

# Comprehensive Annual Financial Report

For the Year ended  
**June 30, 2020**



**City of Wilmington, Delaware**  
**Michael S. Purzycki, Mayor**



**CITY OF WILMINGTON, DELAWARE**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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



**CITY OF WILMINGTON, DELAWARE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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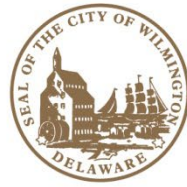
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# City of Wilmington



**MICHAEL S. PURZYCKI**  
Mayor

February 26, 2021

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 Comprehensive Annual Financial Report (CAFR) of the City of Wilmington, Delaware (the City) for the fiscal year, which ended on June 30, 2020 as required by the City Charter. The CAFR 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 2020 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 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 (CAFR) for the fiscal year ended June 30, 2019. This was the 31st 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 CAFR. The CAFR 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 Accounting Division of the Department of Finance made the preparation of this report possible. We would like to express our appreciation to other staff of the Department for their assistance and contribution.

Credit must also be given to other professional contributors Citywide.

Respectfully submitted,



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J. Brett Taylor  
Director of Finance

## LETTER OF TRANSMITTAL

The Comprehensive Annual Financial Report (CAFR) is published annually by the Accounting Division of Department of Finance on the City of Wilmington, Delaware's (City) financial condition and result of operation at the conclusion of the fiscal year. The CAFR 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 CAFR, 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**

Fiscal Year 2020 has been a challenging year for the country in general and for the residents and businesses of the City of Wilmington. However, Wilmington Mayor Mike Purzycki, his Department Directors and City employees have responded very well to the difficulties posed by the pandemic. Not only did the City address issues pertaining to COVID-19, such as the health of residents through free mask distributions and free virus testing, but it completed another year of initiatives and innovations to move Wilmington forward on its mission to be more of a Just City—a City where respect, equality, and social justice guide our hearts and actions. The past year was one of reinforcing Wilmington's position of being residential and business-friendly, as well as a safer, cleaner, more efficiently managed, and more culturally rich City. Wilmington's financial position remains strong as does its bond rating. 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 2020, as we have done for the past three years, we controlled costs and kept within budgets. We increased our reserves in the General Fund by 3.2%, while the reserves in the Water Sewer Fund decreased by 9.8%, mainly due to the effect of the pandemic on collections and the City's and State's orders to cease penalties and shut-offs. The City's bond rating was reaffirmed by all three rating agencies—Fitch, Standard and Poor's, and Moody's—which ensured low interest opportunities to finance projects for our aging utility, street, and parks infrastructure. 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 three consecutive years and with minimal increases in utility rates.

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 as a result of the closure of businesses and remote workplace patterns. However, the financial effects were not as great in FY 2020 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.

The City also responded to the pandemic through additional programs to assist residents and businesses. Water service disconnections and sheriff sales are suspended as well as penalties and interest on utility accounts. In addition, the City suspended parking enforcement, especially in residential neighborhoods where people are still working from home. The State of Delaware and New Castle County received support from the federal government's Coronavirus Aid, Relief and Economic Security (CARES) Act. New Castle County has provided pass-through funding to the City for reimbursements of costs sustained by the City in the protection of its residents, employees, and visitors. This funding has helped to bolster Wilmington's financial picture.

The City had introduced in November 2020, a Seniors Utility Assistant Program, which provides abatements and financial assistance to seniors whose utility bills have become delinquent as a result of the pandemic. This has since been expanded to include low income individuals and households regardless of age.

To help mitigate the economic effects of the pandemic, the Office of Economic Development has been working to assist small businesses with Economic Injury Disaster Loans (EIDL), Paycheck Protection Program (PPP) loans, and the State of Delaware's "HELP Program" for the hospitality sector. None of the new restaurants opened in 2019 and 2020 have announced closure, yet, as a result of COVID-19. The resilience of small businesses in the hotel, restaurant, entertainment, and personal services sectors is impressive and inspiring.

As for FY 2021, the effects of COVID-19 will continue to be felt and the City will respond in kind. In particular, we are 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. We are monitoring the financial, personnel, and business impacts of COVID-19 restrictions and are adjusting our operational plan and expenditures as needed. We will continue to do everything we can so as not to disrupt City services and programs.

Despite the pandemic, the City continues to be the hub for the financial services industry and technology workforce. Companies continue to seek out Wilmington as a business locale with over 600 new jobs arriving in FY 2020. Nearly \$900 million in new development permits have been issued by the City in the past year signaling continued growth in the downtown district, in neighborhoods, and along the riverfront. More than 1,000 new apartments, two new hotels, and an innovative wetlands park in South Wilmington highlight the City's strength.

Our efforts to innovate City government continue to bear fruit. By improving government operations, we are consistently improving the delivery of services to residents, businesses, and visitors. 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. Wilmington'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. Wilmington 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 looks 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 Council. The City Council fixes compensation of 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 of in upon the receipt funds and are utilized in the manner prescribed by the statutes, ordinances, regulations, resolutions, and/or grants from which they derive. For Fiscal Year 2020, 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**

**Looking Forward in City Government:** The fiscal year 2021 budget reflects the following:

The FY 2021 operating budget expenditures total \$163,501,049 – down \$3,886,690 or 2.3% from FY 2020. Even with millions of dollars in cost reductions, because of the projected loss of almost \$13.6 million in revenue due to the COVID-19 pandemic, the budget had to be balanced with the use of \$5.4 million from the Tax Stabilization Reserve. There are no tax or fee increases. The budget contains a \$1.8 million allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added almost \$610,000 to the budget. Staffing decreased by a net total of 0.68 full-time equivalents (FTE). The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net decrease of just over \$34,000.

In the Water Sewer Fund, the FY 2021 operating budget expenditures total \$77,807,833 – down \$117,807, or 0.2% from FY 2020. The FY 2021 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 \$276,000 allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added almost \$83,400 to the budget.

There are no increases to water, sewer, and stormwater rates.

## • Key Major Funding Changes From the Prior Year: General Fund

### *Mayor's Office*

Personal Services decreased by a net \$40,145 because of the following changes:

- Regular salaries increased by \$120,034, largely because of a citywide 2% cost of living adjustment for eligible employees and mandatory annual reviews for executive and managerial employees. Hospitalization decreased by \$64,739 due a citywide reduction in medical and prescription costs.
- Attrition increased by a net \$125,956, largely due to the addition of \$124,863 to offset funds budgeted for a vacant Deputy Director of Economic Development position, which will not be filled in FY 2021 as part of the City's fiscal response to the COVID-19 pandemic.

Materials, Supplies and Equipment (MS&E) decreased by a net \$220,918. This reflects several reductions made in response to the COVID-19 pandemic, including a \$78,250 reduction to Grants to Agencies, a \$30,000 reduction to scholarships, and a \$65,900 reduction to consultants. •

Debt Service decreased by a net \$749,804 due to savings associated with a projected debt refinancing.

A \$1.25 million transfer from the Tax Stabilization Reserve portion of the General Fund balance to the Economic Development Strategic Fund was approved as part of the FY 2021 Annual Operating Budget Ordinance. Of that amount, \$250,000 is set aside for Small & Minority Business Development.

### *City Council*

Personal Services decreased by \$179,979, or 11.7%, largely due to the following changes:

- The split-funded (95% General Fund - 5% CATV Fund) CFO & Policy Advisor position was deleted and replaced with the position of Strategy & Policy Director (100% General Fund). This slight increase in allocation to the General Fund is almost fully offset by a decrease of \$4,215 to the position's budgeted salary, resulting in a net increase of \$2,851.
- Temporary Salaries decreased by a total of \$93,000, which reflects a \$78,660 reduction in funding for a temporary Strategy & Policy Analyst position. In addition, as part of City Council's fiscal response to the COVID-19 pandemic, front desk receptionist coverage was reduced from 40 hours a week to 20 hours, resulting in a further decrease of \$17,530.
- Hospitalization decreased by \$84,128.

MS&E decreased by a net \$157,596, or 30.3%, which includes the following reductions made in response to the COVID-19 pandemic:

- Community Services decreased by \$108,000, reflecting the removal of Councilmember discretionary funds.
- Grants to Agencies and Scholarships decreased by \$13,000 and \$26,000 respectively.

### ***City Treasurer***

Personal Services across all funds increased in total by \$8,764. Regular Salaries across all funds rose by \$5,129 due to employee anniversary step increases and a proposed 2% COLA for non-appointed positions. Temporary salaries increased by \$5,000 in the Pension Funds to assist in departmental duties such as records management, reconciliations, and cashflow analysis and projections.

Printing and Advertising in the General Fund increased by \$5,000 to assist in public communications. Total Professional Fees across all funds increased by \$154,900, or 16.1%. Consultant costs for the biennial pension healthcare valuation grew by \$55,000, while Trustee Fees (based on the value of all pension funds managed) increased \$99,900.

The annual self-insurance funding target for retiree Medical Costs in the Pension-Healthcare Fund was increased by \$250,000, bringing the total funding for the program to \$4 million for FY 2021

### ***Department of Planning and Development***

Personal Services increased by a net \$9,221, or 0.8%, in the General Fund. Though Regular Salaries increased by \$14,077 due to a citywide 2% cost of living adjustment (COLA), this increase was offset by decreases to Pension Contribution and Hospitalization.

MS&E decreased by a net \$101,793, or 38.1%, primarily because of a \$100,000 decrease to Consultants, which reflects the removal of funding for two one-time projects that were budgeted and completed in FY 2020. In addition, as part of the City's fiscal response to the COVID-19 pandemic, Travel & Subsistence and Registrations were reduced by a total of \$1,893, reflecting the low likelihood of travel to conferences and other professional development opportunities in FY 2021.

Debt Service decreased by \$54,475, largely due to savings associated with a projected debt refinancing.

### ***Audit Department***

Personal Services increased by \$27,452. In addition to a citywide 2% cost of living adjustment (COLA), which caused Regular Salaries to increase by \$5,900, Pension Contribution also increased by \$19,079.

To further assist the City Finance Department with the Comprehensive Annual Financial Report (CAFR), \$35,000 was added to accounting costs (\$23,800 in the General Fund and \$11,200 in the Water / Sewer Fund).

### ***Law Department***

Personal Services increased almost \$20,000, or 1.0%. Largely driven by an allowance for a 2% cost of living adjustment and mandatory review for executive and managerial employees, Regular Salaries increased nearly \$38,000, or 2.7%. This increase was somewhat offset by a decrease in Hospitalization, down \$22,000, or 7.1%

As part of the City's fiscal response to the COVID-19 pandemic, MS&E decreased \$127,000 or 22.7%. Due to a pause in sheriff sales, Court Cost & Notary Fees are down \$65,000. Additionally, the City will not fund the Operation Heat program in FY 2021, saving \$83,000.

### ***Department of Finance***

Regular salaries rose by \$77,389 or 2.4%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. State Pension Plan increased \$7,651, whereas Pension Contribution fell significantly, decreasing \$44,029. The decrease reflected the percentage change in the contribution rate. Overtime decreased by \$13,000 due to lesser need for staffing during the Wage Tax filing season.

Professional Fees decreased by \$98,000, as the Department will rely more on its internal resources during Wage Tax filing season and for the preparation of the Comprehensive Annual Financial Report. Because sheriff sale activity is trending downward, Collection Expense–Legal and Sheriff Sale decreased by \$50,000. Collection Expense–Parking Citation Commissions rose by \$132,500. This will help cover increasing costs associated with the Paylock digital parking permit service application, the validation and enforcement system based on license plate scanning, and an increase in the parking citations contract.

Red light camera violation commissions increased by \$254,780 to cover the cost of installing digital red-light cameras at 17 additional intersections in the City. Also included in the contract agreement was a video enforcement program and a camera replacement initiative.

Wage & Head Tax audit collection costs decreased by \$170,000 due to the City’s fiscal response to the COVID-19 pandemic. Due to an increased number of customers using a credit card for payments, credit card fees increased by \$20,000. Lockbox charges rose by \$55,000 to cover an increase in the number of transactions processed.

### ***Department of Human Resources***

Personal Services decreased almost \$22,000, or 1.2%. An allowance for a 2% COLA was budgeted for all employees, causing Regular Salaries to increase by over \$29,000. However, this was largely offset by decreases in Temporary Salaries and Hospitalization, which are down \$2,500 and \$57,000, respectively. To assist with payroll, an HRIS Coordinator position was added at a total cost of \$87,437. Offsetting this increase is the deletion of the Employee Engagement Administrator position. These actions result in a net savings of \$4,300, all in the General Fund.

As part of the City’s fiscal response to the COVID-19 pandemic, MS&E decreased \$144,000, or 30.9%. Consultant costs were eliminated, saving \$100,000. Of that amount, \$50,000 resulted from the elimination of the City University program, while the other \$50,000 resulted from eliminating the study to implement a new classification and compensation system. Miscellaneous Charges also decreased significantly, down \$38,600, or 21.9%.

### ***Department of Licenses and Inspections***

Personal Services decreased \$16,000, or 0.4%. As part of the City’s fiscal response to the COVID-19 pandemic, a vacant Plans Examiner position was deleted, saving \$95,500. Additionally, Hospitalization decreased \$87,000, or 11.4%. These decreases were somewhat offset by an increase in Regular Salaries, which, due to a budgeted 2% COLA and mandatory step increases for non-union classified positions, increased \$66,000, or 2.7%.

MS&E decreased \$41,350, or 5.3%. In order to better match historical actuals, Demolition was decreased to a new budgeted total of \$350,000, a reduction of \$50,000. Additionally, Hazardous Cleanup was decreased to a new budgeted total of \$15,000, a reduction of \$15,000.

L&I's Internal Service chargebacks increased a total of \$16,000. In addition to a nearly \$1,000 increase in self-insurance costs, \$15,000 was added to Motor Vehicle Costs. Almost half of this increase (\$7,200) is due to an addition of one vehicle to L&I's current fleet.

The contractual amount the City pays to the Delaware Office of Animal Welfare for Animal Control Services is budgeted in the L&I Department. For FY 2021, the budget is set to the actual contractual amount of \$256,385, which is a \$51,000, or 16.6% decrease from FY 2020.

### ***Department of Parks and Recreation***

Relative to FY 2020, there is no overall increase to General Fund full-time equivalents (FTEs). This is net of one deletion and one addition, at a total cost of \$11,270: In the Maintenance division, a vacant Labor Foreman I position has been deleted, for a savings of \$68,602; also in the Maintenance division, a new Labor Foreman II position was added at a cost of \$76,300. In net, Temporary Salaries have been reduced by \$210,861. Hospitalization costs declined by \$113,280, due a City-wide reduction in medical and prescription costs.

Combined Professional Fees costs have been reduced by \$96,000, which is split between a \$46,000 reduction for Consultants and a \$50,000 reduction for Temporary Agencies. Given the HVAC efficiency improvements made at the William Hicks Anderson Community Center (WHACC), along with the historical trend of decreasing overall electricity usage, the Electricity line in the WHACC division has been reduced by \$35,000, to a new total of \$200,000. The category of Miscellaneous Services has collectively been reduced by a net \$41,519, due mainly to a cut in Contracted Maintenance in the Maintenance division (a savings of \$20,902) and a reduction to Camp Barnes from four sessions to two (a savings of \$12,800 in Miscellaneous Charges. In order to more properly account for departmental expenses, the \$35,000 for the portable toilet contract has been transferred from Rentals in the Recreation division to the Equipment rental line in the Maintenance division, for a net change of \$0. Funding for Arts in the Park and the Delaware Nature Society has been removed, for a savings of \$30,000 in Miscellaneous Projects.

Overall Debt Service is budgeted to decrease by \$242,946 due to the projected savings from refinancing existing debt.

### ***Department of Police***

Relative to the FY 2020 budget, total uniformed and civilian Police Department staffing decreased by a net total of 1.00 FTE, for a savings of \$63,781 (entirely in the General Fund). Across all funds, uniformed staffing (authorized strength) remained flat, at 315 FTEs. Regular Salaries are budgeted to increase by \$303,188. This is inclusive of an allowance for a 2.0% cost-of-living adjustment (COLA). However, due to a significant number of retirements, the average budgeted salary of a sworn officer (prior to addition of the COLA) is lower than in FY 2020. This results in a net increase to salaries of only 1.1%. Exclusive of the State Pension Contribution, Employee Benefits are budgeted to decrease by a net \$1,429,445. The bulk of this change is due to a \$1,126,491 decrease in Hospitalization; of this, roughly three-quarters is the result of a citywide reduction in medical and prescription costs, while the remainder is mostly due to new employees moving to the less expensive PPO2 plan. Additionally, the contribution to the "old" Police Pension plan has been reduced by \$652,670, as per actuarial requirements.

While the citywide State Pension Contribution passthrough has decreased by \$990,723 relative to the FY 2020 budget, a reallocation of the portions given to Fire and Police has resulted in a projected increase of \$90,526 in the Police Department.



\$312,000 has been added in the Real-Time Crime Center to implement and staff 10 additional neighborhood cameras. Contracted Maintenance Services in the Real-Time Crime Center increased by a net \$124,713, mainly due to an approximately \$89,900 increase to the ShotSpotter contract. This will provide for an expansion of ShotSpotter coverage to additional areas of the City. Uniforms and Related Equipment increased \$126,000 in the Administration division, to allow for the purchase of new Taser equipment and accessories for the upcoming academy class. The budget for Consultants in the Administration division has been reduced by \$159,437, due mainly to the elimination of costs associated with the biennial promotional process (which occurred in FY 2020).

### ***Department of Fire***

Salaries and Wages are budgeted to increase by \$339,369. This is inclusive of a 2.0% cost of-living adjustment (COLA) allowance, plus step increases. There are no changes to the total number of Full Time Equivalent (FTEs).

More than offsetting the Salaries and Wages increase is a net Employee Benefits reduction of \$743,067. The majority of this reduction is due to the State Pension Contribution pass-through, which will decrease by \$1,081,249 as the State has reduced its total contribution to the City (as well as realigned the relative portions given to Fire and Police). As the City must continue to meet the actuarially-determined contribution to the “old” Fire Pension plan, the Pension Contribution budget has been increased by \$680,380 (which is net of overall reductions in the actuarially-determined contribution). The Employee Benefits reduction also includes a \$442,252 decrease in Hospitalization due a citywide reduction in medical and prescription costs.

A total of \$150,500 for recruit class costs (including training, uniforms, and protective equipment) has been cut from the Suppression division. For FY 2021, these costs will be covered by outside grant funds. Accessories and Parts for Equipment is budgeted to decrease by \$137,000, due to the completion of various one-time items in FY 2020 (including the outfitting of fire engines and ladder trucks). Consultant costs are down a net \$55,000, which includes an additional \$15,000 for Target Solutions (to assist with training), as well as the elimination of \$70,000 associated with the biennial promotional process (which occurred in FY 2020). Funding for the Explorer Program has been temporarily removed, for a savings of \$30,000. Overall Debt Service is budgeted to decrease by \$42,049, mainly due to the projected savings from refinancing existing debt, net of \$81,262 in additional capital costs for various firefighting gear and specialty equipment.

### ***Department of Real Estate and Housing***

Personal Services increased by \$119,210 or 71.8%. This increase largely reflects the transfer of 1.27 FTE’s to the General Fund from the CDBG Fund. Per federal regulations, no more than 20% of CDBG-funded activities may be administrative in nature. Any amounts paid from the CDBG Fund that exceed this administrative cap must be charged back to the City’s General Fund. From FY 2016 to FY 2019, an average of \$111,200 was charged back to the General Fund each year. In order to avoid this unbudgeted expense to the General Fund, address related prior-year audit findings, and properly comply with federal regulations, the Department of Real Estate and Housing is reallocating a portion of its FTE’s to the General Fund.

MS&E increased by \$1,098,000, largely due to the following changes: Grants to Agencies increased by \$1,000,000 to fund a grant 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. To successfully accomplish its mission, the Land Bank requires periodic infusions of cash from the City as outlined in a memorandum of understanding. Consultants

increased by \$83,000 to fund a consultant to coordinate the Department's homeownership program while also serving as a liaison to the Land Bank. Funding for this consultant was previously housed by the CDBG Fund, but is being moved to the General Fund to comply with the 20% administrative cap.

Debt Service decreased by \$109,005, largely due to a reduction in costs associated with debt refinancing.

### ***Department of Public Works***

In Personal Services, two split-funded General Laborer II positions (50% General Fund and 50% Water/Sewer Fund) were added to support the increased workload in the Street Maintenance Division caused by an increased number of pothole repairs, sidewalk installations and street maintenance. The total General Fund cost of the two new positions is \$65,628. Regular salaries rose by \$157,633 or 3.0%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. State Pension Plan increased \$17,846, whereas Pension Contribution fell significantly, decreasing \$90,369. The decrease reflected the percentage change in the contribution rate. Hospitalization costs decreased by \$176,492, due a city-wide reduction in medical and prescription costs.

Electricity costs decreased by \$90,000, signaling savings from green initiatives implemented over the past several years, such as conversion to LED traffic lights. Contracted Maintenance increased almost \$47,000 due to the high cost of maintenance to aging existing structures. Temporary Agencies decreased by \$40,000 due to internal use of laborers to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation. Landfill Fees decreased by \$305,000 based on reduced tonnage trends. The Recycle Bank Program account increased by \$168,000 due to the implementation of the city-wide municipal solid waste container and recycling program.

Debt Service decreased by a net \$177,731. While existing debt service increased \$891,068, this was more than offset by the projected savings from the refinancing of older debt of \$1,068,799

### ***Department of Information Technologies***

The City's General Fund Information Technologies Department was created on July 1, 2019 by the FY 2020 budget ordinance. The services provided by the City's new Information Technologies Department were previously accounted for in the following Internal Service Funds: Data Processing, Document Management, Mail Service, Duplication and Reproduction, Mapping and Graphics, and Communications ("IT ISFs"). The assets, liabilities and net position of the IT ISFs were transferred to the General Fund on July 1, 2019. This transfer of the IT ISF's net position to the General Fund (and Governmental Funds) on July 1, 2019 resulted in a one-time charge of \$2,076,719. (See also Note 18.)

