park	1,550	16	0.55%	-	-	0.00%
St. Francis Healthcare	1,200	23	0.43%	-	-	0.00%
Delmarva Power	1,438	19	0.51%	1,116	40	0.41%
Walgreen's Inc	1,700	14	0.60%	-	-	0.00%
PNC Financial Services Group	1,100	25	0.39%	-	-	0.00%
E.I. Du Pont Nemours & Company	8,100	3	2.88%	-	-	0.00%
ING Direct	1,122	24	0.40%	-	-	0.00%
Totals	81,232		28.86%	150,164		55.11%

Sources: City of Wilmington, Department of Finance
City of Wilmington, Office of Management and Budget

Note: ¹ Total Employment in New Castle County

Table XV

TEN LARGEST WAGE TAX WITHHOLDERS ⁽¹⁾
CURRENT YEAR
 (Unaudited)

Company	2022 Withholdings	% of Total
Total of Ten Largest	\$ 22,166,270	36.20%
Total Wage Tax Collected	\$ 61,210,529	100.00%

Source: City Finance Department - Wage Tax
 (1) Prepared on a calendar year basis.

Table XVI

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Mayor's Office	57	60	59	59	59	57	55	34	34	34
City Council	27	29	29	29	29	29	29	28	28	26
Audit	4	4	4	4	4	4	5	5	5	5
Law	21	21	20	20	20	18	17	17	17	17
Finance	90	87	88	88	86	85	84	85	84	84
Human Resources	22	21	22	22	24	23	24	26	26	26
Treasurer	6	6	6	6	6	7	7	7	7	7
Planning	11	11	11	11	10	10	10	10	10	9
Information Technologies	-	-	-	-	-	-	-	22	21	21
Real Estate & Housing	15	15	12	12	11	11	11	11	11	11
Parks & Recreation	44	44	42	41	41	40	39	41	41	40
Public Safety										
Police	382	382	382	382	381	376	378	380	379	380
Fire	177	177	177	177	177	161	161	161	161	160
License and Inspection	38	38	38	38	38	38	42	43	42	42
Public Works	<u>226</u>	<u>224</u>	<u>223</u>	<u>223</u>	<u>221</u>	<u>219</u>	<u>221</u>	<u>223</u>	<u>225</u>	<u>225</u>
Totals	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>1,112</u>	<u>1,107</u>	<u>1,078</u>	<u>1,083</u>	<u>1,093</u>	<u>1,091</u>	<u>1,087</u>

Source: City of Wilmington, Office of Management and Budget

Note: Budgeted Positions at the end of the fiscal year.

Table XVII

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Physical Arrests/Charges	12,991	17,143	9,765	10,259	10,335	10,578	10,892	11,134	6,397	8,087
Police Calls - Incident	106,470	102,903	96,703	103,786	97,747	130,263	116,708	100,588	100,979	91,314
Police Calls - Administrative	31,345	60,972	61,544	50,863	104,208	174,733	164,093	152,618	150,726	74,796
Fire/EMS Calls	20,201	20,401	21,992	22,448	23,829	19,819	24,367	24,362	25,757	25,801
Inspections	1,416	1,959	1,756	1,682	1,538	2,356	1,625	1,799	2,452	2,568
Parking Violations Issued	68,465	68,365	66,300	68,365	60,069	55,228	60,475	44,932	27,988	57,317
Redlight Tickets Issued	60,004	41,861	37,764	42,711	38,044	30,080	29,174	34,176	54,357	56,388
Building Permits Issued	3,119	3,150	2,818	2,818	2,961	2,882	3,105	3,045	3,668	4,589
Health and Welfare										
Meals served-Summer	213,549	161,948	225,392	209,052	169,486	169,994	150,160	696,778	808,701	335,936
Meals served-Evening	98,555	91,888	136,437	150,120	154,000	207,415	120,352	181,390	120,223	111,410
Emergency Shelter	516	1,370	1,449	672	2,649	2,010	508	736	438	662
HOPWA (Housing) *	147	114	114	210	211	191	121	102	173	119
Water										
Water Production (millions of gallons)	5,835	5,749	5,561	5,547	5,760	5,785	5,740	5,464	5,386	5,403
Water Sold (millions of gallons)	3,286	3,262	3,270	3,152	3,337	3,383	3,308	3,301	3,338	3,372
Wastewater										
Average Daily Sewage Treatment (Millions of gallons)	75.00	75.00	70.38	65.83	65.83	65.00	81.40	66.00	71.26	63.90
Landfill										
Annual Tons of Refuse	16,838	17,922	20,329	19,853	21,016	23,353	19,331	20,090	29,003	25,282

Source: Various City of Wilmington Departments

Notes: Quantifiable and meaningful operating indicators are not available for all functions.

* = Housing for Persons with AIDS

n/a = Not available

Table XVIII

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Patrol Units	233	213	213	206	203	211	209	260	236	235
Paramedic Units	3	3	3	3	3	3	3	3	3	3
Fire Units	42	42	42	41	41	38	38	26	26	26
Highways, Streets, and Bridges										
Roads & Streets (miles)	148	148	148	148	148	148	148	148	148	148
Health and Welfare										
Buses	2	3	3	3	3	3	3	3	3	4
Water										
Production Capacity (millions of gallons per day)	40	50	42	42	42	40	40	36	36	36
Wastewater										
Wastewater Treatment Capacity (millions of gallons per day)	105	168	168	168	168	168	105	340	340	340

Source: Various City of Wilmington departments

Notes: Quantifiable and meaningful capital asset indicators are not available for all functions.
Public Safety Police Patrol Units report the units in active duty use.