Personal Services decreased by a net \$82,792, or 3.7%. This is largely due to the deletion of a vacant Document Management Technician position, which was removed as part of the City's fiscal response to the COVID-19 pandemic, saving \$67,796. In addition, Hospitalization decreased by \$37,115, largely due a citywide reduction in medical and prescription costs.

MS&E decreased by a net \$67,508, or 1.1%. Consultants increased by \$275,000 to complete implementation of the City's comprehensive 311 Information Call Center and constituent service request tracking system. The completed system will enable citizens to call one number (311) for all non-emergency requests for service and information about city services and programs. The new system will also produce a single process for tracking constituent questions and service requests to ensure that timely and comprehensive responses are provided to residents and businesses. Lastly, the new system will result in enhanced data collection, allowing managers to better evaluate and improve customer service delivery

and the quality of programs. The \$275,000 increase in Consultants is completely offset by the removal of \$127,000 for an Operations Manager consultant and \$190,000 for a records digitization project budgeted in FY 2020, leading to a net decrease of \$179,000. Other Noncapitalized Equipment decreased by \$168,500, which reflects the removal of funds for a records digitization project and other items no longer needed in FY 2021. Computer Software Licenses increased by \$182,813, which primarily reflects the addition of \$142,302 for 311 Call Center licenses.

Debt Service increased by \$58,922 per the existing debt service schedule.

### **Key Major Funding Changes From the Prior Year: Water Fund**

Inclusive of the effects of COVID, total Water / Sewer Fund revenue is projected to be \$79,216,541, a net decrease of \$4.4 million, or 5.3%, below the FY 2020 budget. This is an \$5.2 million reduction from the pre-COVID proposed revenue estimate.

### ***Department of Finance***

A Meter Reader position funded 100% by the Water/Sewer Fund was eliminated, saving \$76,528. Regular salaries rose by a net \$11,656 or 0.7% due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. Pension Contribution decreased \$39,424, reflected the percentage change in the contribution rate. Hospitalization decreased by almost \$105,000 due a city-wide reduction in medical and prescription costs.

The Department has implemented a Water Utility Call Center to be hosted by a third-party entity, resulting in an increase of \$220,000 to Miscellaneous Charges. Since the transition from quarterly to monthly water/sewer billing, the Department has seen a sizeable increase in customer calls and inquires that at times has overwhelmed the existing City customer service employees. Collection costs for legal expenses and sheriff sales decreased by \$200,000 due to the City's fiscal response to the COVID-19 pandemic. The change to monthly billing has also increased the payments flowing through the Department's lockbox service, necessitating an increase of \$90,000 in the Lockbox Charges account. Due to an increased number of customers using a credit card for payments, credit cards fees increased by \$20,000. Computer software licenses increased by \$40,000 to provide support and maintenance for a comprehensive debt management software program.

Debt Service increased by \$28,558 per the existing debt service schedule.

### ***Department of Public Works***

In Personal Services, two split-funded General Laborer II positions (50% Water/Sewer Fund and 50% General Fund) were added to support the increased workload in the Sewer Maintenance Division. A Plant Mechanic position was deleted, replaced by Maintenance Mechanic III position. In addition, three positions – Water Production Supervisor, Water Systems Valve Technician and Assistant Water Production Supervisor – were upgraded. The net effect of all the changes was an increase of \$64,607. Regular salaries rose by \$191,023 or 3.8%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. Hospitalization costs decreased by \$228,719, due a city-wide reduction in medical and prescription costs. Repairs to Equipment was increased by \$970,500, reflecting a more aggressive electrical and mechanical preventative maintenance for pumps and valves at filter plants and pumping stations. The increase also covers solar inverter installations at the Porter Filter Plant and Turner Building. Repairs to Building and Structures increased by \$69,850 due to higher costs of maintaining structures, parking lots, sidewalks, and driveways. Repairs to Sewer Lines rose by \$100,000, reflecting the expanded maintenance program.

Consultant expenses decreased by \$68,550 due to the City's fiscal response to the COVID-19 pandemic. The Legal account was increased \$125,000 to handle the next phase in a lawsuit against the Army Corps of Engineers for unpaid stormwater fees and to cover legal fees associated with the continuing mediation with New Castle County over their unpaid sewage treatment fees.

Temporary Agencies increased \$50,000 for additional laborers to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation. Contracted Maintenance Services, which includes the contract with new vendor, Jacobs, to operate and maintain the City's wastewater treatment plant, tank painting, and hydrant testing and maintenance decreased by \$1,724,684. Agricultural and Landscaping decreased by \$50,000 due to the City's fiscal response to the COVID-19 pandemic. Chemicals needed for water treatment at Porter and Brandywine filter plants resulted in a \$50,000 increase to Bulk Chemicals. Depreciation has increased by \$165,408, reflecting the aggressive infrastructure replacement program adopted by the Department that has increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.

Debt Service increased by a net \$263,945. While existing debt service increased \$1,160,500, this was offset by the projected savings from the refinancing of older debt of \$896,555.

### **Key Major Funding Changes From the Prior Year: Internal Service Funds**

#### ***Department of Human Resources***

In the Risk Management Fund, Personal Services remained relatively flat, increasing by roughly \$1,900, or 1.0%. MS&E increased nearly \$130,000, or 3.3%. Consultants increased by \$48,500 due to an increase in the cost of the third-party administrator that processes claims. Also, total Insurance increased nearly \$83,000, or 2.2%. The increase was largely driven by Liability, up \$56,000 from FY 2020 to help increase the cyber policy coverage from \$1 million to \$5 million. Additionally, Insurance Claims for the Motor Vehicle Fund also increased, up \$40,000 from FY 2020. Property and flood insurances also increased, causing a net increase in the Fire expense line of \$29,000. These increases were somewhat offset by an \$85,000 decrease in Insurance Claims-Legal Defense.

Personal Services in the Workers' Compensation Fund increased over \$29,000, or 5.7%. This is largely due to increases in Regular Salaries (\$14,000) and Temporary Salaries (\$4,500).

MS&E in the Workers' Compensation Fund decreased \$180,000, or 15.6%. This is primarily due to the elimination of Insurance Claims-Legal Defense, which was budgeted at \$165,000 in FY 2020. These expenses, however, were moved to the Workers' Compensation - Other Costs line, which falls under Self-Insurance costs. The net effect of transferring these costs from MS&E to Self-Insurance is zero. The Workers' Compensation Fund's Self-Insurance costs increased \$389,000, or 12.7%. In addition to Insurance Claims - Legal Defense being moved into the Workers' Compensation Other Costs line, Medical Costs increased \$100,000 due to the actuarial study.

Personal Services in the Health & Welfare fund decreased nearly \$23,000, or 5.3%. This was largely due to decreases in Temporary Salaries and Pension Contribution, which are down \$10,000 and \$22,000, respectively. MS&E increased \$20,000 or 6.5%, solely due to an increase in Consultants. These additional funds will be used for the implementation and licensing of Winston Software, an application to be used for benefits administration and management. Self-Insurance costs decreased roughly \$2.1 million, or 9.6%, to an FY 2021 total of \$20.1 million. Among the main contributors to this decrease was medical costs, which decreased \$1.1 million to \$13.4 million; prescription costs, which decreased \$1.1 million to \$2.9 million; and medical stop loss, down \$256,000 to \$1.3 million. The City is moving to a fully-insured dental plan, causing dental costs to decrease nearly \$74,000. However, moving to the fully-insured plan

requires a dental administrative fee, which will cost \$66,000. Additionally, the City recently added a vision benefit, which will cost \$112,500 in FY 2021. Furthermore, the Health & Welfare Fund is now budgeting \$150,000 for a Health Reimbursement Arrangement (HRA).

## **Economic Development Activity**

### ***Employment***

The unprecedented COVID-19 crisis has plunged the economic outlook of the City into uncertainty, threatening the financial stability of Wilmington residents and businesses. Although it is too soon to predict the full effect that COVID-19 will have on the City's economy, Wilmington is fortunate to begin on a strong foundation.

Prior to the coronavirus outbreak in Delaware, employment was steady. As reported by the Delaware Department of Labor, the total number of jobs in calendar year 2019 within City limits remained level at approximately 50,000. This figure represents the total number of jobs located within the City, regardless of residency. The number of jobs within City limits has averaged close to 50,000 since 2008. Additionally, in calendar year 2019, the number of employed Wilmington residents was 32,560 (out of a population of about 70,000), its highest point since the mid-2000's. The unemployment rate for City residents at the end of 2019 was 5.1%, trending down from a rolling average of 5.3% in 2018 and 6.4% and 6.7% in 2017 and 2016, respectively. This paralleled the national trend and was consistent with the historical gap of about 2.5 percentage points greater than the State of Delaware unemployment rate of approximately 3.3%. Unfortunately, unemployment numbers for the first half of calendar year 2020 show the significant impact from COVID-19 on employment in Wilmington. The unemployment rate for City residents increased from 5.9% in January 2020 to 19.9% in May 2020.

To help mitigate the effects of the economic downturn, the Office of Economic Development has been working to assist small businesses with Economic Injury Disaster Loans (EIDL), Paycheck Protection Program (PPP) loans, and the State of Delaware's "HELP Program" for the hospitality sector

While the long-term impacts of COVID on the City's financial services, legal, and government sectors are currently unknown, no major layoffs have been announced as of June 2020. Barclay's Bank's decision to "onshore" 300 customer service jobs to the City that had been previously scheduled for a foreign location is perhaps a sign of future opportunity for a post-COVID Wilmington.

Through the Strategic Fund Incentive Program, the Office of Economic Development tracks employment figures across 43 companies of varying sizes and types. The wage taxes collected from this "index" of 43 companies has remained steady at \$11 million since 2017. 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 \$15 million in incentive payments to businesses, yielding approximately \$102.5 million in Wage Taxes to the City's General Fund. A \$1.25 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 2021 Annual Operating Budget Ordinance. Of that amount, \$250,000 is set aside for Small & Minority Business Development. Land Acquisition and Infrastructure capital projects will receive an infusion of \$3 million in FY 2021 from an anticipated bond issuance. These funds can be utilized to incentivize investments in land and infrastructure projects within the City of Wilmington.

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. In 2019, Delaware has remained steady with nearly 48,000 jobs in the broad financial activities sector, with about 37,000 jobs in core financial services industries. Accordingly, Wilmington has a deep pool of existing financial services and technology talent. Nearly one-fourth of the almost 50,000 total 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. This concentration of financial services and technology jobs in the City of Wilmington is represented by a Location Quotient of 5.5, which means that the concentration of financial services and technology jobs in Wilmington is 5.5 times the national average.

Wilmington also has a strong pipeline of new financial services and technology talent coming from local colleges and universities, as the roughly 6,000 related degrees awarded in 2018 within a 45-minute drive of Wilmington remained steady in 2019. The Wilmington corporate banking community remains strong in Wilmington, with national brands like Bank of America, Capital One, JP Morgan Chase, Citi, Navient, and TD Bank having a strong presence in the City. Growth in the sector also includes local corporations such as Fairsquare, College Ave, Acorn, Epic Research, Compass Red Analytics, Bounteous, and Carvertise.

Additional business development highlights include:

- Barclays announced in June 2020 the addition of 300 call center jobs along with 23 managerial positions.
- Amtrak purchased the eight-story Renaissance Centre in May 2020 with plans to hire 200 employees. Farmers of Salem, a 169-year-old New Jersey insurance company, is moving to Wilmington in 2021 and bringing 52 jobs to the City.
- Corporation Service Company purchased the five-story PA Railroad office building in January 2020 with multi-million-dollar renovations scheduled to be completed in Fall 2020.
- Carvertise, an innovative advertising company headquartered in Wilmington, announced in December 2019 plans to hire 50 people in Delaware.
- Light Action Productions plans to develop a \$30 million-dollar company headquarters in Wilmington with the intention of hiring 60 workers.
- Challenge Program expanded operations within the Christina Marina resulting in an additional 20 jobs.

The City was fortunate that construction services were considered “essential” by the State of Delaware, which allowed for approximately \$400 million dollars of private development activity to continue in the spring and summer of FY 2020, despite a statewide shutdown due to COVID-19. Investment in the multifamily 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. In total, there are 16 housing projects in development, accounting for 1,477 new units in the Downtown, Riverfront, and West Side areas.

Multifamily development highlights include:

- Reybold Venture Group plans to develop 240 market-rate apartment units over two phases on a site located at 700 Maryland Ave.
- Solomon’s Court received funding from JPMorgan Chase's Partnerships for Raising Opportunity in Neighborhoods, which will result in six housing units and 600 square feet of commercial space during Phase I and 14 housing using and additional commercial space in Phase II.

- The Cooper Building, a four-story, 92-unit building at 2nd and Market Streets, has broken ground and is scheduled to start construction in Fall 2020.
- A new seven-story, 208-unit building at 5th and Shipley streets is scheduled to start construction in Fall 2020.
- Conversion of the 901 Market Street office building into 60 new market-rate units will start in Fall 2020. The Nemours Building Residential Extension, which converted office space at 10th and Orange Street into 160 new units, begins leasing in Summer 2020.
- Bancroft Mills, a \$70 million residential development on the south bank of the Brandywine River near Rockford Park, is scheduled to be completed in Summer 2020.
- Development of the Reach Riverside development, Wilmington's first purpose-built community, providing a mix of commercial, retail and residential assets in the Riverside community has entered Phase I of its development plan.
- The \$40 million Galleria at 2000 Pennsylvania Avenue, a mixed-use retail/residential development under construction by the Tsionas Development Corporation near the intersection of Union Street and Pennsylvania Avenue, is scheduled for delivery in Summer 2020.

New construction and investment continued on the west side of the Riverfront with the expansion of the Madison and Justison Streets road grid and the creation of a new three-acre development parcel approved for four-story mixed-use development. The new \$50 million bridge connecting the east and west riverfront areas opened in June 2020, which will advance the South Wilmington Master Plan. The State of Delaware has authorized \$60 million dollars of transportation funding for the creation of a new road grid and eight new city blocks on the east side of the Riverfront.

Development highlights on the Riverfront include:

- The Southeast Wilmington Wetlands Park is set to open in the Fall of 2020, providing much needed stormwater and environmental protections to the community of Southbridge. The park will also allow for the for the expansion of the Southeast Wilmington Riverfront.
- Hyatt Place Wilmington officially opened in Fall 2019 with 114 guestrooms, 5,200 square feet of meeting space, and over 6,000 square feet of patio space on the Riverfront.
- Homewood Suites by Hilton opened in Fall 2019 with 120 guestrooms, 475-square-foot meeting rooms, and fully equipped kitchens and dining areas within each suite.
- The River House, a new 145-unit apartment project, is under construction for delivery in late 2022.

### **Relevant Financial Policies**

The City of Wilmington balanced the budgets and practiced prudent financial planning in order to provide and maintain the quality of life that our residents expect for their tax dollars.

- The City Code requires the operating budget to be "balanced" or operating expenditures must be equal to revenues plus prior years' accumulated surplus.
- Wilmington's financial position shall be managed conservatively.
- A target of 80% or more of the General Fund or operating budget should represent direct essential services to the citizens such as Police, Fire, Public Works, Parks & Recreation and L & I.
- Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in related cost indices such the Consumer Price Index (CPI) or Producer Price Index (PPI). Cost containment should be achieved without elimination of services or programs. New programs should be implemented only through cost savings from existing programs. Innovation and new technology must be utilized to achieve the most cost-effective service delivery.
- Revenue generation will be derived from various sources with the primary focus on economic development activities. The broadening of the tax base rather than increases to tax rates is the

objective; however, real estate tax rates and various user charges should be periodically adjusted to account for inflation. Collection and enforcement are vital components to our revenue generation program. All taxes, fees, and user charges shall have a collection rate of 95% or greater.

- All components of Wilmington's infrastructure, including roads, water/wastewater transmission lines, water and sewer treatment plants, traffic signals, parks, public property, bridges, street lighting, reservoirs and other capital assets shall be reviewed quarterly and planned maintenance or replacement shall be approved by the Planning Commission and included in the City's Capital Budget and Program. Unexpended funds from previous Capital Budgets shall be reviewed quarterly to determine whether a former project has been temporarily delayed, altered or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount of new borrowing.
- Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law.
- The City shall make maximum use of private resources. This includes the leveraging of non-public resources through public/private partnerships, as well as the privatization of services when those services can be provided more effectively, and at a reduced cost through the private sector.

## **Major Initiatives**

We can be thankful that over the past few years we have laid a strong foundation to help us weather the worsening financial storm. Our total General Fund balance has increased in the last three fiscal years from \$33.9 million to \$47.9 million, a healthy 28.6% of our annual General Fund revenue. And we have a budget reserve account of over \$16.7 million and other unassigned cash of over \$7.9 million.

Our capital project programming restored the William Hicks Anderson Community Center, Rodney Square, Eden Park, and many of our neighborhood parks. We funded a complete overhaul of one of our firehouses and have made long overdue lobby improvements to the Louis L. Redding City/County Building. Our agreement with Salesianum School has resulted in a \$24 million rebuilding of the old Baynard Stadium, allowing more public access to the stadium than ever before. Working with DelDOT, our transportation infrastructure is being improved, and the new Transit Center across from the Biden Amtrak train station is now open. Finally, the \$20 million Southbridge wetlands park is well under construction.

The private sector has made enormous investments in the City in recent years totaling hundreds of millions of dollars. The Downtown is unrecognizable from what it once was. There are over 1,000 apartments completed, planned, or under construction. The seven-mile Markell trail was completed from the Riverfront to historic Old New Castle. The \$50 million bridge and road project built across the Christina River will lead directly into the new 76ers Fieldhouse. And construction continues on the Pine Box, a 150,000 square foot sound stage being built on the 7th Street Peninsula.

In the northeast, Reach Riverside and the Wilmington Housing Authority are together moving ahead on 600 residential units in the Riverside Community. The Warehouse, a teen center built to nurture our young people, has been opened. The Flats continues its ambitious and transformative residential construction project on the City's west side.



Before the pandemic, the Riverfront was thriving, as were the City's three new hotels and the many new restaurants that opened in recent years across the City. While the COVID-19 crisis is bringing devastating financial consequences, we believe the Riverfront and these new businesses are strongly positioned to thrive once again when the crisis has lessened.

Crime has been reduced under the leadership of Police Chief Robert Tracy. Total Part I crime has continued to fall year-over-year since 2017, with homicides in 2019 down 34% from 2017. Our police department is functioning at a very high level in every way, including having the highest levels of community engagement and the best clearance rates in a decade. To help strengthen the positive bond between the people and their police department, we are partnering with the State of Delaware on Group Violence Intervention to give former offenders unprecedented healthy life choices.

We continue to make significant investments in our parks, water sewer and street infrastructure, with over \$77.8 million passed as part of our capital improvement program in FY 2020. 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. In addition, we have paved over 16 miles of roadway in anticipation of heavier traffic demands anticipated by the Interstate 95 rehabilitation project. The City borrowed \$88.0 million November 2021 for bond refinancing and new projects appropriated in FY 2016 and FY 2018. Our next capital borrowing will occur in FY 2022.

Thanks to our clean teams, typically comprising members of the community being served, the streets and our neighborhoods are cleaner than at any time in recent memory. We are hopeful that we can continue to expand this most important service. We have an agreement with Delmarva Power to install LED smart lighting throughout the entire City over this next year, as we did earlier this year in West Center City, making all of our neighborhoods brighter and safer. We are also performing rental inspections on a regular basis for the first time in a decade - 1,700 this past year, thanks to our outstanding Licenses and Inspections personnel.

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

- 311 Customer Service System. The City adopted a 311 central telephone number for residents and businesses to request a city service like special trash pickup, to ask about a parks and recreation program, to pay a bill over the phone, or to tell us about something that needs immediate attention such as a pothole or a traffic signal malfunction. This complements our Customer Service Center telephone support, which has reduced telephone wait times and abandoned calls dramatically. We have also installed a Customer Relationship Management (CRM) system that allows us to track customer requests so that we can address them in a timely way to completion.
- Likewise, the Mayor's Office continues to monitor how well city departments are operating and serving the citizens through the data driven CompStat and CitiStat programs. Data helps inform the Mayor and his Department Directors about how to improve employee performance and thus our responsiveness to residents' requests and services we provide. Government managers are held strictly accountable for their departmental data and are expected to keep their operations on an upward trend.
- OpenGov is Wilmington's transparency and accountability portal, which is offered to the public on a continually updated basis to ensure that the details of the government are available for all to

review. OpenGov was launched in 2019 and enables anyone to read or download information from the City's website ([www.WilmingtonDE.gov](http://www.WilmingtonDE.gov)), such as general fund and water/sewer fund budgets, the cost of city services, laws, policies, and capital projects. We will continue to add more information to the site throughout 2021.

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. Wilmington'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. Wilmington 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 looks bright regardless of the many challenges ahead.

## **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 ended June 30, 2019. This was the 31 consecutive year that the City of Wilmington has received this prestigious award. In order 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, 2019. In order to qualify for the Distinguished Budget Presentation Award, the government's budget documentation was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications medium. In order 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.

## **Acknowledgements**

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  
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Delaware**

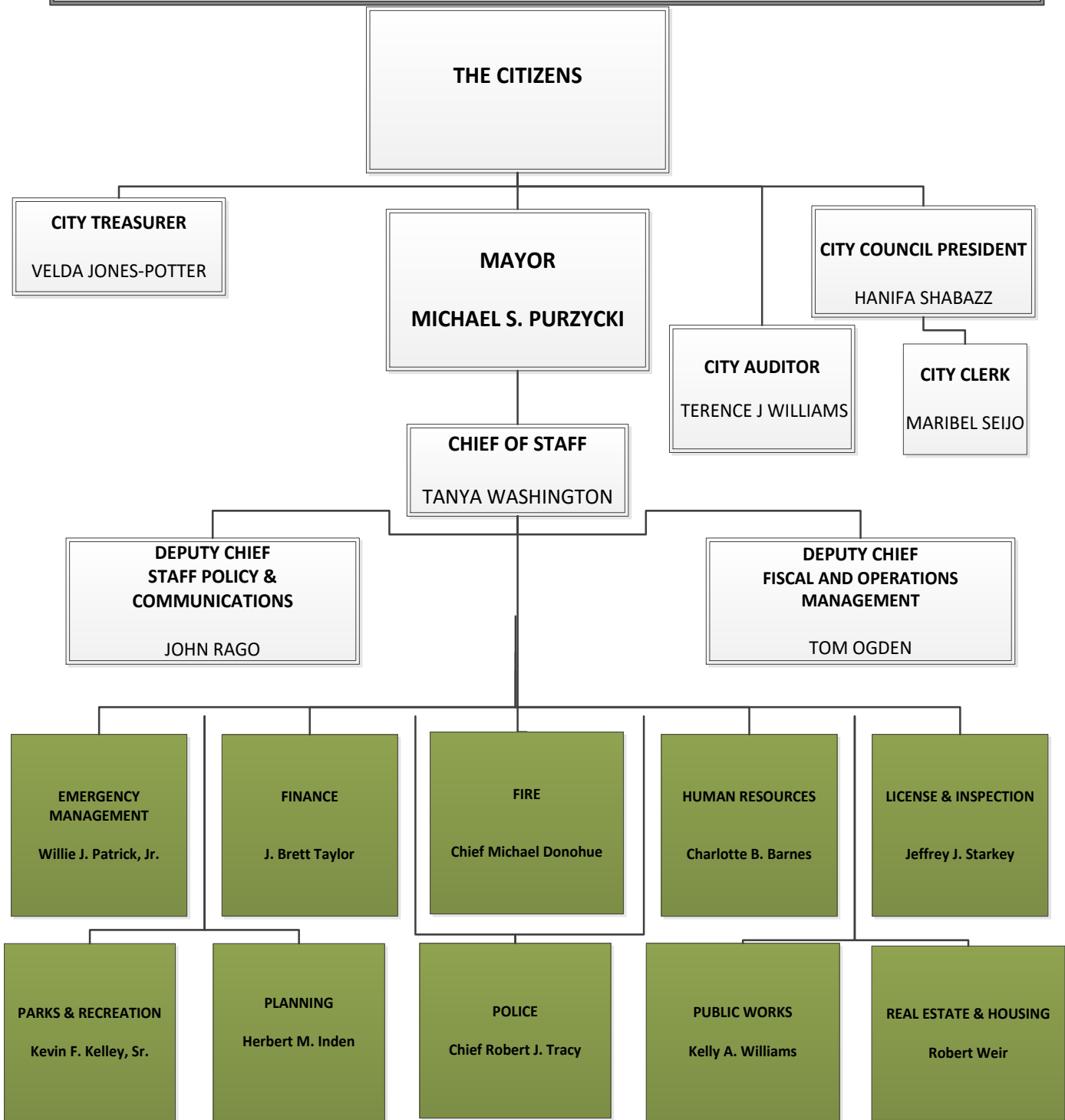
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# CITY OF WILMINGTON ORGANIZATION CHART



**City of Wilmington  
Listing of Principal  
Officials June 30, 2020**

**Executive**

Mayor  
City Treasurer

**Michael S. Purzycki**  
Velda Jones – Potter, MBA

**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

Hanifa Shabazz  
Linda M. Gray  
Ernest Congo, II  
Zanthia Oliver  
Michelle Harlee  
Vashun Turner  
Yolanda McCoy  
Christofer Johnson  
Charles M. Freel  
Rysheena Dixon  
Samuel Guy  
Loretta Walsh  
Ciro Adams

**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  
Police  
Policy & Communications  
Public Works  
Real Estate and Housing

Tanya Washington  
  
Robert M. Goff, Jr.  
Terence J. Williams  
Maribel Seijo  
Jeff Flynn  
Willie J. Patrick, Jr.  
J. Brett Taylor  
Michael Donohue  
Charlotte B. Barnes  
Jeffrey J. Starkey  
Kevin F. Kelley, Sr.  
Herb M. Inden  
Robert J. Tracy  
John Rago  
Kelly A. Williams  
Robert L. Weir

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 107<sup>th</sup> Session of the City Council.



**Hanifa G.N. Shabazz**  
City Council President



**Linda M. Gray**  
1<sup>st</sup> District



**Ernest "Trippi" Congo II**  
2<sup>nd</sup> District



**Zanthia Oliver**  
3<sup>rd</sup> District



**Michelle Harlee**  
4<sup>th</sup> District



**Va'Shun "Vash" Turner**  
5<sup>th</sup> District



**Yolanda McCoy**  
6<sup>th</sup> District



**Christofer Johnson**  
7<sup>th</sup> District



**Charles M. "Bud" Freel**  
8<sup>th</sup> District



**Rysheema Dixon**  
At-Large



**Samuel Guy, Esq.**  
At-Large



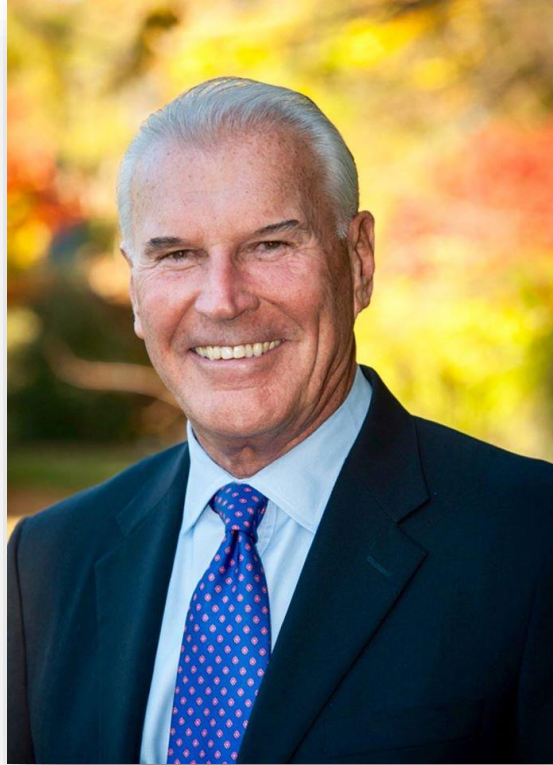
**Loretta Walsh**  
At-Large



**Ciro Adams**  
At-Large

**City Of Wilmington**  
Delaware

**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2020**



**Michael S. Purzycki**  
**Mayor**

Prepared by:  
**Office of the Director of Finance**

**J. Brett Taylor**  
Director of Finance

**Accounting Office**

Leonila Byrd  
Knisha Clark  
Debra Gibbs  
Cornelia Henry  
\*Accounting Manager

Ebony Jackson  
Brenda Miller  
Ampofo Offei- Ansah  
Roseanne Prado\*

Herbert Sheldon  
Lakeisha Thomas  
Mariclaire Varrasse  
Shayne Williams





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***Independent Auditor's Report***

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

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following discretely presented component units: Christina Gateway Corporation, Wilmington Parking Authority, Rock Manor Golf Corporation, Wilmington UDAG Corporation and Riverfront Wilmington Business Improvement District, which represent 96.6%, 97.8%, and 77.6%, respectively, of 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 31.8%, 89.0%, and 3.1%, respectively, of 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, Rock Manor Golf Corporation, 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. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

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

relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 of Wilmington, Delaware, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and Schedules 1 through 6 on pages 103 through 121 be presented to supplement the basic financial statements. Such information, 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.

#### **Other 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 introductory section, combining and individual fund financial statements and schedules (as listed in the table of contents), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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, the procedures performed as described above, 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 taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 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.*

February 26, 2021  
Wilmington, Delaware

## **CITY OF WILMINGTON, DELAWARE**

### **Management's Discussion and Analysis**

**June 30, 2020**

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, 2020. 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 \$182,724,184 (net position), an increase of \$23,204,377 from the previous year. The net position of governmental activities increased by \$18,054,338 from the prior year, while the net position from business activities increased by \$5,150,039.
- Discretely presented component units reported net position of \$56,399,236, an increase of \$794,163 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 \$54,660,127, a decrease of \$4,650,616 from the previous year. The Fund Balance reported is: Non-spendable Fund Balance of \$3,804,248; Restricted Fund Balance of \$9,311,075; Committed Fund Balance of \$46,779,607 and Unassigned Fund Balance of (\$5,234,803). (See page 20 for a detailed breakdown).
- The General Fund had a combined fund balance of \$47,945,198 consisting of \$2,869,385 of non-spendable fund balance and \$45,075,813 of committed fund balance.
- The Capital Projects Fund had a restricted fund balance in the amount of \$845,005 to fund current and future City capital improvements.
- The Total Non-Major Funds have a combined fund balance of \$9,056,318 consisting \$934,863 of non-spendable, \$8,466,070, committed \$1,703,794 and (\$2,048,409) unassigned.

##### **Long-Term Debt**

- The City's total net general obligation debt decreased to \$295,940,402 at June 30, 2020, a decrease of \$10,023,732. Water and sewer projects had a net decrease in debt of \$8,715,927 and governmental capital projects had a net decrease in debt of \$1,307,805.

#### **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 18) 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 19) 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 20 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 21) and the Statement of Activities (page 23). 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, 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, workers' compensation and risk management. Effective July 1, 2019, the City eliminated internal service funds for: data processing services, word processing services, mail service, mapping and graphics, and duplication & reproduction. These services and their assets, liabilities and net positions were merged into the newly-created, Department of Information Technologies in the General Fund.
- *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 32 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 36 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 103.

**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 123.

**Statistical Section.** The City provides certain unaudited informational and statistical schedules that begin on page 145.

### **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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$112,084,892	\$114,523,611	\$57,980,565	\$89,617,347	\$170,065,457	\$204,140,958
Capital assets(net)	210,652,905	198,493,703	350,562,451	313,942,895	561,215,356	\$512,436,598
<b>Total Assets</b>	<b>\$322,737,797</b>	<b>313,017,314</b>	<b>408,543,016</b>	<b>403,560,242</b>	<b>731,280,813</b>	<b>716,577,556</b>
Deferred outflows of resources	24,351,103	24,390,361	3,412,335	3,636,330	27,763,438	28,026,691
Long-term liabilities	314,428,061	296,898,685	205,616,649	201,430,557	520,044,710	\$498,329,242
Other Liabilities	22,146,982	43,383,082	27,894,077	31,998,796	50,041,059	\$75,381,878
<b>Total Liabilities</b>	<b>336,575,043</b>	<b>340,281,767</b>	<b>233,510,726</b>	<b>233,429,353</b>	<b>570,085,769</b>	<b>\$573,711,120</b>
Deferred inflows of resources	6,056,426	10,722,816	370,754	650,504	6,427,180	\$11,373,320
<b>Net Position</b>						
Net Investment in Capital Assets	100,713,342	92,711,517	141,559,269	131,329,111	242,272,611	224,040,628
Restricted	10,079,262	8,984,278	35,649,991	39,571,786	45,729,253	48,556,064
Unrestricted	(106,335,174)	(115,292,703)	1,057,494	2,215,818	(105,277,680)	(113,076,885)
<b>Total Net Position</b>	<b>\$4,457,430</b>	<b>(\$13,596,908)</b>	<b>\$178,266,754</b>	<b>\$173,116,715</b>	<b>\$182,724,184</b>	<b>\$159,519,807</b>

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, \$242,272,611. 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 \$10,079,262 and \$35,649,991 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 \$182,724,184.

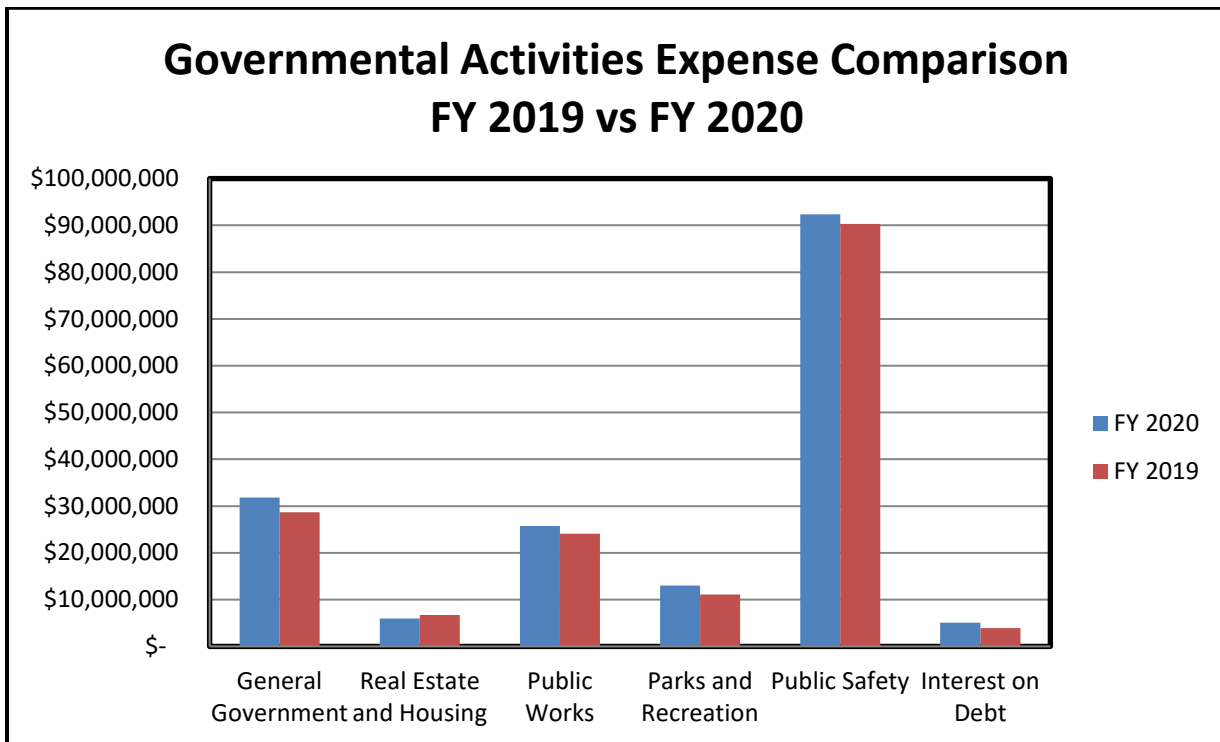
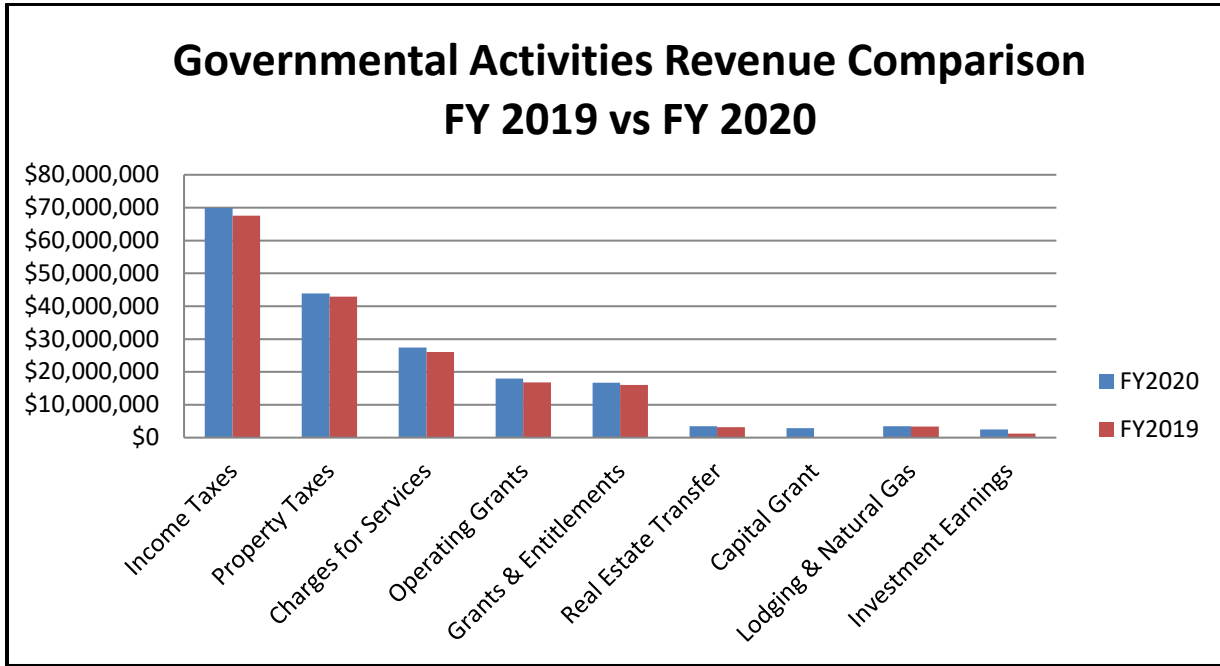
**Changes in Net Position.** A schedule of a comparison of year-to-year changes in activity is on the following page. The combined net position of the City increased by \$23,204,377, over the course of this year's operations. The net position of governmental activities increased \$18,054,338 and the net position of business-type activities increased by \$5,150,039.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 29,289,693	\$ 27,387,922	\$ 79,971,543	\$ 84,633,077	\$ 109,261,236	\$ 112,020,999
Operating Grants & Contributions	26,658,603	18,001,181	-	-	26,658,603	18,001,181
Capital Grants & Contributions	5,546,307	2,872,181	6,592,609	1,320,726	12,138,916	4,192,907
General Revenues:						
Total Taxes	118,142,555	120,782,234	-	-	118,142,555	120,782,234
Investment Earnings	735,622	2,499,919	1,683	-	737,305	2,499,919
Other Revenues	17,018,632	16,676,378	-	110,000	17,018,632	16,786,378
Extraordinary Item:						
Loan Forgiveness	2,845,684	-	-	-	2,845,684	-
<b>Total Revenues</b>	<u>200,237,096</u>	<u>188,219,815</u>	<u>86,565,835</u>	<u>86,063,803</u>	<u>286,802,931</u>	<u>274,283,618</u>
<b>EXPENSES</b>						
General Government	43,376,298	31,837,983	-	-	43,376,298	31,837,983
Real Estate and Housing	7,577,533	5,934,884	-	-	7,577,533	5,934,884
Public Works	24,813,642	25,703,685	-	-	24,813,642	25,703,685
Parks and Recreation	11,898,388	13,040,301	-	-	11,898,388	13,040,301
Public Safety	91,077,683	92,335,897	-	-	91,077,683	92,335,897
Interest on Long Term Debt	3,439,214	5,096,566	5,748,801	5,028,632	9,188,015	10,125,198
Business Type Activities	-	-	75,666,995	70,313,823	75,666,995	70,313,823
<b>Total Expenses</b>	<u>182,182,758</u>	<u>173,949,316</u>	<u>81,415,796</u>	<u>75,342,455</u>	<u>263,598,554</u>	<u>249,291,771</u>
<b>Change in Net Position</b>	<u>18,054,338</u>	<u>14,270,499</u>	<u>5,150,039</u>	<u>10,721,348</u>	<u>23,204,377</u>	<u>24,991,847</u>
<b>Net Position - Beginning</b>	<u>(13,596,908)</u>	<u>(25,992,149)</u>	<u>173,116,715</u>	<u>162,395,367</u>	<u>159,519,807</u>	<u>136,403,218</u>
<b>Prior Period Adjustment</b>	<u>-</u>	<u>(1,875,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,875,258)</u>
<b>Net Position - Ending</b>	<u>\$ 4,457,430</u>	<u>\$ (13,596,908)</u>	<u>\$ 178,266,754</u>	<u>\$ 173,116,715</u>	<u>\$ 182,724,184</u>	<u>\$ 159,519,807</u>

### Governmental Activities

Revenues of governmental activities for fiscal year 2020 increased from 2019 by \$12,017,281. This net increase reflects an increase in charges for services of \$1,901,771 and a decrease in general revenues of \$4,061,722. Operating grants increased by \$8,684,422 and capital grants increased by \$2,674,126. The fiscal year revenue increase also includes \$2,845,684 of loan forgiveness received by the Wilmington Housing Partnership (a blended component unit). The charges for services revenue, which reimburse the City for specific activities, is the second largest source of governmental activity revenue at 14.8%. The key revenue elements are discussed later in the fund statement comparisons. Expenses of governmental activities for fiscal year 2020 increased by \$8,233,442 compared to 2019. 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 2020 as compared to fiscal year 2019.





**Business-type Activities**

Net position of business-type activities increased by \$5,150,039 for the current fiscal year primarily as a result of increased capital grants and contributions. Detail explanations of the variances are contained in the financial analysis of the City's Funds - Proprietary Funds section on page 13.

**Financial Analysis of the City's Funds**

As the City completed the fiscal year, its governmental funds reported fund balances of \$54,660,127. Of the current ending fund balance, the following categories are recorded, and primary uses noted in accordance with GASB 54:

- \$3,804,248 is recorded as Non-Spendable due to a \$2,869,385 advance to the Motor Vehicle Fund by the General Fund and \$934,863 in the Wilmington Park Trust Fund Commissions.
- \$9,311,075 is recorded as Restricted; \$166,676 for capital projects, \$4,270,394 for park operations, \$4,874,005 for Other Purposes.
- \$46,779,607 is recorded as Committed; \$16,350,105 for the Budget Reserve Account, \$528,344 for Economic Development, \$28,725,708 for the Tax Stabilization Reserve and \$1,175,450 for Other Purposes; (\$5,234,803) 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, 2020, the fund balance composition included:

- \$2,869,385 is recorded as non-spendable due to an advance to the Motor Vehicle Fund.
- \$16,350,105 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.
- \$28,725,708 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 2020 compared to budget and fiscal year 2019.

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

	<u>2019</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Final</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>						
Taxes:						
Property	\$42,747,587	\$ 43,698,151	\$ 950,564	\$ 42,915,724	\$ 43,698,151	\$ 782,427
Wage	61,686,959	58,325,963	(3,360,996)	63,961,600	58,325,963	(5,635,637)
Net Profit	6,746,611	7,311,221	564,610	6,500,000	7,311,221	811,221
Franchise	899,562	764,123	(135,439)	919,113	764,123	(154,990)
Real Estate Transfer	3,508,035	5,918,475	2,410,440	2,730,178	5,918,475	3,188,297
Head	3,764,224	3,532,970	(231,254)	3,874,000	3,532,970	(341,030)
Lodging & Natural Gas	1,425,278	1,184,616	(240,662)	1,309,433	1,184,616	(124,817)
Intergovernmental	21,957,744	24,771,912	2,814,168	22,919,788	24,771,912	1,852,124
Licenses and Permits	5,108,362	5,925,045	816,683	5,454,190	5,925,045	470,855
Fines and Forfeitures	6,553,856	5,129,680	(1,424,176)	8,742,000	5,129,680	(3,612,320)
Charges for Services	8,223,110	9,335,441	1,112,331	9,588,027	9,335,441	(252,586)
Investment Earnings	1,947,184	1,301,143	(646,041)	1,031,000	1,301,143	270,143
<b>Total Revenues</b>	<u>164,568,512</u>	<u>167,198,740</u>	<u>2,630,228</u>	<u>169,945,053</u>	<u>167,198,740</u>	<u>(2,746,313)</u>
<b>Expenditures:</b>						
General Governmental Services:						
Mayor's Office	10,366,300	10,407,371	(41,071)	10,485,703	10,407,371	78,332
City Council	2,093,767	1,785,400	308,367	2,098,122	1,785,400	312,722
Audit	860,877	807,407	53,470	833,235	807,407	25,828
Law	2,828,029	2,571,510	256,519	2,683,108	2,571,510	111,598
Finance	9,544,212	9,392,066	152,146	9,842,246	9,392,066	450,180
Human Resources	2,137,850	1,589,163	548,687	2,354,983	1,589,163	765,820
Treasurer	572,683	465,306	107,377	463,226	465,306	(2,080)
Planning	1,865,070	1,528,478	336,592	1,590,955	1,528,478	62,477
Information Technologies	-	7,929,242	(7,929,242)	8,589,654	7,929,242	660,412
Real Estate and Housing	3,430,330	2,188,405	1,241,925	1,839,053	2,188,405	(349,352)
Public Works	24,627,852	24,596,157	31,695	26,472,690	24,596,157	1,876,533
Parks and Recreation	8,999,087	8,835,996	163,091	9,159,468	8,835,996	323,472
Public Safety:						
Licenses and Inspection	5,398,787	5,227,599	171,188	5,560,768	5,227,599	333,169
Fire	25,918,779	27,018,666	(1,099,887)	26,152,440	27,018,666	(866,226)
Police	59,499,529	59,443,483	56,046	59,867,877	59,443,483	424,394
<b>Total Expenditures</b>	<u>158,143,152</u>	<u>163,786,249</u>	<u>(5,643,097)</u>	<u>167,993,528</u>	<u>163,786,249</u>	<u>\$4,207,279</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>6,425,360</u>	<u>3,412,491</u>	<u>(3,012,869)</u>	<u>1,951,525</u>	<u>3,412,491</u>	<u>1,460,966</u>
<b>Other Financing Sources (Uses)</b>						
Bond Anticipation Note Issued	6,585,945	3,400,000	(3,185,945)	-	3,400,000	3,400,000
Bond Premiums	204,473	-	(204,473)	-	-	-
Bank Line of Credit Repayment	-	(3,378,370)	(3,378,370)	-	(3,378,370)	(3,378,370)
Bond Payments to Escrow Agent	(6,596,250)	-	6,596,250	-	-	-
Bond Issuance Costs	(96,891)	(9,020)	87,871	-	(9,020)	(9,020)
Internal Service Fund Integration (Note 19)	-	(2,076,719)	(2,076,719)	-	(2,076,719)	(2,076,719)
<b>Total Other Financing Sources (Uses)</b>	<u>97,277</u>	<u>(2,064,109)</u>	<u>-</u>	<u>-</u>	<u>(2,064,109)</u>	<u>(2,064,109)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 6,522,637</u>	<u>\$ 1,348,382</u>	<u>\$ (5,174,255)</u>	<u>\$ 1,951,525</u>	<u>\$ 1,348,382</u>	<u>\$ (603,143)</u>

The revenues for fiscal year 2020 increased \$2,630,228 compared to the prior fiscal year. Primary factors in these results are:

- Property Taxes increased by \$950,564, no additional tax increase had been assessed in FY2020.
- Wage Taxes decreased by \$3,360,996, while Net Profit Taxes increased by a modest \$564,610.
- Real Estate Transfer Taxes increased by \$2,410,440 while activity remained high the value of commercial properties sold increased as compared to FY2019.
- 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 decreased by \$1,424,176 primarily due to the ceasing of ticketing for on-street parking citation due to COVID related restraints impacting revenues.
- Charges for Services increased by \$1,112,331, due mainly to an increase in indirect costs charged.
- Investment earnings decreased by \$646,042, due to smaller balances of investible funds on hand during fiscal year 2020.

The current year's expenditures increased by \$5,643,097 as compared to fiscal year 2019 spending levels.

- Mayor's Office expenditures increased by \$41,071, primarily due to an increase in Personal Services.
- Real Estate & Housing expenditures decreased by \$1,241,925, primarily due to decrease of \$1,304,370 in Material Supplies and Equipment and the removal of one-time support of the Wilmington Housing Partnership Corporation that occurred in 2019.
- Public Works expenditures, which represented 15% of the City's General Fund expenditures, decreased by \$31,695.
- Parks and Recreation expenditures, which represented 5% of the City's General Fund expenditures, decreased by \$163,091, primarily due to a decrease of \$340,295 in Materials, Supplies and Equipment with offsetting increases of \$110,079 and \$67,125 in Debt Service and Personal Services respectively.
- Fire expenditures, which represented 17% of the City's General Fund expenditures increased by \$1,099,887, primarily due to an increase in Personal Services of \$1,575,783 and offset by a decrease in Materials, Supplies and Equipment of \$650,138.
- Information Technologies expenditures increased by \$7,929,242, due to incorporation of services previously accounted for in the following Internal Service Funds: Data Processing, Document Management, Mail Service, Duplication and Reproduction, Mapping and Graphics, and Communications.

**Other Major Funds – Comparison to Prior Year**

The fund balance of (\$2,341,389) for the Capital Projects Fund was \$8,111,965 less than fiscal year 2019 due to an increase in capital outlays.

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

The operation of the Business-type activities increased the City's net position by \$5,150,039 in fiscal year 2020.

- Direct User Charges for water, sewer, and storm water decreased by \$325,182.
- New Castle County sewer charges decreased by \$889,889.
- Capital Grant and Contribution revenue increased from \$853,714 in 2019 to \$6,592,609 in 2020.
- Other Income decreased by \$5,649,203 mainly for fines and penalties due to a decrease in collection enforcement due to pandemic response.

Compared to fiscal year 2019 results, total expenses increased by \$6,072,356 or 8.1%. This was driven in part by an increase of \$4,335,324 in materials, supplies and contractual services.

**General Fund Budgetary Highlights**

The City adopted the fiscal year 2020 budget on May 21, 2019 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 \$169,945,053 of revenues, an increase of \$7,619,805 or 4.7% over 2019 and \$167,993,528 of expenditures – up \$4,679,539 or 2.9% from FY 2019.

- Property Taxes were \$782,427 above expectations due to increased development in the housing market.
- Wage Tax revenues, representing 34.9% of General Fund revenues, were under budget by \$5,635,637, (8.9%) due to the impact of COVID-19.
- Net Profit Tax revenues, representing 4% of General Fund revenues were over budget by \$811,221, due to stronger earnings from partnership and LLC members.
- Real Estate Transfer Taxes were over budget by \$3,188,297 primarily due to continued growth in the commercial market.
- Fines and Forfeitures were under budget by \$3,612,320 primarily due to the reduction of parking ticket revenues in response to COVID-19.
- Intergovernmental Revenues were over budget by \$1,852,124 due to reimbursements of CARES Act eligible expenditures.

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- Investment earnings were over the budget by \$270,143 due to more funds invested because capital projects were not expended as quickly as anticipated by the FY 2020 budget.
- Mayor's Office expenditures were under budget by \$78,332, primarily due to a decrease in Materials, Supplies and Equipment.
- Finance expenditures were under budget by \$450,180, due to a decrease in Personal Services and Material Supplies and Equipment.
- Public Works expenditures were under budget by \$1,876,533 attributable to a decrease in salaries and benefits for vacant positions.
- Real Estate and Housing expenditures were over budget by \$349,352 attributable to an increase in Material Supplies and Equipment.
- Fire expenditures were over budget by \$866,226 due to increases in personal services costs attributable to increases in Personal Services and one-time Material Supplies and Equipment expenses.
- Police expenditures were under budget by \$424,394 due to lower healthcare and overtime costs.

### **Capital Assets and Debt Administration**

**Capital Assets.** As of June 30, 2020, the City had invested \$561,173,056, net of accumulated depreciation, in a broad range of capital assets. The table on the following page presents fiscal year 2020 asset balances compared to fiscal year 2019 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 increased \$3.9 million due to the purchase of vehicles and equipment.
- Parks and Recreation Facilities increased by \$548,964 due to renovations of various City parks and facilities.
- Streets and Signals increased by \$638,633 as the City completes necessary renewals of infrastructure.
- Buildings and Improvements increased by \$5.7 million primarily due to improvements to various city-owned buildings.

#### Business-type Activities:

- Construction in Progress increased \$9 million during Fiscal Year 2020 due to ongoing water system improvement projects that were in progress at year end.
- Water Reservoirs, Facilities, and Water Lines increased \$23 million as the City continues its significant efforts to reline or replace aging water lines.

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

**City of Wilmington's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 24,090,181	\$ 24,090,181	\$ 4,060,443	\$ 4,060,443	\$ 28,150,624	\$ 28,150,624
Art	2,526,843	1,969,203	-	-	2,526,843	1,969,203
Construction in Progress	10,278,241	9,485,442	38,536,612	28,870,735	48,814,853	38,356,177
Buildings & Improvements	55,891,585	50,143,473	20,575,441	19,240,630	76,467,026	69,384,103
Parks & Recreation Facilities	16,898,842	16,349,878	-	-	16,898,842	16,349,878
Streets & Signals	71,063,826	70,425,193	-	-	71,063,826	70,425,193
Water Reservoirs, Facilities & Water Lines	-	-	166,903,652	144,013,910	166,903,652	144,013,910
Wastewater Facilities & Sewer Lines	-	-	120,418,540	117,757,177	120,418,540	117,757,177
Vehicles, Equipment & Other	29,903,387	26,030,333	25,463	-	29,928,850	26,030,333
<b>Totals</b>	<b>\$ 210,652,905</b>	<b>\$ 198,493,703</b>	<b>\$ 350,520,151</b>	<b>\$ 313,942,895</b>	<b>\$ 561,173,056</b>	<b>\$ 512,436,598</b>

**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 \$295,940,402. Of this amount, \$104,403,180 comprises debt related to Governmental activities and \$191,537,222 is supported by Business-Type activities. Additionally, there are \$202,640,388 in long-term liabilities, such as capital leases, insurance claims payables, compensated absences, net pension liability and net OPEB liability. Similar long-term liabilities of \$5,735,366 exist on the Business-Type activities.

- On September 20, 2019, the City issued General Obligation Bond Anticipation Notes (BAN) Series of 2019A and 2019B. The BANs mature on November 21, 2020. Series of 2019A (Street Repairs Project Capital Budgets 2018 and 2020) was issued in the amount of \$12,200,000 and bears interest at 79% of the daily London Interbank Offered Rate (LIBOR) plus 0.49%, not to exceed 6%. Series of 2019B (WHP Refinancing Project - Capital Budget 2020), was issued in the amount of \$3,400,000 in order to refinance the City's bank line of credit. The interest rate is the one-month LIBOR plus 0.55%, not to exceed 6%. As of June 30, 2020, balance outstanding on the 2019A and 2019B BANs were \$2,179,991 and \$3,387,392, respectively.
- 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 April 23, 2020 for an amount not exceeding \$1,206,460 with an interest rate of 2.0% is related to cost associated to Shallcross Ave Sewer Separation Project.
- A DWSRF agreement dated February 11, 2019 for an amount not exceeding \$5,000,000 at an interest rate of 2.64% relating to the cost associated with the Water Distribution Mains Project in order to replace old, undersized water mains and associated hydrants, valves, and service lines within the Concord Pike Service Zone, the High Service Zone, and the Carr Road Service Zone.

The City is empowered by state law to issue debt obligations within the limits of authority passed from time to time by the state legislature.

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.

**City of Wilmington's Outstanding Debt  
General Obligations Bonds**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General						
Obligation Bonds	\$ 104,403,180	\$ 105,710,985	\$ 191,573,222	\$ 200,253,149	\$ 295,976,402	\$ 305,964,134

**Economic Factors and 2020 Budgets and Rates**

The unprecedented COVID-19 crisis has plunged the economic outlook of the City into uncertainty, threatening the financial stability of Wilmington residents and businesses. Although it is too soon to predict the full effect that COVID-19 will have on the City’s economy, Wilmington is fortunate to begin on a strong foundation. We can be thankful that over the past few years we have laid a strong foundation to help us weather the pandemic crisis. Our total General Fund

balance has increased in the last three fiscal years from \$33.9 million to \$47.96 million, a healthy 28.68% of our annual General Fund revenue. And we have a budget reserve account of over \$16.3 million and other unassigned cash of over \$7.9 million. This was achieved without property tax



increases in the last three years and a modest increases in utility charges for FY 2019 (4.0%) and FY 2020 (3.82%)

Prior to the coronavirus outbreak in Delaware, employment was steady. As reported by the Delaware Department of Labor, the total number of jobs in calendar year 2019 within City limits remained level at approximately 50,000. This figure represents the total number of jobs located within the City, regardless of residency. The number of jobs within City limits has averaged close to 50,000 since 2008. Additionally, in calendar year 2019, the number of employed Wilmington residents was 32,560 (out of a population of about 70,000), its highest point since the mid-2000's. The unemployment rate for City residents at the end of 2019 was 5.1%, trending down from a rolling average of 5.3% in 2018 and 6.4% and 6.7% in 2017 and 2016, respectively. This paralleled the national trend and was consistent with the historical gap of about 2.5 percentage points greater than the State of Delaware unemployment rate of approximately 3.3%. Unfortunately, unemployment numbers for the first half of calendar year 2020 show the significant impact from COVID-19 on employment in Wilmington. The unemployment rate for City residents increased from 5.9% in January 2020 to 19.9% in May 2020. While the long-term impacts of COVID on the City's financial services, legal, and government sectors are currently unknown, no major layoffs have been announced as of June 2020.

The City was fortunate that construction services were considered "essential" by the State of Delaware, which allowed for approximately \$400 million dollars of private development activity to continue in the spring and summer of FY 2020, despite a statewide shutdown due to COVID-19. Investment in the multifamily 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. In total, there are 16 housing projects in development, accounting for 1,477 new units in the Downtown, Riverfront, and West Side areas. New construction and investment continued on the west side of the Riverfront with the expansion of the Madison and Justison Streets road grid and the creation of a new three-acre development parcel approved for four-story mixed-use development. The new \$50 million bridge connecting the east and west riverfront areas opened in June 2020, which will advance the South Wilmington Master Plan. The State of Delaware has authorized \$60 million dollars of transportation funding for the creation of a new road grid and eight new city blocks on the east side of the Riverfront.

### **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, 5<sup>th</sup> 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 36 and 37 and the financial statements are listed on page 34.

# **BASIC FINANCIAL STATEMENTS**

City of Wilmington, Delaware

Statement of Net Position  
June 30, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and Investments (Note 3)	\$ 47,218,554	\$ 20,243,828	\$ 67,462,382	\$ 17,579,450
Receivables, Net (Note 4)	27,963,904	31,636,814	59,600,718	2,165,124
Internal Balances	14,248,685	(14,248,685)	-	-
Due from Other Funds (Note 7)	6,530,974	-	6,530,974	-
Due from Other Governments	6,954,308	3,979,184	10,933,492	-
Due from Component Unit	275,000	-	275,000	-
Prepaid Items & Other Assets	667,804	295,746	963,550	84,900
Property Held for Future Use	453,039	42,300	495,339	-
Net Pension Asset	932,853	119,228	1,052,081	375,556
Restricted Cash and Investments (Note 3)	6,839,771	15,954,450	22,794,221	1,374,602
Capital Assets, Net (Note 6):				
Land	24,090,181	4,060,443	28,150,624	16,319,059
Intangible Assets	-	-	-	5,000,000
Art	2,526,843	-	2,526,843	-
Construction in Progress	10,278,241	38,536,612	48,814,853	4,815,030
Buildings & Improvements	55,891,585	20,575,441	76,467,026	22,756,006
Parks & Recreation Facilities	16,898,842	-	16,898,842	-
Streets & Street Signals	71,063,826	-	71,063,826	-
Water & Sewer Systems	-	287,322,192	287,322,192	-
Vehicles, Equipment, and Other	29,903,387	25,463	29,928,850	916,627
<b>Total Assets</b>	<b>322,737,797</b>	<b>408,543,016</b>	<b>731,280,813</b>	<b>71,386,354</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on pensions and OPEB	22,021,814	898,866	22,920,680	312,594
Deferred on refunding of bonds	2,329,289	2,513,469	4,842,758	-
<b>Total Deferred Outflows of Resources</b>	<b>24,351,103</b>	<b>3,412,335</b>	<b>27,763,438</b>	<b>312,594</b>
<b>LIABILITIES</b>				
Accounts Payable & Accrued Expenses	12,666,984	24,137,607	36,804,591	519,666
Salaries and Benefits Payable	5,281,667	406,954	5,688,621	427,192
Unearned Revenue	2,024,036	3,226,064	5,250,100	119,248
Other Liabilities	2,184,424	123,453	2,307,877	275,000
Long Term Liabilities				
Due Within One Year:				
Bonds Payable	10,092,011	13,017,567	23,109,578	645,321
Notes Payable	1,047,785	-	1,047,785	169,636
Capital Leases	2,072,185	-	2,072,185	-
Claims Liabilities	6,126,604	-	6,126,604	-
Compensated Absences	6,010,392	535,457	6,545,849	-
Due in More Than One Year:				
Bonds Payable	100,637,750	186,670,832	287,308,582	10,820,392
Notes Payable	-	-	-	1,652,047
Capital Leases	1,956,553	-	1,956,553	-
Claims Liabilities	17,489,236	-	17,489,236	-
Compensated Absences	3,064,071	-	3,064,071	-
Net Other Post Employment Benefits Liability	46,640,279	-	46,640,279	-
Net Pension Liability	119,281,067	5,199,909	124,480,976	-
<b>Total Liabilities</b>	<b>336,575,044</b>	<b>233,317,843</b>	<b>569,892,887</b>	<b>14,628,502</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts on pensions and OPEB	6,056,426	370,754	6,427,180	552,647
Deferred parking revenue	-	-	-	118,563
<b>Total Deferred Inflows of Resources</b>	<b>6,056,426</b>	<b>370,754</b>	<b>6,427,180</b>	<b>671,210</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	100,713,342	141,559,269	242,272,611	36,945,898
Restricted for:				
Net Pension Asset	-	-	-	375,556
Capital Projects	-	339,851	339,851	-
Operation and Maintenance Reserve	-	9,409,512	9,409,512	-
Rate Stabilization Reserve	-	25,900,628	25,900,628	-
Debt Service	-	-	-	591,374
Park Operations & Other - Expendable	5,205,257	-	5,205,257	-
Park Operations & Other - Nonexpendable	4,029,000	-	4,029,000	2,403,497
Other Purposes	845,005	-	845,005	208,451
Unrestricted	(106,335,174)	1,057,494	(105,277,680)	15,874,460
<b>Total Net Position</b>	<b>\$ 4,457,430</b>	<b>\$ 178,266,754</b>	<b>\$ 182,724,184</b>	<b>\$ 56,399,236</b>

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, 2020**

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	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Governmental Services	\$ 38,515,936	\$ 15,790,231	\$ 7,511,555	\$ -	\$ (15,214,150)	\$ -	\$ (15,214,150)	\$ -
Real Estate and Housing	7,577,533	264,168	5,359,230	1,012,608	(941,527)	-	(941,527)	-
Public Works	24,813,642	138,563	947,816	1,232,097	(22,495,166)	-	(22,495,166)	-
Parks and Recreation	11,898,388	67,339	4,056,278	2,701,892	(5,072,879)	-	(5,072,879)	-
Public Safety	95,938,047	13,029,392	8,783,724	599,710	(73,525,221)	-	(73,525,221)	-
Interest on Long-term Debt	3,439,214	-	-	-	(3,439,214)	-	(3,439,214)	-
<b>Total Governmental Activities</b>	<u>182,182,760</u>	<u>29,289,693</u>	<u>26,658,603</u>	<u>5,546,307</u>	<u>(120,688,157)</u>	<u>-</u>	<u>(120,688,157)</u>	<u>-</u>
Business Type Activities	81,415,796	79,971,543	-	6,592,609	-	5,148,356	5,148,356	-
<b>Total Primary Governments</b>	<u>\$ 263,598,556</u>	<u>\$ 109,261,236</u>	<u>\$ 26,658,603</u>	<u>\$ 12,138,916</u>	<u>(120,688,157)</u>	<u>5,148,356</u>	<u>(115,539,801)</u>	<u>-</u>
<b>Component Units:</b>								
Christina Gateway Corporation	\$ 13,633	\$ -	\$ -	\$ -	-	-	-	(13,633)
Wilmington UDAG Corporation	316,202	102,535	-	-	-	-	-	(213,667)
Wilmington Parking Authority	7,021,345	6,628,263	-	-	-	-	-	(393,082)
Downtown Visions	3,365,573	2,869,351	-	-	-	-	-	(496,222)
Riverfront Business Improvement District	549,833	477,301	-	-	-	-	-	(72,532)
Rock Manor Golf Corporation	272,827	294,713	-	-	-	-	-	21,886
<b>Total Component Units</b>	<u>\$ 11,539,413</u>	<u>\$ 10,372,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,167,250)</u>
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes					42,656,450	-	42,656,450	-
Income Taxes					66,599,449	-	66,599,449	-
Real Estate Transfer					5,918,475	-	5,918,475	-
Lodging & Franchise Taxes					2,968,181	-	2,968,181	-
Investment Earnings					735,622	1,683	737,305	448,128
Other Revenues including Capital Asset Gains					370,144	-	370,144	262,952
Grants, Entitlements, and Contributions not Restricted to Specific Programs					16,648,490	-	16,648,490	1,250,333
<b>Extraordinary Item:</b>								
Loan Forgiveness					2,845,684	-	2,845,684	-
<b>Total General Revenues</b>					<u>138,742,495</u>	<u>1,683</u>	<u>138,744,178</u>	<u>1,961,413</u>
Change in Net Position					18,054,338	5,150,039	23,204,377	794,163
<b>Net Position - Beginning</b>					<u>(13,596,908)</u>	<u>173,116,715</u>	<u>159,519,807</u>	<u>55,605,073</u>
<b>Net Position - Ending</b>					<u>\$ 4,457,430</u>	<u>\$ 178,266,754</u>	<u>\$ 182,724,184</u>	<u>\$ 56,399,236</u>

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

City of Wilmington, Delaware

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents (Note 3)	\$ 7,909,347	\$ -	\$ 8,661,092	\$ 16,570,439
Receivables, Net (Note 4)	26,004,568	300,760	778,721	27,084,049
Due from Other Funds (Note 7)	36,602,268	-	-	36,602,268
Due from Other Component Unit	275,000	-	-	275,000
Due From Other Governments	2,014,314	1,157,062	3,648,765	6,820,141
Advances Due From Other Funds	2,869,385	-	-	2,869,385
Property Held for Future Use	-	-	200,000	200,000
Restricted Cash and Investments (Note 3)	-	1,954,835	4,924,153	6,878,988
Prepaid Items & Other Assets	164,793	-	4,012	168,805
<b>TOTAL ASSETS</b>	<b>75,839,675</b>	<b>3,412,657</b>	<b>18,216,743</b>	<b>97,469,075</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 3,760,681	\$ 3,244,123	\$ 2,590,812	\$ 9,595,616
Salaries and Benefits Payable	4,983,348	-	236,263	5,219,611
Due to Other Funds	-	685,886	1,689,819	2,375,705
Unearned Revenue	1,978,890	489,478	1,408,493	3,876,861
Other Liabilities	2,174,296	-	1,255,379	3,429,675
<b>Total Liabilities</b>	<b>12,897,215</b>	<b>4,419,487</b>	<b>7,180,766</b>	<b>24,497,468</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenues	14,997,262	1,334,559	1,979,659	18,311,480
<b>Fund Balances:</b>				
Nonspendable				
Advance to Motor Vehicle Fund (Note 7)	2,869,385	-	-	2,869,385
Trust for Park Operations	-	-	934,863	934,863
Restricted				
Capital Projects	-	-	166,676	166,676
Park Operations	-	-	4,270,394	4,270,394
Other Purposes	-	845,005	4,029,000	4,874,005
Committed				
Budget Reserve Account	16,350,105	-	-	16,350,105
Economic Development	-	-	528,344	528,344
Other Purposes	-	-	1,175,450	1,175,450
Tax Stabilization Reserve	28,725,708	-	-	28,725,708
Unassigned	-	(3,186,394)	(2,048,409)	(5,234,803)
<b>Total Fund Balances</b>	<b>47,945,198</b>	<b>(2,341,389)</b>	<b>9,056,318</b>	<b>54,660,127</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 75,839,675</b>	<b>\$ 3,412,657</b>	<b>\$ 18,216,743</b>	<b>\$ 97,469,075</b>

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, 2020**

The Total Net Position reported for governmental activities in the Statement of Position (Page 18) is different because:

<b>Total Fund Balances for Government Funds (Page 20)</b>	\$ 54,660,127
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 \$18,095,132 of internal service fund assets accounted for in the following line.	192,557,773
Long-Term receivables and property held for development 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)	853,146
Prepaid Items & Other Assets	44,637
Property Held for Future Use	253,048
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	932,853
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.	20,164,305
Deferred Outflows of Resources:	
Deferred amounts on refunding of bonds	2,230,612
Deferred amounts on pensions	22,021,814
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	\$ (9,001,386)
Other Post Employment Benefit (OPEB) Liability	(46,640,279)
Accrued Interest on Long Term Debt	(602,275)
Capital Leases	(2,331,492)
Bonds and Notes Payable	(108,705,498)
Net Pension Liability	(119,281,067)
	(286,561,997)
Deferred Inflows of Resources:	
Deferred amounts on pensions	(6,056,426)
<b>Total Net Position of Governmental Activities (Page 18)</b>	<b>\$ 4,457,430</b>

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, 2020

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 43,698,151	\$ -	\$ -	\$ 43,698,151
Wage	58,325,963	-	-	58,325,963
Net Profit	7,311,221	-	-	7,311,221
Franchise	764,123	-	1,027,081	1,791,204
Real Estate Transfer	5,918,475	-	-	5,918,475
Head	3,532,970	-	-	3,532,970
Lodging & Natural Gas	1,184,616	-	-	1,184,616
Intergovernmental	24,771,912	3,927,156	15,433,711	44,132,779
Licenses and Permits	5,925,045	-	-	5,925,045
Fines and Forfeitures	5,129,680	-	-	5,129,680
Charges for Services	9,335,441	403,762	4,589,655	14,328,858
Investment Earnings	1,301,143	-	172,951	1,474,094
<b>Total Revenues</b>	<u>167,198,740</u>	<u>4,330,918</u>	<u>21,223,398</u>	<u>192,753,056</u>
<b>EXPENDITURES</b>				
Current:				
General Governmental Services	31,118,267	-	4,845,380	35,963,647
Real Estate and Housing	1,443,149	-	5,663,486	7,106,635
Public Works	19,660,969	-	948,389	20,609,358
Parks and Recreation	7,054,412	224,441	2,482,126	9,760,979
Public Safety	90,460,468	-	8,178,790	98,639,258
Debt service:				
Principal retirement	9,250,285	-	-	9,250,285
Interest	4,386,425	-	-	4,386,425
Capital Outlays	-	20,496,541	2,599	20,499,140
<b>Total Expenditures</b>	<u>163,373,975</u>	<u>20,720,982</u>	<u>22,120,770</u>	<u>206,215,727</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,824,765</u>	<u>(16,390,064)</u>	<u>(897,372)</u>	<u>(13,462,671)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Anticipation Note Issued	3,400,000	7,255,965	-	10,655,965
Capital Lease Issued	-	1,425,265	-	1,425,265
Transfers In	-	-	775,850	775,850
Bond Issuance Cost	(9,020)	(39,555)	-	(48,575)
Transfers Out	(412,274)	(363,576)	-	(775,850)
Net Appreciation (Depreciation) in Fair Value	-	-	(611,195)	(611,195)
Internal Service Fund Integration (Note 19)	(2,076,719)	-	-	(2,076,719)
Bank Line of Credit Repayment	(3,378,370)	-	-	(3,378,370)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,476,383)</u>	<u>8,278,099</u>	<u>164,655</u>	<u>5,966,371</u>
<b>EXTRAORDINARY ITEM</b>				
Loan Forgiveness	-	-	2,845,684	2,845,684
<b>Net Change in Fund Balances</b>	1,348,382	(8,111,965)	2,112,967	(4,650,616)
<b>Fund Balance - Beginning</b>	46,596,816	5,770,576	6,943,351	59,310,743
<b>Fund Balance - Ending</b>	<u>\$ 47,945,198</u>	<u>\$ (2,341,389)</u>	<u>\$ 9,056,318</u>	<u>\$ 54,660,127</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, 2020**

Amounts reported for governmental activities in the Statement of Activities (Page 19) are different because:

**Net Change in Fund Balances - Total Governmental Funds (Page 22)** \$ (4,650,616)

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	\$ 20,499,140	
Depreciation Expense	<u>(8,478,752)</u>	12,020,388

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)	\$ (465,087)	
Property and Other Taxes	(79,436)	
Fees and Fines	<u>3,478,696</u>	2,934,173

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.

	<u>Debt Issued</u>	<u>Repayments</u>	
Bond Anticipation Note Issued	\$ (11,643,356)	\$ 12,628,655	
Bond Premiums	-	1,189,887	
Capital Lease	(1,425,265)	561,191	
Amortization of Premiums and Deferred Losses	-	(381,250)	
Net Adjustment	<u>\$ (13,068,621)</u>	<u>\$ 13,998,483</u>	\$ 929,862

The governmental fund reports outlays for properties held for long-term development and loans to homeowners 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 and accounts receivable, net. (571,853)

Effective July 1, 2019, the City eliminated the Data Processing, Document Management, Duplication and Reproduction, Mapping and Graphics, and Communications Internal Service Funds and created the General Fund Department of Information Technologies. The former Internal Service Funds' assets, liabilities and net positions were merged into the General Fund as discussed in Note 18. 2,076,719

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	\$ 64,898	
Other Post Employment Benefit (OPEB) Liability	(675,131)	
Accrued Interest on Long-Term Debt	<u>24,218</u>	(586,015)

The cost of pension benefits earned 5,901,680

**Change in Net Position of governmental activities (page 19)** \$ 18,054,338

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





**City of Wilmington, Delaware**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 42,915,724	\$ 42,915,724	\$ 43,698,151	\$ 782,427
Wage	63,961,600	63,961,600	58,325,963	(5,635,637)
Net Profit	6,500,000	6,500,000	7,311,221	811,221
Franchise	919,113	919,113	764,123	(154,990)
Real Estate Transfer	2,730,178	2,730,178	5,918,475	3,188,297
Head	3,874,000	3,874,000	3,532,970	(341,030)
Lodging & Natural Gas	1,309,433	1,309,433	1,184,616	(124,817)
Intergovernmental	22,919,788	22,919,788	24,771,912	1,852,124
Licenses and Permits	5,454,190	5,454,190	5,925,045	470,855
Fines and Forfeitures	8,742,000	8,742,000	5,129,680	(3,612,320)
Charges for Services	9,588,027	9,588,027	9,335,441	(252,586)
Investment Earnings	1,031,000	1,031,000	1,301,143	270,143
<b>Total Revenues</b>	169,945,053	169,945,053	167,198,740	(2,746,313)
<b>Expenditures:</b>				
General Governmental Services:				
Mayor's Office	10,632,311	10,485,703	10,407,371	78,332
City Council	2,098,122	2,098,122	1,785,400	312,722
Audit	815,235	833,235	807,407	25,828
Law	2,649,858	2,683,108	2,571,510	111,598
Finance	9,583,774	9,842,246	9,392,066	450,180
Human Resources	2,354,983	2,354,983	1,589,163	765,820
Treasurer	463,226	463,226	465,306	(2,080)
Planning	1,590,614	1,590,955	1,528,478	62,477
Information Technologies	8,577,654	8,589,654	7,929,242	660,412
Real Estate and Housing	1,839,035	1,839,053	2,188,405	(349,352)
Public Works	26,208,763	26,472,690	24,596,157	1,876,533
Parks and Recreation	9,029,613	9,159,468	8,835,996	323,472
Public Safety:				
Licenses and Inspection	5,560,768	5,560,768	5,227,599	333,169
Fire	26,148,746	26,152,440	27,018,666	(866,226)
Police	59,835,037	59,867,877	59,443,483	424,394
<b>Total Expenditures</b>	167,387,739	167,993,528	163,786,249	4,207,279
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,557,314	1,951,525	3,412,491	1,460,966
<b>Other Financing Sources (Uses)</b>				
Bond Anticipation Note Issued	-	-	3,400,000	3,400,000
Bank Line of Credit Repayment	-	-	(3,378,370)	(3,378,370)
Bond Issuance Costs	-	-	(9,020)	(9,020)
Internal Service Fund Integration (Note 19)	-	-	(2,076,719)	(2,076,719)
Transfers Out*	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	(2,064,109)	(2,064,109)
<b>Net Change in Fund Balances</b>	\$ 2,557,314	\$ 1,951,525	1,348,382	\$ (603,143)
<b>Fund Balance - Beginning</b>			46,596,816	
<b>Fund Balance - Ending</b>			\$ 47,945,198	

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

\*Reference Note 2C





City of Wilmington, Delaware

Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-type Activities			Governmental
	Water/Sewer	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and Cash Equivalents (Note 3)	\$ 19,400,982	\$ 842,846	\$ 20,243,828	\$ 30,712,269
Receivables, Net (Note 4)	31,291,394	345,420	31,636,814	26,709
Prepaid Items & Other Assets	-	295,746	295,746	355,000
Due From Other Governments	3,979,184	-	3,979,184	130,156
<b>Total Current Assets</b>	<b>54,671,560</b>	<b>1,484,012</b>	<b>56,155,572</b>	<b>31,224,134</b>
<b>Noncurrent assets:</b>				
Restricted Cash and Investments (Note 3)	15,954,450	-	15,954,450	-
Net Pension Asset	119,228	-	119,228	-
Capital Assets, Net (Note 6):				
Land	4,060,443	-	4,060,443	-
Construction in Progress	38,536,612	-	38,536,612	336,232
Building and Improvements	20,575,441	-	20,575,441	2,932,453
Reservoirs and Water Filter Facilities	119,483,200	-	119,483,200	-
Water Lines	47,420,452	-	47,420,452	-
Wastewater Pump and Treatment Facilities	91,372,911	-	91,372,911	-
Sewer Lines	29,045,629	-	29,045,629	-
Vehicles, Machinery & Equipment	-	25,463	25,463	14,826,447
Property Held for Future Use	-	42,300	42,300	-
<b>Total Noncurrent Assets</b>	<b>366,568,366</b>	<b>67,763</b>	<b>366,636,129</b>	<b>18,095,132</b>
<b>Total Assets</b>	<b>421,239,926</b>	<b>1,551,775</b>	<b>422,791,701</b>	<b>49,319,266</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on pensions	898,866	-	898,866	-
Deferred amounts on refunding of bonds	2,513,469	-	2,513,469	98,677
<b>Total Deferred Outflow of Resources</b>	<b>3,412,335</b>	<b>-</b>	<b>3,412,335</b>	<b>98,677</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	23,055,087	38,037	23,093,124	2,219,220
Salaries and Benefits Payable	399,478	7,477	406,955	62,055
Due to Other Funds	14,248,685	-	14,248,685	13,446,914
Unearned Revenue	3,226,064	-	3,226,064	-
Other Liabilities	40,000	83,453	123,453	-
Accrued Interest Payable	1,044,482	-	1,044,482	42,276
Bonds Payable	13,017,567	-	13,017,567	735,650
Capital Leases	-	-	-	1,345,309
Compensated Absences	535,457	-	535,457	73,077
Claims Liability	-	-	-	6,126,604
<b>Total Current Liabilities</b>	<b>55,566,820</b>	<b>128,967</b>	<b>55,695,787</b>	<b>24,051,105</b>
<b>Noncurrent Liabilities:</b>				
Advances from Other Funds (Note 7)	-	-	-	2,869,385
Bonds Payable	186,670,832	-	186,670,832	1,298,740
Capital Leases	-	-	-	351,937
Claims Liabilities	-	-	-	17,489,238
Net Pension Liability	5,199,909	-	5,199,909	-
<b>Total Noncurrent Liabilities</b>	<b>191,870,741</b>	<b>-</b>	<b>191,870,741</b>	<b>22,009,300</b>
<b>Total Liabilities</b>	<b>247,437,561</b>	<b>128,967</b>	<b>247,566,528</b>	<b>46,060,405</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Amounts on Pensions	370,754	-	370,754	-
<b>NET POSITION</b>				
Net investment in capital assets	141,533,806	25,463	141,559,269	11,250,884
Restricted for:				
Capital Projects	-	339,851	339,851	-
Operation and Maintenance Reserve	9,409,512	-	9,409,512	-
Rate Stabilization Reserve	25,900,628	-	25,900,628	-
Unrestricted	-	1,057,494	1,057,494	(7,893,346)
<b>Total Net Position</b>	<b>\$ 176,843,946</b>	<b>\$ 1,422,808</b>	<b>\$ 178,266,754</b>	<b>\$ 3,357,538</b>

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, 2020

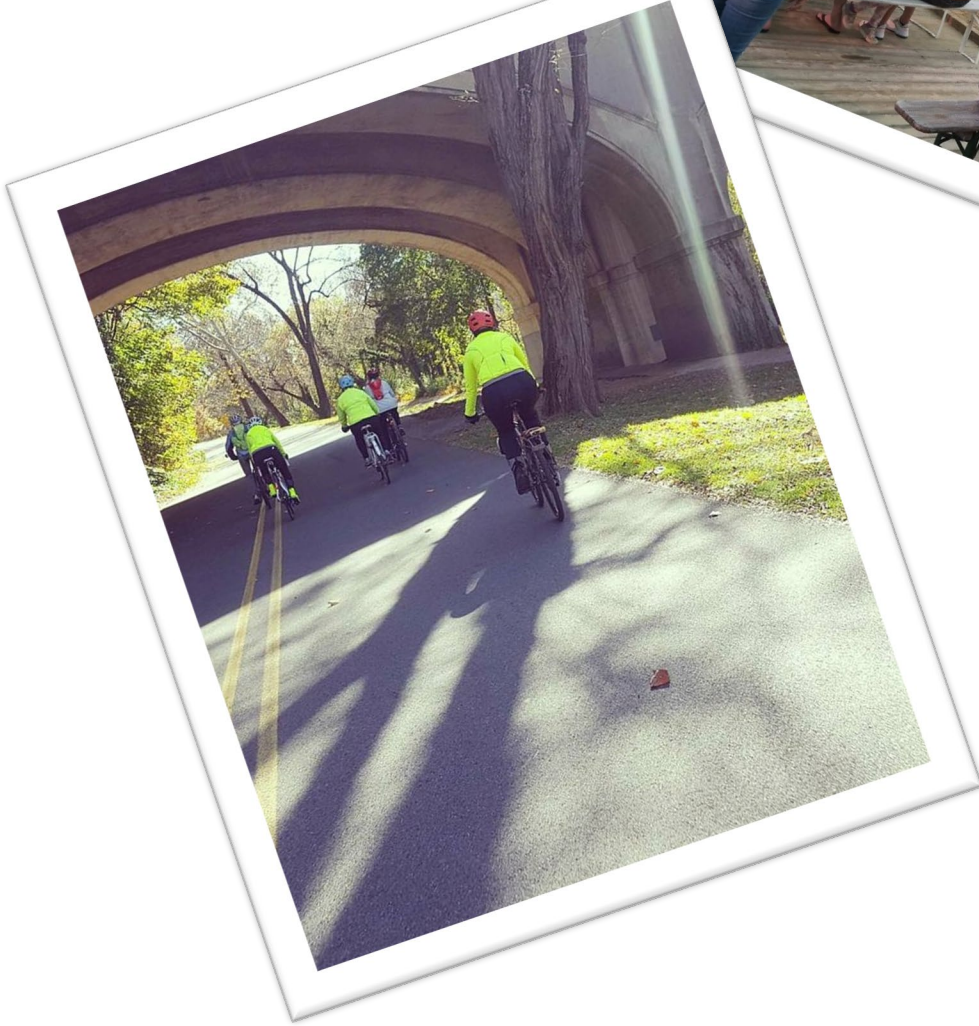
	Business-type Activities			Governmental Activities
	Water/Sewer	Wilmington Land Bank	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services				
Sewer Charges for New Castle County	\$ 22,489,162	\$ -	\$ 22,489,162	\$ -
Water & Sewer Charges for Direct Users	55,301,472	-	55,301,472	-
Other Charges for Services	89,203	-	89,203	35,701,825
Employee Contributions	-	-	-	2,087,667
Other	943,775	1,147,931	2,091,706	205,439
<b>Total Operating Revenues</b>	<b>78,823,612</b>	<b>1,147,931</b>	<b>79,971,543</b>	<b>37,994,931</b>
<b>OPERATING EXPENSES</b>				
Personnel Services	10,816,804	284,873	11,101,677	1,106,542
Materials, Supplies and Contracted Services	52,986,762	1,151,707	54,138,469	5,149,691
Subsidy Allowance on Properties Held	-	901,286	901,286	-
Depreciation and Amortization	9,497,006	4,493	9,501,499	3,438,758
Claims Expense	-	-	-	24,885,996
Insurance Premiums	-	24,064	24,064	3,806,486
Total operating expenses	73,300,572	2,366,423	75,666,995	38,387,473
<b>Operating Income (loss)</b>	<b>5,523,040</b>	<b>(1,218,492)</b>	<b>4,304,548</b>	<b>(392,542)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Earnings	-	1,683	1,683	168,482
Interest Expense	(5,748,801)	-	(5,748,801)	(131,009)
Gain on Sale of Assets	-	-	-	355,069
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(5,748,801)</b>	<b>1,683</b>	<b>(5,747,118)</b>	<b>392,542</b>
<b>Income (Loss) Before Capital Grants and Contributions and Transfers</b>	<b>(225,761)</b>	<b>(1,216,809)</b>	<b>(1,442,570)</b>	<b>-</b>
Capital Grants and Contributions	6,592,609	-	6,592,609	-
Transfers In	-	-	-	23,831
Change in net position	6,366,848	(1,216,809)	5,150,039	23,831
<b>Total Net Position - Beginning</b>	<b>170,477,098</b>	<b>2,639,617</b>	<b>173,116,715</b>	<b>3,333,707</b>
<b>Total Net Position - Ending</b>	<b>\$ 176,843,946</b>	<b>\$ 1,422,808</b>	<b>\$ 178,266,754</b>	<b>\$ 3,357,538</b>

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, 2020**

	Business-type Activities		Governmental Activities
	Water and Sewer Fund	Wilmington Land Bank	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 83,061,487	\$ -	\$ 37,785,867
Receipts from Government Grants	-	318,454	-
Receipts from Corporate Grants	-	200,000	-
Receipts from Interfund Services Provided	-	-	-
Payments to Suppliers	(49,220,841)	(553,658)	(33,988,486)
Payments to Employees	(11,274,093)	(282,810)	(1,094,653)
Sale of Property	-	291,012	-
Cash Other	-	-	75,282
Acquisition of Property	-	(833,284)	-
<b>Net Cash Provided by Operating Activities</b>	<b>22,566,553</b>	<b>(860,286)</b>	<b>2,778,010</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Advances From Other Funds	13,770,113	-	2,787,111
Advances (To) Other Funds	-	-	732,761
Investment Earnings	-	-	168,482
Transfers to Other Funds	-	-	(112,964)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>13,770,113</b>	<b>-</b>	<b>3,575,390</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Capital Grants and Contributions	3,957,723	-	-
Proceeds from Capital Debt	5,070,073	-	-
Acquisition and Construction of Capital Assets	(38,500,327)	(29,956)	(3,886,932)
Principal Paid on Bonds	(13,786,000)	-	(363,041)
Interest Paid on Bonds	(6,874,505)	-	(57,251)
Principal Paid on Capital Leases	-	-	(1,345,310)
Interest Paid on Capital Leases	-	-	(72,563)
Proceeds from Sale of Capital Assets	-	-	494,655
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<b>(50,133,036)</b>	<b>(29,956)</b>	<b>(5,230,442)</b>
<b>Cash Flows From Investing Activities:</b>			
Interest received on Notes	-	1,683	-
<b>Net Cash provided by Investing Activities</b>	<b>-</b>	<b>1,683</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(13,796,370)</b>	<b>(888,559)</b>	<b>1,122,958</b>
<b>Cash and Cash Equivalents - June 30, 2019</b> (including \$27,868,910 and \$3,525, respectively, reported in restricted accounts)	<b>49,151,802</b>	<b>1,731,405</b>	<b>29,589,311</b>
<b>Cash and Cash Equivalents - June 30, 2020</b> (including \$15,954,450 reported in restricted accounts)	<b>\$ 35,355,432</b>	<b>\$ 842,846</b>	<b>\$ 30,712,269</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 5,523,040	\$ (1,218,492)	\$ (392,542)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:			
Subsidy on Allowance on Properties Held	-	901,286	-
Cost of Property Sold	-	362,383	-
Contributed Property Revenue	-	(452,045)	-
Purchases of Property Held	-	(833,284)	-
Depreciation and Amortization	9,497,006	4,493	3,438,758
Property Grants	-	222,560	-
Changes in Assets and Liabilities:			
Government Grants Receivable	-	(86,420)	-
Corporate Contributions Receivable	-	200,000	-
Property Acquisition Deposit	-	16,819	-
Accrued Liabilities	-	79,453	-
Prepaid Deposit	-	4,000	-
(Increase) decrease in Receivables	5,538,195	-	(3,624)
(Increase) decrease in Due from Other Governments	-	-	(130,156)
Increase (decrease) Pension Assets	19,779	-	-
(Increase) decrease Pension Deferred Charges	(181,977)	-	-
Increase (decrease) in Accounts Payable	3,765,921	11,844	(826,960)
Increase in Accrued Salaries	47,702	2,063	(486)
Increase in Compensated Absences	129,841	-	12,374
Increase (decrease) in Unearned Revenue	(1,300,320)	-	-
(Increase) decrease Other Assets	-	(19,067)	-
(Increase) decrease Property Held	-	(55,879)	-
Increase (decrease) in Claims Liability	-	-	680,646
Increase (decrease) Pension Liability	(192,884)	-	-
Increase (decrease) Pension Deferred Inflows	(279,750)	-	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 22,566,553</b>	<b>\$ (860,286)</b>	<b>\$ 2,778,010</b>
<b>Non-Cash Capital Activities</b>			
Capital Asset Acquired with Accounts Payable	7,548,472	-	243,227
	<b>\$ 7,548,472</b>	<b>\$ -</b>	<b>\$ 243,227</b>

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





**City of Wilmington**  
**Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**June 30, 2020**

	<u><b>Total Pension Trust Funds</b></u>
<b>ASSETS</b>	
Cash and Cash Equivalents (Note 3)	\$ 8,466,928
Receivables:	
Accrued Interest & Other Receivables	282,834
Total Receivables	<u>282,834</u>
Investments, at Fair Value:	
Money Market Funds	2,981,543
U.S. Treasury Obligations	18,147,839
U.S. Government Agencies - Guaranteed	1,612,365
Municipal Obligations	465,700
Corporate & Foreign Bonds	20,216,143
Common Equity & Marketable Securities	69,396,052
Mutual Funds	
Global & International Funds	62,149,712
Domestic Equity Funds	36,828,870
Fixed Income Funds	40,919,192
Real Estate Investment Trust	18,948,424
Total Investments	<u>271,665,840</u>
<b>Total Assets</b>	<u>280,415,602</u>
<b>LIABILITIES</b>	
Accounts Payable	58,080
Salaries and Benefits Payable	21,474
Due to Other Governments	6,530,965
Compensated Absences	47,227
Pension Checks	178,646
<b>Total Liabilities</b>	<u>6,836,392</u>
<b>Net Position:</b>	
Net Position Restricted for Pensions	246,071,765
Net Position Held in Trust for OPEB Benefits	<u>27,507,445</u>
<b>Total Net Position</b>	<u><u>\$ 273,579,210</u></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**  
**Pension Trust Funds**  
**For the Year Ended June 30, 2020**

	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
City	
Paid Directly by the City	\$ 16,672,019
Paid by the State	
On-Behalf of the City	9,688,466
Employees	1,453,779
Federal Drug Subsidies & Other	<u>12,825</u>
<b>Total Contributions</b>	<u>27,827,088</u>
<b>Investment Income</b>	
Investment Earnings	14,834,509
Net (Appreciation) in Fair Value	<u>(1,135,276)</u>
Total Investment Income	<u>13,699,233</u>
Less: Investment Expense	<u>(542,619)</u>
<b>Net Investment Income</b>	<u>13,156,614</u>
<b>Total Additions</b>	<u>40,983,702</u>
<b>DEDUCTIONS</b>	
Benefits Paid	34,636,306
Administrative Expenses	<u>716,167</u>
<b>Total Deductions</b>	<u>35,352,473</u>
<b>Net Increase in Plans' Net Position</b>	5,631,229
<b>Net Position - Beginning</b>	<u>267,947,981</u>
<b>Net Position - Ending</b>	<u><u>\$ 273,579,210</u></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, 2020**

<b>ASSETS</b>	<b>Christina Gateway Corporation</b>	<b>Wilmington UDAG Corporation</b>	<b>Wilmington Parking Authority</b>	<b>Downtown Visions</b>	<b>Riverfront Business Improvement District</b>	<b>Rock Manor Golf Corporation</b>	<b>Total</b>
Cash and Cash Equivalents (Note 3)	\$ 1,529,328	\$ 3,014,278	\$ 232,381	\$ 1,402,135	\$ 191,700	\$ 421,286	\$ 6,791,108
Investments at Fair Value	-	-	10,788,342	-	-	-	10,788,342
Receivables, Net	-	1,747,464	46,030	191,728	84,057	95,845	2,165,124
Restricted Assets:							
Cash and Cash Equivalents (Note 3)	-	-	-	-	-	-	-
Investments at Cost	-	783,228	-	-	-	-	783,228
Investments at Fair Value	-	-	591,374	-	-	-	591,374
Net Pension Asset	-	-	375,556	-	-	-	375,556
Deferred Charges & Other Assets	-	26,900	-	58,000	-	-	84,900
Capital Assets, Net:							
Land	-	-	16,319,059	-	-	-	16,319,059
Intangible Assets	-	-	5,000,000	-	-	-	5,000,000
Construction in Progress	-	1,392,550	3,422,480	-	-	-	4,815,030
Building and Improvements	-	-	17,919,278	605,116	-	4,231,612	22,756,006
Vehicles, Machinery & Equipment	-	-	461,033	154,897	56,641	244,056	916,627
<b>Total Assets</b>	<b>1,529,328</b>	<b>6,964,420</b>	<b>55,155,533</b>	<b>2,411,876</b>	<b>332,398</b>	<b>4,992,799</b>	<b>71,386,354</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	312,594	-	-	-	312,594
<b>LIABILITIES</b>							
Accounts Payable & Accrued Expenses	1,603	39,106	408,185	20,195	50,577	-	519,666
Due to Primary Government	-	-	275,000	-	-	-	275,000
Salaries and Benefits Payable	-	-	177,089	250,103	-	-	427,192
Unearned Revenue	-	-	-	3,877	12,360	103,011	119,248
Long-term Liabilities							
Due within One Year							
Bonds Payable	-	-	645,321	-	-	-	645,321
Notes Payable	-	-	-	50,739	-	118,897	169,636
Due in More than One Year							
Bonds Payable	-	-	10,820,392	-	-	-	10,820,392
Notes Payable	-	-	-	868,268	-	783,779	1,652,047
<b>Total Liabilities</b>	<b>1,603</b>	<b>39,106</b>	<b>12,325,987</b>	<b>1,193,182</b>	<b>62,937</b>	<b>1,005,687</b>	<b>14,628,502</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Parking Revenue	-	-	118,563	-	-	-	118,563
Deferred Pension Related Activities	-	-	552,647	-	-	-	552,647
<b>Total Deferred Inflows of Resources</b>	-	-	671,210	-	-	-	671,210
<b>NET POSITION (DEFICIT)</b>							
Net Investment in Capital Assets	-	1,392,550	31,656,137	267,577	56,641	3,572,993	36,945,898
Restricted for:							
Donor Imposed	-	-	-	208,451	-	-	208,451
Restricted for Net Pension Asset	-	-	375,556	-	-	-	375,556
Debt Service	-	-	591,374	-	-	-	591,374
Under Contractual Agreement	-	783,228	1,620,269	-	-	-	2,403,497
Unrestricted	1,527,725	4,749,536	8,227,594	742,666	212,820	414,119	15,874,460
<b>Total Net Position</b>	<b>\$ 1,527,725</b>	<b>\$ 6,925,314</b>	<b>\$ 42,470,930</b>	<b>\$ 1,218,694</b>	<b>\$ 269,461</b>	<b>\$ 3,987,112</b>	<b>\$ 56,399,236</b>

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, 2020**

	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	\$ 13,633	\$ -	\$ (13,633)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,633)
Wilmington UDAG Corporation	316,202	102,535	-	(213,667)	-	-	-	-	(213,667)
Wilmington Parking Authority	7,021,345	6,628,263	-	-	(393,082)	-	-	-	(393,082)
Downtown Visions	3,365,573	2,869,351	-	-	-	(496,222)	-	-	(496,222)
Riverfront Business Improvement District	549,833	477,301	-	-	-	-	(72,532)	-	(72,532)
Rock Manor Golf Corporation	272,827	294,713	-	-	-	-	-	21,886	21,886
	<u>11,539,413</u>	<u>10,372,163</u>	<u>(13,633)</u>	<u>(213,667)</u>	<u>(393,082)</u>	<u>(496,222)</u>	<u>(72,532)</u>	<u>21,886</u>	<u>(1,167,250)</u>
<b>General Revenues</b>									
Investment Earnings			-	20,307	416,100	2,662	3,391	5,668	448,128
Grants, Entitlements, and Contributions			-	1,000,000	-	145,424	104,909	-	1,250,333
Other Revenues including Capital Asset Gains/Losses			-	280,465	(17,513)	-	-	-	262,952
Total General Revenues			<u>-</u>	<u>1,300,772</u>	<u>398,587</u>	<u>148,086</u>	<u>108,300</u>	<u>5,668</u>	<u>1,961,413</u>
Change in Net Position			(13,633)	1,087,105	5,505	(348,136)	35,768	27,554	794,163
<b>Net Position (Deficit) - Beginning</b>			<u>1,541,358</u>	<u>5,838,209</u>	<u>42,465,425</u>	<u>1,566,830</u>	<u>233,693</u>	<u>3,959,558</u>	<u>55,605,073</u>
<b>Net Position (Deficit) - Ending</b>			<u>\$ 1,527,725</u>	<u>\$ 6,925,314</u>	<u>\$ 42,470,930</u>	<u>\$ 1,218,694</u>	<u>\$ 269,461</u>	<u>\$ 3,987,112</u>	<u>\$ 56,399,236</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, 2020. 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 seven 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 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.

**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 2020 include property taxes levied principally on July 1, 2019 and collected within 60 days. 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.

**Housing Strategic and Economic Strategic** For the year ended June 30, 2020, the Housing Strategic and Economic Strategic Funds were determined to no longer be major governmental funds. The Housing Strategic and Economic Strategic Funds are reported in the City's non-major governmental funds for the year ended June 30, 2020. The impact on the opening fund balance is summarized as follows:

	<b>July 1, 2019</b>
	<b>Fund</b>
	<b>Balance</b>
	<hr/>
Non-Major Funds	\$ 9,198,467
Housing Strategic	(3,340,479)
Economic Strategic	<hr/> 1,085,363
Non-Major Funds	
Opening Fund Balance	<hr/> \$ 6,943,351

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.

Effective July 1, 2019, the City eliminated the Data Processing, Document Management, Duplication and Reproduction, Mapping and Graphics, and Communications Internal Service Funds and created the General Fund Department of Information Technologies. The formal Internal Service Funds' assets, liabilities and net positions were merged into the General Fund as discussed in Note 18.

**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, 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 45%, Non-U.S. Equities at 18%, Real Estate at 5%, and Fixed Income at 32%. Effective October 24, 2019, the Board of Pensions and Retirement revised the investment policy statement to adopt the following asset allocations: U.S. Equities at 49%, Non-U.S. Equities at 14%, Fixed Income at 28%, Real Estate at 8%, and Cash at 1%. 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. Effective July 1, 2019, the City code was amended to change the provisions related to penalty and interest due on delinquent property taxes. 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. Effective July 1, 2019, the City code was amended to change the penalty and interest due on delinquent water, sewer, and stormwater customer charges. 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, 2020. Governmental funds include the General Fund and the non-major funds, which are shown on page 133. 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 124 and 125.

**B. Expenditures Over Appropriations**

Expenditures for the year ended June 30, 2020, exceeded appropriations in the following funds:

<b>General Fund</b>	<b><u>Budget Amount</u></b>	<b><u>Actual Amount</u></b>	<b><u>Variance</u></b>
Treasury	\$ 463,226	\$ 465,306	\$ (2,080)
Real Estate and Housing	1,839,053	2,188,405	(349,352)
Fire	26,152,440	27,018,666	(866,226)
<b>Total General Funds</b>	<b><u>28,454,719</u></b>	<b><u>29,672,377</u></b>	<b><u>(1,217,658)</u></b>
<b>Non-Major Funds</b>			
Community Development Block Grant	2,143,354	2,226,313	(82,959)
Home for People With AIDS	707,547	814,782	(107,235)
Delaware Neighborhood Stabilization Program	-	203,985	(203,985)
Delaware Criminal Justice Planning	1,971,648	2,426,082	(454,434)
Cable Television	1,087,081	1,139,859	(52,778)
<b>Total Non-Major Funds</b>	<b><u>5,909,630</u></b>	<b><u>6,811,021</u></b>	<b><u>(901,391)</u></b>
	<b><u>\$ 34,364,349</u></b>	<b><u>\$ 36,483,398</u></b>	<b><u>\$ (2,119,049)</u></b>

**C. Transfers**

During the year ended June 30, 2020, the City of Wilmington's General Fund transferred \$133,033 to various special revenue funds, and \$279,241 to Cityfest, Inc.

The City of Wilmington's Capital Projects Fund and the Delaware Neighborhood Stabilization Program transferred \$363,576 and \$15,033 to Wilmington Housing Partnership Corporation.



### 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.

	<u>Primary Government</u>	<u>Pension Trust Funds</u>	<u>Discretely Presented Component Units</u>
<b><u>Deposits</u></b>			
Insured Deposits (FDIC)	\$ 1,551,744	\$ -	\$ 2,655,412
Uninsured Deposits - Collateral held by pledging bank's agent in the City or Unit's name	23,138,975	8,466,928	1,275,583
Certificate of Deposits due within One Year - Collateral held by pledging bank's agent in the City or Unit's name	59,900,656	-	527,420
Certificate of Deposits due within One year - Uncollateralized	-	-	544,292
Uninsured and Uncollateralized	<u>946,969</u>	<u>-</u>	<u>2,332,693</u>
<b>Total Deposits</b>	<b><u>\$ 85,538,344</u></b>	<b><u>\$ 8,466,928</u></b>	<b><u>\$ 7,335,400</u></b>
<b><u>Investments</u></b>			
Exchange Traded Funds	\$ 2,190,686	\$ 2,981,543	\$ 4,391,604
U.S. Government Obligations	-	18,147,839	-
U.S. Agencies - Government Guaranteed	-	1,612,365	3,961,701
U.S. Agencies - Other	-	-	-
Municipal Bonds	-	465,700	404,168
Corporate & Foreign Bonds	-	20,216,143	2,077,951
Common Equity & Marketable Securities	-	69,396,052	-
Mutual Funds	2,527,573	139,897,774	-
Real Estate Investment Trust and Other	<u>-</u>	<u>18,948,424</u>	<u>783,228</u>
<b>Total Investments</b>	<b><u>\$ 4,718,259</u></b>	<b><u>\$ 271,665,840</u></b>	<b><u>\$ 11,618,652</u></b>
<b>Total Deposits and Investments</b>	<b><u>\$ 90,256,603</u></b>	<b><u>\$ 280,132,768</u></b>	<b><u>\$ 18,954,052</u></b>

#### 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 below 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. Park Trust (a blended component) is exposed to this risk in that it held exchange traded funds and mutual fund assets amounting to \$4,718,259.

**Component Units** - The Wilmington Parking Authority is exposed to this risk in that they held money market fund assets amounting to \$4,391,604 due within one year U.S. Treasury Notes amounting to \$3,914,619 and Treasury Bills of \$47,082 due within five years, Corporate & Foreign Bonds amounting to \$2,077,951, due within five years, and municipal bonds amounting to \$404,168 due within five years as of June 30, 2020. 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, 2020, there were eight program loans outstanding (including one in default that is considered impaired) with 60% 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, 2020.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				
		<u>&lt; 1 year</u>	<u>1-4.9</u>	<u>5-9.9</u>	<u>10-19.9</u>	<u>&gt; 20</u>
U.S. Treasuries	\$ 18,147,839	\$ 479,513	\$ 12,496,936	\$ 2,702,301	\$ -	\$ 2,469,089
U.S. Govt. Agencies -						
Guaranteed	1,612,365	-	1,612,365	-	-	-
Municipal Bonds	465,700	-	-	-	465,700	-
Corporate Bonds	20,216,143	1,731,467	12,008,426	2,923,854	542,108	3,010,288
Total	\$ 40,442,047	\$ 2,210,980	\$ 26,117,727	\$ 5,626,155	\$ 1,007,808	\$ 5,479,377

### **Fair Value Measurements**

The City follows the provisions of GASBS No.72, *Fair Value Measurement and Application*. Under No GASBS 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, 2020:

	<u>June 30, 2020</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Other Governmental Funds</b>				
Exchange Traded Funds	\$ 2,190,686	\$ 2,190,686	\$ -	\$ -
Mutual Funds	<u>2,527,573</u>	<u>2,527,573</u>	-	-
Total Other Governmental Funds	<u>\$ 4,718,259</u>	<u>\$ 4,718,259</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fiduciary Funds Investments</b>				
Exchange Traded Funds	\$ 2,981,543	\$ 2,981,543	\$ -	\$ -
Fixed Income Securities	465,700	465,700		
U.S. Treasury Obligations	18,147,839	18,147,839	-	-
U.S. Government Agencies				
Guaranteed	1,612,365	1,612,365	-	-
Corporate Bonds	<u>20,216,143</u>	<u>20,216,143</u>	-	-
Total Debt Securities	<u>\$ 43,423,590</u>	<u>\$ 43,423,590</u>	<u>\$ -</u>	<u>\$ -</u>

	<b>June 30, 2020</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Common Equity Securities				
Materials	\$ 2,247,341	\$ 2,247,341	\$ -	\$ -
Industrials	8,093,985	8,093,985	-	-
Telecommunication Services	6,016,990	6,016,990	-	-
Consumer Discretionary	7,144,066	7,144,066	-	-
Consumer Staples	2,848,526	2,848,526	-	-
Energy	2,380,828	2,380,828	-	-
Financial	8,814,056	8,814,056	-	-
Health Care	6,881,747	6,881,747	-	-
Information Technology	19,860,271	19,860,271	-	-
Utilities	2,230,032	2,230,032	-	-
Real Estate	2,878,210	2,878,210	-	-
Total Common Equity Securities	<u>69,396,052</u>	<u>69,396,052</u>	<u>-</u>	<u>-</u>
Mutual Funds	139,897,774	139,897,774	-	-
	<u><b>\$ 252,717,416</b></u>	<u><b>\$ 252,717,416</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

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

Real Estate Investment Trust	<u>\$ 18,948,424</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, 2020, the fair value for this investment was \$18,948,424.

**Component Units****Wilmington Parking Authority**

	<b>June 30, 2020</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Unrestricted Investments</b>				
Money Market Mutual Funds	\$ 4,391,604	\$ 4,391,604	\$ -	\$ -
U.S. Treasury Obligations	3,914,619	3,914,619	-	-
Municipal Bonds	404,168	404,168	-	-
Corporate Bonds	2,077,951	2,077,951	-	-
<b>Total Unrestricted Investments</b>	<b>\$ 10,788,342</b>	<b>\$ 10,788,342</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Restricted Investments</b>				
Certificate of deposit*	\$ 544,292	\$ 544,292	\$ -	\$ -
Treasury obligation fund	47,082	47,082	-	-
<b>Total Restricted Investments</b>	<b>\$ 591,374</b>	<b>\$ 591,374</b>	<b>\$ -</b>	<b>\$ -</b>

\*Presented as deposits in the chart on page 48

**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, 2020, the Pension Trust Funds' fixed income and short-term investments had the following risk characteristics.

<b>Moody's Ratings or Comparable</b>	<b>Percent of Total Benefit Trust Funds</b>	<b>Market Value</b>
Baa and higher	7.61%	\$ 20,681,843
Government	7.27%	19,760,204
	<u>14.88%</u>	<u>\$ 40,442,047</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, 2020, 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, 2020.

**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	\$ 85,538,344	\$ 8,466,928	\$ 7,335,400
Investments	<u>4,718,259</u>	<u>271,665,840</u>	<u>11,618,652</u>
	<u>\$ 90,256,603</u>	<u>\$ 280,132,768</u>	<u>\$ 18,954,052</u>
Unrestricted	\$ 67,462,382	\$ -	\$ 17,579,450
Restricted	22,794,221	-	1,374,602
Fiduciary Funds	<u>-</u>	<u>280,132,768</u>	<u>-</u>
	<u>\$ 90,256,603</u>	<u>\$ 280,132,768</u>	<u>\$ 18,954,052</u>

**Restricted Cash and Investments**

At June 30, 2020, the City had \$4,718,259 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 \$18,075,961 in temporarily restricted cash at June 30, 2020. The components were: \$3,275,053 related to Water and Sewer Fund contractual requirements and \$14,800,908 related to unspent proceeds of bond offerings (\$12,679,397 in the Water and Sewer Fund, \$1,954,835 in the Capital Projects Fund, \$166,676 in Non Major Funds)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, 2020, WUC's equity interest in the Grow Wilmington Fund was \$783,228 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, 2020 there were eight Program Loans outstanding, one of which was considered impaired at June 30, 2020 resulting in an allowance of \$276,265 for WUC's portion, with 60% concentrated in one borrower.

#### 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:

	<u>General</u>	<u>Capital Projects</u>	<u>Non- Major Funds</u>	<u>Total Governmental Funds</u>	<u>Water &amp; Sewer Fund</u>
<b>Receivables:</b>					
Property Taxes	\$ 7,083,224	\$ -	\$ -	\$ 7,083,224	\$ -
Wage taxes	17,064,582	-	-	17,064,582	-
Parking & Red Light Citations	11,889,260	-	-	11,889,260	-
Business Licenses	1,844,876	-	-	1,844,876	-
Signs and Licenses	7,424,533	-	-	7,424,533	-
Other	1,218,304	300,760	778,721	2,297,785	396,420
Notes - Non-current	-	-	1,665,769	1,665,769	-
Utility Bills	-	-	-	-	44,895,486
<b>Gross Receivables</b>	<u>46,524,779</u>	<u>300,760</u>	<u>2,444,490</u>	<u>49,270,029</u>	<u>45,291,906</u>
Less: Allowance for Uncollectibles	<u>(20,493,502)</u>	<u>-</u>	<u>(812,623)</u>	<u>(21,306,125)</u>	<u>(13,655,092)</u>
<b>Net Total Receivables</b>	<u>\$ 26,031,277</u>	<u>\$ 300,760</u>	<u>\$ 1,631,867</u>	<u>\$ 27,963,904</u>	<u>\$ 31,636,814</u>

Internal Service Fund receivables amounting to \$26,709 are included in Governmental Activities receivables in the Statement of Net Position.

Revenues of the Water and Sewer Fund are reported net of the change in uncollectible amounts; the change in 2020 decreased revenues by \$1,791,330.

As discussed in Note 1, the Housing Strategic Fund no longer meets the requirements to be presented as a Major Fund. For the year ended June 30, 2020, it is included with Non-Major Funds within the Governmental Activities. The Housing Strategic Fund includes the blended component unit, Wilmington Housing Partnership Corporation. Its Notes Receivable are comprised of the following:

- Low Income and Down Payment Settlement Assistance Loans with a maximum amount of \$7,500 and with 0% to 5% interest rates. Loans are due when the property is sold or when the first mortgage is repaid and are secured by second mortgages on the properties.
- Other Notes Receivable – Notes receivable from various purchasers of properties developed by Wilmington Housing Partnership Corporation with interest rates ranging from 0% to 9% with maturity dates through January 2029. Certain other notes receivable are self-amortizing and are forgiven each year if the borrower resides in and does not sell the home.



**Discretely Presented Component Units**

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

	<b>Downtown Visions</b>	<b>Riverfront Business Improvement District</b>	<b>Wilmington UDAG Corporation</b>	<b>Rock Manor Golf Corporation</b>	<b>Wilmington Parking Authority</b>	<b>Total</b>
<b>Receivables:</b>						
Accounts	\$ 191,728	\$ 84,057	\$ -	\$ 95,845	\$ 46,030	\$ 417,660
Mortgages and Loans	-	-	1,747,464	-	-	1,747,464
Total Receivables	<u>\$ 191,728</u>	<u>\$ 84,057</u>	<u>\$ 1,747,464</u>	<u>\$ 95,845</u>	<u>\$ 46,030</u>	<u>\$ 2,165,124</u>

**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. In exchange for the assets sold (net book value of \$71.9 million), DSPC agreed to make payments to the City under deferred payment notes totaling \$115.5 million over 30 years, discounted at 7% interest rate. On October 3, 2018 the Diamond State Port Corporation paid the outstanding balance of the note in the amount of \$2,591,742. \$1,978,890 is reported as unearned revenue in the government-wide statement of net position and governmental funds balance sheet. The amount is also disclosed in the schedule in 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. The funding was provided as part of the proceeds of a \$4,000,000 line of credit with JP Morgan Chase, further discussed in Note 8. On September 20, 2019, the City refunded the JP Morgan Chase line of credit with the proceeds of a bond anticipation note as disclosed in Note 8. 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, 2020, is \$0 (\$3,653,109 in principal and \$151,112 in interest less allowance of \$3,804,221) 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.

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% shall accrue 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, 2020 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, 2020 was as follows:

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
<b>Governmental activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 24,090,181	\$ -	\$ -	\$ 24,090,181
Art	1,969,203	557,640	-	2,526,843
Construction-In-Progress	9,485,442	9,473,134	(8,680,335)	10,278,241
Total Capital Assets not being Depreciated	<u>35,544,826</u>	<u>10,030,774</u>	<u>(8,680,335)</u>	<u>36,895,265</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	80,520,896	7,757,955	-	88,278,851
Parks and Recreation Facilities	37,085,609	1,410,426	-	38,496,035
Streets and Street Signals	125,146,812	4,566,762	(3,032,595)	126,680,979
Vehicles, Equipment and Other Assets	75,337,249	9,887,070	(3,813,203)	81,411,116
Total Capital Assets Being Depreciated	<u>318,090,566</u>	<u>23,622,213</u>	<u>(6,845,798)</u>	<u>334,866,981</u>
Less Accumulated Depreciation For:				
Buildings	(30,377,423)	(2,009,843)	-	(32,387,266)
Parks and Recreation Facilities	(20,735,731)	(861,462)	-	(21,597,193)
Streets and Street Signals	(54,721,619)	(3,928,129)	3,032,595	(55,617,153)
Vehicles, Equipment and Other Assets	(49,306,916)	(5,198,074)	2,997,261	(51,507,729)
Total Accumulated Depreciation	<u>(155,141,689)</u>	<u>(11,997,508)</u>	<u>6,029,856</u>	<u>(161,109,341)</u>
Total Capital Assets Being Depreciated, Net	<u>162,948,877</u>	<u>11,624,705</u>	<u>(815,942)</u>	<u>173,757,640</u>
Governmental Activities Capital Assets, Net	<u>\$ 198,493,703</u>	<u>\$ 21,655,479</u>	<u>\$ (9,496,277)</u>	<u>\$ 210,652,905</u>

The capital asset activity for Business-type Activities for the year ended June 30, 2020 was as follows:

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 4,060,443		\$ -	\$ 4,060,443
Construction-In-Progress	28,870,735	46,314,201	(36,648,323)	38,536,613
Total Capital Assets not being Depreciated	<u>32,931,178</u>	<u>46,314,201</u>	<u>(36,648,323)</u>	<u>42,597,056</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	25,223,622	1,944,089	-	27,167,711
Vehicles, Equipment and Other Assets	-	29,956	-	29,956
Reservoirs and Water Filter Facilities	138,080,624	22,900,724	-	160,981,348
Water Lines	68,038,788	4,463,806	(1,002,611)	71,499,983
Wastewater Pump and Treatment Facilities	185,250,350	5,258,679	(265,402)	190,243,627
Sewer Lines	37,501,322	2,081,025	(430,352)	39,151,995
Total Capital Assets Being Depreciated	<u>454,094,706</u>	<u>36,678,279</u>	<u>(1,698,365)</u>	<u>489,074,620</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(5,982,992)	(609,278)	-	(6,592,270)
Vehicles, Equipment and Other Assets	-	(4,493)	-	(4,493)
Reservoirs and Water Filter Facilities	(38,933,755)	(2,564,393)	-	(41,498,148)
Water Lines	(23,171,747)	(1,910,395)	1,002,611	(24,079,531)
Wastewater Pump and Treatment Facilities	(95,224,307)	(3,646,410)	-	(98,870,717)
Sewer Lines	(9,770,188)	(766,530)	430,352	(10,106,366)
Total Accumulated Depreciation	<u>(173,082,989)</u>	<u>(9,501,499)</u>	<u>1,432,963</u>	<u>(181,151,525)</u>
Total Capital Assets Being Depreciated, Net	<u>281,011,717</u>	<u>27,176,780</u>	<u>(265,402)</u>	<u>307,923,095</u>
Business-type Activities Capital Assets, Net	<u>\$ 313,942,895</u>	<u>\$ 73,490,981</u>	<u>\$ (36,913,725)</u>	<u>\$ 350,520,151</u>

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

**Governmental Activities**

General Government	\$ 1,680,254
Real Estate and Housing	62,714
Public Works	7,733,663
Parks and Recreation	1,026,463
Public Safety	<u>1,494,414</u>

**Total Depreciation Expense - Governmental Activities** \$ 11,997,508

**Business-type Activities**

Water/Sewer	<u>\$ 9,501,499</u>
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**Total Depreciation Expense - Business-type Activities** \$ 9,501,499

**Construction Commitments**

The City of Wilmington has active construction contracts as of June 30, 2020. 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	\$ 39,574,838	\$ 10,962,901
Reservoirs & Other Water and Wastewater Projects	<u>89,706,733</u>	<u>19,676,986</u>
Total	<u>\$ 129,281,571</u>	<u>\$ 30,639,887</u>

**B. Component Units**

The Capital asset activity for the City's component units for the year ended June 30, 2020, 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>660,092</u>	<u>4,259,938</u>	<u>(105,000)</u>	<u>4,815,030</u>
Total Capital Assets Not Being Depreciated	<u>21,979,151</u>	<u>4,259,938</u>	<u>(105,000)</u>	<u>26,134,089</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	70,272,984	391,335	-	70,664,319
Machinery and Equipment	4,735,742	39,627	-	4,775,369
Vehicles & Other Assets	<u>605,672</u>	<u>98,545</u>	<u>-</u>	<u>704,217</u>
Total Capital Assets Being Depreciated	<u>75,614,398</u>	<u>529,507</u>	<u>-</u>	<u>76,143,905</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(45,719,914)	(2,188,402)	-	(47,908,316)
Machinery and Equipment	(4,028,007)	(192,886)	-	(4,220,893)
Vehicles & Other Assets	<u>(244,897)</u>	<u>(97,166)</u>	<u>-</u>	<u>(342,063)</u>
Total Accumulated Depreciation	<u>(49,992,818)</u>	<u>(2,478,454)</u>	<u>-</u>	<u>(52,471,272)</u>
Total Capital Assets Being Depreciated, Net	<u>25,621,580</u>	<u>(1,948,947)</u>	<u>-</u>	<u>23,672,633</u>
Capital Assets, Net	<u>\$ 47,600,731</u>	<u>\$ 2,310,991</u>	<u>\$ (105,000)</u>	<u>\$ 49,806,722</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 \$6,530,965 by the Fiduciary Funds at June 30, 2020. The liability relates to the pension payments disbursed from the General Fund on behalf of the Fiduciary Funds during the year. On October 14, 2020, \$6,000,000 of the liability was repaid.

The General Fund is owed \$2,869,389 by the Motor Vehicle Fund at June 30, 2020; 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 \$16,316,299 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, 2020, the City of Wilmington transferred to various special revenue funds, \$279,241 to Cityfest, Inc., and \$363,576 to Wilmington Housing Partnership.

The composition of interfund balances as of June 30, 2020, is as follows:

	<b>Payable Funds</b>					<b>Total</b>
	<b>General</b>	<b>Other Governmental Funds</b>	<b>Internal Service Funds</b>	<b>Water &amp; Sewer</b>	<b>Fiduciary Funds</b>	
<b>Receivable Funds</b>						
General Fund	\$ -	\$ 2,375,705	\$ 16,316,299	\$ 14,248,685	\$ 6,530,965	\$ 39,471,654
Total	\$ -	\$ 2,375,705	\$ 16,316,299	\$ 14,248,685	\$ 6,530,965	\$ 39,471,654

## 8. Short Term Debt

### Primary Government - Line of Credit

The City repaid its Line of Credit with JP Morgan Chase Bank in the amount of \$3,378,372 in September 2019. The proceeds of the line were to be used to develop housing within the City. The funds provided a line of construction financing of up to \$3,378,372 to the Wilmington Housing Partnership (WHP) (See Note 5) and funded housing projects. The line of credit was satisfied on September 18, 2019 with the proceeds of a General Obligation Bond Anticipation Note as disclosed in Note 9.

	<u>Beginning Fiscal</u> <u>Year Liability</u>		<u>Draws</u>		<u>Repayments</u>		<u>Ending Fiscal</u> <u>Year Liability</u>
2019 - 2020	\$ 3,378,372	\$	-	\$	3,378,372	\$	-

### 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, 2020:

- Bank Line of Credit – During the year ended June 30, 2020, WHPC and a commercial bank negotiated a settlement by which the bank accepted \$400,000 in full settlement of the \$2,810,303 loan and all accrued interest on the loan, \$435,380. On July 7, 2020, WHPC made the \$400,000 payment. The loan forgiveness is reported on the Statement of Activities as an extraordinary item.
- 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. No payment of principal or interest has been made on this loan and WHPC is in default as of June 30, 2020. The balance as of June 30, 2020, including accrued interest and fees, is \$647,785.

The following is a summary of debt and accrued interest activity for the year ended June 30, 2020:

	<u>Beginning</u> <u>Fiscal Year</u> <u>Liability</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Fiscal</u> <u>Year Liability</u>
Bank Line of Credit	\$ 2,810,303	\$	-	\$	2,410,303	\$	400,000
Wilmington UDAG Corporation	500,000		-				500,000
Accrued Interest	451,298		131,867		435,380		147,785
	<u>\$ 3,761,601</u>	\$	<u>131,867</u>	\$	<u>2,845,683</u>	\$	<u>1,047,785</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, 2020.

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2020</b>	<b>One Year</b>
<b>Government Activities:</b>					
Bonds Payable	\$ 105,710,985	\$ 11,643,357	\$ (12,951,162)	\$ 104,403,180	\$ 10,092,011
Premium on Debts Issued	<u>7,567,493</u>	-	<u>(1,240,912)</u>	<u>6,326,581</u>	-
Total Bonds Payable	113,278,478	11,643,357	(14,192,074)	110,729,761	10,092,011
Capital Leases	4,509,973	1,425,265	(1,906,500)	4,028,738	2,072,185
Insurance Claims Payables	22,935,196	27,642,327	(26,961,682)	23,615,841	6,126,604
Compensated Absences	9,136,000	6,009,560	(6,071,097)	9,074,463	6,010,392
Net Pension Liability	120,159,015	2,713,036	(3,590,984)	119,281,067	-
Net OPEB Liability	<u>46,068,828</u>	<u>5,338,158</u>	<u>(4,766,707)</u>	<u>46,640,279</u>	-
Government Activity					
Long-Term Liabilities	<u>\$ 316,087,490</u>	<u>\$ 54,771,703</u>	<u>\$ (57,489,044)</u>	<u>\$ 313,370,149</u>	<u>\$ 24,301,192</u>
<b>Business-type Activities</b>					
Bonds Payable	\$ 200,253,149	\$ 5,070,073	\$ (13,786,000)	\$ 191,537,222	\$ 13,017,567
Premium on Debt Issue	<u>9,573,613</u>	-	<u>(1,422,436)</u>	<u>8,151,177</u>	-
Total Bonds Payable	209,826,762	5,070,073	(15,208,436)	199,688,399	13,017,567
Net Pension Liability	5,485,687	97,028	(382,806)	5,199,909	-
Compensated Absences	<u>405,616</u>	<u>606,077</u>	<u>(476,236)</u>	<u>535,457</u>	<u>535,457</u>
Business-type Activities					
Long-Term Liabilities	<u>\$ 215,718,065</u>	<u>\$ 5,773,178</u>	<u>\$ (16,067,478)</u>	<u>\$ 205,423,765</u>	<u>\$ 13,553,024</u>

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>One Year</u>
<b>Discreetly Presented Component Units</b>					
Wilmington Parking Authority	\$ 12,150,392	\$ -	\$ (684,679)	\$ 11,465,713	\$ 645,321
Downtown Visions	516,884	426,571	(24,448)	919,007	50,739
Rock Manor	<u>1,009,615</u>	<u>-</u>	<u>(106,939)</u>	<u>902,676</u>	<u>118,897</u>
Component Units					
Long-Term Liabilities	<u>\$ 13,676,891</u>	<u>\$ 426,571</u>	<u>\$ (816,066)</u>	<u>\$ 13,287,396</u>	<u>\$ 814,957</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 \$16,268,387 in fiscal year 2020 were within the statutory debt limit of \$29,294,492.



The following is a summary of general obligation bonds outstanding as of June 30, 2020:

<b>Date of Issue/ Maturity</b>	<b>Amount of Original Issue</b>	<b>Description</b>	<b>Interest Rates</b>	<b>Balance Outstanding June 30, 2020</b>
2002/2025	\$ 11,000,000	Series of 2002 - DDWSRF	2.96%	\$ 3,658,121
2005/2028	13,700,000	Series of 2005C - DDWSRF	2.37%	7,306,765
2007/2028	2,548,501	Series of 2006 - DDWSRF	2.50%	1,409,204
2007/2028	1,246,499	Series of 2006B - DDWSRF	2.50%	688,816
2007/2028	3,185,000	Series of 2007 - DDWSRF	2.69%	1,772,576
2009/2030	18,975,000	Series of 2008 DDWSRF	2.92%	13,315,187
2009/2030	5,000,000	Series of 2008B DDWSRF	2.92%	3,172,942
2009/2031	8,899,999	Series of 2009 ARRA/SRF	3.24%	2,807,397
2009/2031	2,800,000	Series of 2009C DDWSRF	2.00%	1,780,812
2010/2025	47,345,000	Series of 2010A	1.10%-5.00%	22,993,280
2011/2031	26,505,000	Series of 2011A	2.00% - 5.00%	24,895,000
2011/2020	17,460,000	Series of 2011B	0.89% - 3.26%	2,585,000
2011/2030	2,700,000	Series of 2011CREB	4.63%	2,700,000
2011/2032	2,500,000	Series of 2011 DDWSRF	2.00%	1,967,077
2011/2032	2,500,000	Series of 2011A DDWSRF	2.00%	1,711,838
2012/2033	2,500,000	Series of 2012A DDWSRF	2.41%	2,129,421
2012/2022	1,556,594	Series of 2011SEU DNREC	1.99%	367,077
2012/2034	2,000,000	Series of 2012B DDWSRF	2.41%	1,558,495
2012/2035	1,200,000	Series of 2012C DDWPCRF	2.41%	1,028,251
2012/2032	1,500,000	Series of 2012D DDWCRF	3.00%	142,092
2014/2034	36,060,000	Series of 2014 SRF CO-GEN	3.00%	30,614,995
2013/2025	37,535,000	Series of 2013A	2.22%	31,695,036
2014/2036	2,500,000	Series of 2014 SRF	2.20%	2,084,201
2014/2036	4,000,000	Series of 2014A SRF	2.20%	3,606,808
2015/2035	39,425,000	Series 2015	2.00%-5.00%	35,330,000
2017/2028	40,785,000	Series 2017	2.00%-5.00%	37,793,813
2016/2037	5,000,000	Series of 2016 SRF	2.00%	4,994,682
2017/2020	17,000,000	Series 2018 BAN	Floating	7,255,974
2018/2034	3,490,753	Series of 2017 SRF	2.50%	2,687,591
2018/2038	37,030,000	Series 2018	3% -5.00%	30,595,090
2018/2020	3,400,000	Series 2019B Ban	Floating	3,387,392
2018/2039	4,000,000	Series of 2018B SRF	2.39%	1,576,711
2019/2020	12,200,000	2019A BAN	Floating	2,179,991
2019/2041	15,107,399	Series 2019A SRF	2.00%	3,148,767
2020/N/A (1)	1,000,000	2020 Bond Bill (1)	N/A (1)	1,000,000
Total General Obligation Bonds Payable				<u>\$ 295,940,402</u>

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

**Primary Government**

On November 21, 2018, the City issued a General Obligation Bond Anticipation Note (Capital Projects – Capital Budget 2016), Series of 2018, due November 21, 2020 in the amount of \$17,000,000. The funding is drawn as needed and the interest rate is 80% of the Adjusted London Interbank Offered Rate (LIBOR) plus 0.45%, not to exceed 5%. As of June 30, 2020, balance outstanding on this loan is \$7,255,974.

On September 20, 2019, the City issued General Obligation Bond Anticipation Notes (BAN) Series of 2019A and 2019B. The BANs mature on November 21, 2020. Series of 2019A (Street Repairs Project - Capital Budgets 2018 and 2020) was issued in the amount of \$12,200,000 and bears interest at 79% of the daily London Interbank Offered Rate (LIBOR) plus 0.49%, not to exceed 6%. Series of 2019B (WHP Refinancing Project - Capital Budget 2020), was issued in the amount of \$3,400,000 in order to refinance the JP Morgan Chase Line of Credit. The interest rate is the one-month LIBOR plus 0.55%, not to exceed 6%. As of June 30, 2020, balance outstanding on the 2019A and 2019B BANs were \$2,179,991 and \$3,387,392, respectively.

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 April 23, 2020 for an amount not exceeding \$1,206,460 with an interest rate of 2.0% is a related to cost associated to Shallcross Ave Sewer Separation Project.
- A DWSRF agreement dated February 11, 2019 for an amount not exceeding \$5,000,000 at an interest rate of 2.64% relating to the cost associated with the Water Distribution Mains Project in order to replace old, undersized water mains and associated hydrants, valves, and service lines within the Concord Pike Service Zone, the High Service Zone and the Carr Road Service Zone.

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
2021	\$ 10,092,011	\$ 3,987,595	\$ 13,017,567	\$ 6,335,839
2022	8,181,868	3,615,684	14,672,100	5,878,976
2023	7,955,598	3,270,130	14,523,464	5,383,655
2024	7,327,214	2,895,843	15,515,878	4,829,363
2025	7,386,780	2,540,188	15,769,503	4,240,627
2026-2030	32,795,488	7,737,214	65,032,919	13,295,795
2031-2035	14,226,685	1,984,326	34,315,636	4,120,115
2036-2038	2,614,179	155,782	6,140,312	462,228
	90,579,823	\$ 26,186,762	178,987,379	\$ 44,546,598
Add: Construction Bonds	13,823,357		12,549,843	
Total	\$ 104,403,180		\$ 191,537,222	

### 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		Riverfront Business Improvement District		Rock Manor	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 680,000	\$ 404,765	\$ 50,739	\$ -	\$ -	\$ -	\$ 59,503	\$ 18,546
2022	710,000	370,765	431,313	-	-	-	61,109	16,926
2023	750,000	335,265	29,914	-	-	-	62,774	15,262
2024	785,000	297,765	31,408	-	-	-	64,483	13,552
2025	820,000	266,365	33,089	-	-	-	66,388	11,648
2026-2030	4,520,000	911,267	342,544	-	-	-	402,501	31,443
2031-2035	2,760,000	183,386	-	-	-	-	-	-
Total	\$ 11,025,000	\$ 2,769,578	\$ 919,007	\$ -	\$ -	\$ -	\$ 716,758	\$ 107,377

### 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, 2020, five issues with debt of \$37,336,708 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 has a Master Equipment Lease/Purchase Agreement with PNC Bank N.A. The Master Equipment Lease/Purchase Agreement with PNC provides for the financing of up to \$11,700,000 of equipment at an adjustable rate of interest (Daily LIBOR + 0.90%), which was 0.98% at June 30, 2020. The City also has a product purchase agreement with VAR Technology Finance for the purchase of information technology (IT) hardware. On December 6, 2019, the City entered a Master Lease Agreement with Rehrig Financial Services for municipal solid waste containers that includes a bargain purchase option to support Public Works operations. As such, the present value of all future minimum lease payments has been recorded as a capital lease obligation on the statement of net position. As of June 30, 2020, payments under these capital leases are as follows:

<u>Year Ending June 30</u>	<u>Primary Government</u>	
	<u>Motor Vehicle</u>	<u>General</u>
2021	\$ 1,377,217	\$ 694,968
2022	357,577	582,062
2023	-	524,553
2024	-	467,043
2025	-	316,829
Total Minimum Lease Payments	1,734,795	2,585,455
Less: Amount Representing Interest	(37,548)	(253,963)
Present Value of Lease Payments	<u>\$ 1,697,246</u>	<u>\$ 2,331,492</u>

Capitalized leases for the City at June 30, 2020, consist of the following capital assets shown at original costs as summarized below:

<u>Type of Property</u>	<u>Primary Government</u>	
	<u>Motor Vehicle</u>	<u>General</u>
Vehicles	\$ 6,550,065	\$ -
Equipment	-	4,047,108
Total	6,550,065	4,047,108
Less: Accumulated Depreciation	(3,666,270)	(1,375,262)
Net Assets Under Lease	<u>\$ 2,883,794</u>	<u>\$ 2,671,846</u>

**B. Operating 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 \$490 over the original term. Salesianum School, Inc. will be required to renovate Baynard Stadium with an investment of \$15 million to \$20 million over a period of five years 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.

Downtown Visions extended an operating lease agreement to lease office space in Wilmington, Delaware through October 31, 2021. 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 \$27,144 and \$27,144 for the fiscal years ended June 30, 2020 and 2019, respectively.

**D. Operating Leases - Lessor - Component Units****Wilmington Parking Authority**

The Authority leases business space to commercial tenants at its Brandywine Gateway and Corporate Plaza facilities. The leasing arrangements are classified as operating leases with varying expiration dates. Total rental income from these leasing arrangements and other short-term rental arrangements are \$93,586 and \$137,081 for the years ended June 30, 2020 and 2019, respectively.

The following is a schedule of minimum future rental income on non-cancelable operating leasing arrangements as of June 30, 2020 from the leased facilities:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 21,500
2022	6,000
2023	6,000
2024	6,000
2025	6,000
Thereafter	<u>322,500</u>
Total Minimum Future Rental Income	<u>\$ 368,000</u>

**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 agreements further provide for the management company to pay an annual base rent and an additional revenue sharing payment contingent on operating revenues exceeding certain threshold amounts. The revenue sharing payments for the years ended June 30, 2020 and 2019 were \$48,763 and \$30,968 respectively. Rent revenues for the year ended June 30, 2020 and 2019 were \$143,233 and \$130,000 respectively.

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

Year Ending June 30	Porky Oliver	Rock Manor
2021	\$ 30,000	\$ 100,000
2022	30,000	100,000
2023	35,000	100,000
2024	35,000	100,000
2025	35,000	100,000
Total Minimum Future Rental Income	\$ 165,000	\$ 500,000

**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, 2020. The annual installment payments at the beginning of the period is \$66,830 including interest at 4%, and the maturity date of the lease period is March 2024.

Year Ending June 30	Business-Type Activities	
	Notes from Direct Borrowing	
	Principal	Interest
2021	\$ 59,394	\$ 7,437
2022	61,769	5,061
2023	64,755	2,075
	\$ 185,918	\$ 14,573

**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.

	<b>Governmental Fund Financial Statements</b>	<b>Government-wide Financial Statements</b>
<b>Deferred Inflows of Resources:</b>		
<b><u>Unavailable Revenue</u></b>		
<b>General Fund</b>		
Property and Wage Taxes	\$ 11,619,956	\$ -
Citations and Other Revenues	3,377,306	-
Total General Fund	<u>14,997,262</u>	<u>-</u>
<b>Other Governmental Funds</b>		
Capital Projects	1,334,559	-
Community Development & Recovery		
Block Grants	5,678	-
Delaware Criminal Justice Planning	619,572	-
Extra Duty Revenue	626,880	-
Home for People with AIDS Grant	107,097	-
Special Projects	620,432	-
Total Non-Major Funds	<u>3,314,218</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 18,311,480</u></b>	<b><u>\$ -</u></b>

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

	<b>Governmental Fund Financial Statements</b>	<b>Government-wide Financial Statements</b>
<b><u>Unearned Revenues</u></b>		
<b>General Fund</b>		
Revenue on Notes Receivable	\$ 1,978,890	\$ 126,065
<b>Major Fund</b>		
Capital Projects	489,478	489,478
<b>Non-Major Funds</b>		
Unearned Grant Revenues		
Delaware Criminal Justice Planning	258,157	258,157
Special Projects	680,274	680,274
Municipal Street Aid	325,373	325,373
Park Recreation Assistance	144,689	144,689
Total Non-Major Funds	<u>1,408,493</u>	<u>1,408,493</u>
<b>Total Unearned Revenue</b>	<b><u>\$ 3,876,861</u></b>	<b><u>\$ 2,024,036</u></b>
<b>Water &amp; Sewer Fund</b>		
Unearned Service Charges		<u>\$ 3,226,064</u>

## **12. Fund Balance/Net Position**

The details of the fund balances are included in the Balance Sheet of Governmental Funds (page 20). 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, 2020. Of the \$13,073,677 due from the Motor Vehicle Fund, \$2,869,385 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 \$16,350,105 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 2021 budgeted expenditures.
- The Tax Stabilization Reserve provides future tax stabilization for the General Fund. This reserve of \$28,725,708 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 Major Funds**

The Capital Project Fund has an Unassigned Fund Balance of (\$3,186,394). This is primarily due to Bond Anticipation Note and grant funds spent and unreimbursed at year end.

### **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 \$934,863 Restricted Fund Balance of \$4,270,394 for Park Operations.

The Special Revenue Funds had a Restricted Fund Balances of \$4,029,000 related to cable television and internal capital and related programs.

### **Business Type Activities / Water and Sewer Fund**

The Water and Sewer Fund had a net position of \$176,843,946 as of June 30, 2020. 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.



On March 13, 2020, Mayor Michael S. Purzycki certified a state of emergency in the City of Wilmington due to the COVID-19 public health pandemic, accordingly a portion of the restricted net position for the Operation and Maintenance Reserve was expended during the year ended June 30, 2020. As of June 30, 2020, the Operation and Maintenance Reserve was \$9,409,512, which was less than the seventeen percent determined by ordinance.

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, 2020 was \$25,900,628.

**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.” 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:

	<b>Beginning Liability</b>		<b>Claims and</b>		<b>Ending Liability</b>
	<b>Fiscal Year</b>		<b>Changes in</b>	<b>Claim Payments</b>	<b>Fiscal Year</b>
			<b>Estimates</b>		
2018 - 2019	\$ 4,722,156	\$	3,017,951	\$ (2,690,669)	\$ 5,049,438
2019 - 2020	5,049,438		2,722,778	(3,015,826)	4,756,390

**B. Workers' Compensation**

The City is also self-insured for workers' compensation for the year ended June 30, 2020. Effective July 1, 2018, the City is only self-insured 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 claims liabilities recorded in the Workers' Compensation Fund is presented below:

	<b>Beginning Liability</b>		<b>Claims and</b>		<b>Ending Liability</b>
	<b>Fiscal Year</b>		<b>Changes in</b>	<b>Claim Payments</b>	<b>Fiscal Year</b>
			<b>Estimates</b>		
2018 - 2019	\$ 14,771,751	\$	5,290,104	\$ (3,619,097)	\$ 16,442,758
2019 - 2020	16,442,758		5,050,624	(4,022,930)	17,470,452

**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 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. An analysis of claims liabilities recorded in the Health and Welfare Fund is presented below:

	<b>Claims and</b>			
	<b>Beginning Liability</b>	<b>Changes in</b>		<b>Ending Liability</b>
	<b>Fiscal Year</b>	<b>Estimates</b>	<b>Claim Payments</b>	<b>Fiscal Year</b>
2018 - 2019	\$ 1,544,024	\$ 16,933,138	\$ (17,034,162)	\$ 1,443,000
2019 - 2020	1,443,000	17,084,597	(17,138,597)	1,389,000

**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 as a result of these examinations.

**B. Legal Letter – 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 at June 30, 2020.

**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, 2016, the City of Wilmington signed a 5-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

**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.

**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:

	<b>Firefighters</b>	<b>Police</b>	<b>Plan I Non- uniformed</b>	<b>Plan II Non- uniformed</b>	<b>Plan III Non- uniformed</b>	<b>Park Trust</b>
Number of Retirees & Beneficiaries Receiving Benefits	279	456	110	160	304	1
Number of Terminated Employees Entitled to Benefits	18	21	0	116	78	0
Number of Fully Vested, Partially Vested, & Non-Vested Active Employees	18	19	0	3	344	1
Current Year Annual Covered Payroll	\$1,232,108	\$1,499,092	\$ -	\$ 97,005	\$17,005,254	\$51,326

The City's current-year total payroll for all employees was \$82,604,347.

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 87 through 90 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, 2020, represented 96.3% 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). During the year ended June 30, 2020, the Trustees amended the Funds' investment policy statement to revise the asset allocation target ranges.

As of June 30, 2020, 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](http://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 - \$5,669,921; Police - \$4,018,545; Plan I - \$0; Plan II - \$0; Plan III - \$0) are included in the pension statements as separately presented component of City contributions to the trusts. A one time contribution of \$3,903,000 (Firefighters - \$1,578,000; Police - \$2,325,000) is included in the contributions to the City Sponsored Plans by the State of Delaware. Total pension expense recognized by the City for the ended June 30, 2020 was \$24,659,849.

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, 2020**

	<b>Plan I Non- uniformed Pension</b>	<b>Plan II Non- uniformed Pension</b>	<b>Plan III Non- uniformed Pension</b>	<b>Wilmington Park Trust Pension</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,593	\$ 1,500	\$ 6,483,238	\$ 48,094
Accrued Interest & Other Receivables	6,294	16,984	86,112	-
Investments, at Fair Value:				
Money Market Funds	62,436	168,474	1,025,440	-
U.S. Treasury Obligations	380,625	1,027,061	6,251,357	-
U.S. Government Agencies - Guaranteed	33,817	91,250	555,409	-
Municipal Obligations	9,767	26,356	160,419	-
Corporate & Foreign Bonds	424,005	1,144,115	6,963,822	-
Common Equity & Marketable Securities	1,453,790	3,922,841	23,876,940	80,721
Mutual Funds				
Global & International Funds	1,206,907	3,256,663	19,822,149	-
Domestic Equity Funds	522,197	1,409,073	8,576,528	131,497
Fixed Income Funds	674,533	1,820,130	11,078,481	-
Real Estate Investment Trust	397,416	1,072,370	6,527,133	-
Total Investments	<u>5,165,493</u>	<u>13,938,333</u>	<u>84,837,678</u>	<u>212,218</u>
<b>Total Assets</b>	<u>5,173,380</u>	<u>13,956,817</u>	<u>91,407,028</u>	<u>260,312</u>
<b>LIABILITIES</b>				
Accounts Payable	1,583	2,836	18,479	5,940
Salaries and Benefits Payable	833	1,414	11,216	-
Due to Other Pension Trust Fund	-	-	2,166,246	-
Due to Other Governments	-	-	6,530,965	-
Compensated Absences	3,185	6,602	18,728	-
Liability for Stale-dated Pension Checks	38,911	8,517	8,453	-
<b>Total Liabilities</b>	<u>44,512</u>	<u>19,369</u>	<u>8,754,087</u>	<u>5,940</u>
<b>Net Position</b>				
Net Position Restricted for Pensions	<u>\$ 5,128,868</u>	<u>\$ 13,937,448</u>	<u>\$ 82,652,942</u>	<u>\$ 254,372</u>

**City of Wilmington, Delaware**  
**Statements of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2020**

	Plan I Non- uniformed Pension	Plan II Non- uniformed Pension	Plan III Non- uniformed Pension	Wilmington Park Trust Pension
<b>ADDITIONS</b>				
<b>Contributions:</b>				
City				
Paid Directly by the City	\$ 47,342	\$ 260,859	\$ 4,958,725	\$ -
Employees	-	1,279	339,158	-
Other Contributions	-	11,880	945	-
<b>Total Contributions</b>	<u>47,342</u>	<u>274,018</u>	<u>5,298,828</u>	<u>-</u>
<b>Investment Income</b>				
Investment Earnings	331,487	854,480	4,433,716	8,567
Net Appreciation				
(Depreciation) in Fair Value	<u>(47,097)</u>	<u>(121,402)</u>	<u>(629,930)</u>	<u>(32,874)</u>
Total Investment Earnings	<u>284,390</u>	<u>733,078</u>	<u>3,803,786</u>	<u>(24,307)</u>
Less: Investment Expense	<u>(12,499)</u>	<u>(32,218)</u>	<u>(164,508)</u>	<u>-</u>
<b>Net Investment Income</b>	<u>271,891</u>	<u>700,860</u>	<u>3,639,278</u>	<u>(24,307)</u>
<b>Total Additions</b>	<u>319,233</u>	<u>974,878</u>	<u>8,938,106</u>	<u>(24,307)</u>
<b>DEDUCTIONS</b>				
Benefits Paid	596,554	1,093,542	6,183,705	11,880
Administrative Expenses	<u>38,386</u>	<u>72,644</u>	<u>253,345</u>	<u>2,912</u>
<b>Total Deductions</b>	<u>634,940</u>	<u>1,166,186</u>	<u>6,437,050</u>	<u>14,792</u>
<b>Net Change in Plan Net Position</b>	(315,707)	(191,308)	2,501,056	(39,099)
<b>Net Position - Beginning</b>	<u>5,444,574</u>	<u>14,128,756</u>	<u>80,151,885</u>	<u>293,471</u>
<b>Net Position - Ending</b>	<u>\$ 5,128,867</u>	<u>\$ 13,937,448</u>	<u>\$ 82,652,941</u>	<u>\$ 254,372</u>
<b>Change in Total Pension Liability</b>				
Service Cost	\$ -	\$ 20,275	\$ 1,094,570	\$ 8,054
Interest	308,907	958,747	7,758,391	18,295
Benefit Payments	<u>(596,554)</u>	<u>(1,093,542)</u>	<u>(6,183,705)</u>	<u>(11,880)</u>
Net Change	<u>(287,647)</u>	<u>(114,520)</u>	<u>2,669,256</u>	<u>14,469</u>
<b>Pension Liability - Beginning</b>	(4,583,473)	(13,832,930)	(109,691,505)	(279,251)
<b>Pension Liability - Ending</b>	<u>(4,295,825)</u>	<u>(13,718,410)</u>	<u>(112,360,761)</u>	<u>(293,720)</u>
<b>Net Pension Asset / (Liability)</b>	<u>\$ 833,042</u>	<u>\$ 219,038</u>	<u>\$ (29,707,820)</u>	<u>\$ (39,348)</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 hired 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.

On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of \$1,000 to all plan participants receiving an annual benefit of less than \$20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

**State of Delaware Special Fund Distribution:** In accordance with State of Delaware Senate Bill 11, the Plans received funding for a distribution to eligible retirees. SB11 provided for the following 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.

**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 11 provided a one time contribution \$3,903,000 (Firefighters - \$1,578,000; Police - \$2,325,000) 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, 2020 were as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Firefighters Plan</b>			
Balance June 30, 2019	\$ 83,504,891	\$ 50,923,855	\$ 32,581,036
Changes for the Year			
Service Cost	154,323	-	154,323
Interest	5,691,624	-	5,691,624
Changes in Benefits	1,578,000	-	1,578,000
Contributions - Other Entities	-	5,669,921	(5,669,921)
Contributions - Employer	-	1,393,193	(1,393,193)
Contributions - Employees	-	73,927	(73,927)
Net Investment Income	-	2,474,532	(2,474,532)
Benefit Payments	(9,380,799)	(9,380,799)	-
Administrative Expense	-	(113,331)	113,331
Net Changes	<u>(1,956,852)</u>	<u>117,443</u>	<u>(2,074,295)</u>
Balance June 30, 2020	<u>\$ 81,548,039</u>	<u>\$ 51,041,298</u>	<u>\$ 30,506,741</u>
<b>Police Plan</b>			
Balance June 30, 2019	\$ 148,529,990	\$ 93,605,292	\$ 54,924,698
Changes for the Year			
Service Cost	293,517	-	293,517
Interest	10,189,238	-	10,189,238
Changes in Benefits	2,325,000	-	2,325,000
Contributions - Other Entities	-	4,018,545	(4,018,545)
Contributions - Employer	-	5,771,270	(5,771,270)
Contributions - Employees	-	89,944	(89,944)
Net Investment Income	-	4,628,139	(4,628,139)
Benefit Payments	(14,871,078)	(14,871,078)	-
Administrative Expense	-	(185,274)	185,274
Net Changes	<u>(2,063,323)</u>	<u>(548,454)</u>	<u>(1,514,869)</u>
Balance June 30, 2020	<u>\$ 146,466,667</u>	<u>\$ 93,056,838</u>	<u>\$ 53,409,829</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. On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of \$1,000 to all plan participants receiving an annual benefit of less than \$20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

**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. On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of \$1,000 to all plan participants receiving an annual benefit of less than \$20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

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. On June 21, 2019, the City Council adopted Ordinance 19-031 to amend City Code Section 39-6(c) to provide a one time stipend of \$1,000 to all plan participants receiving an annual benefit of less than \$20,000. The stipend was disbursed in July 2019. This stipend was included in the calculation of the June 30, 2019 pension liability.

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 2020 was 16.84% 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 2020 was 7.30% of covered payroll.

### **Component Units (Wilmington Parking Authority)**

The Wilmington Parking Authority has a noncontributory single-employer defined benefit pension plan covering substantially all of its employees. The annual required contribution was \$146,573 for the year ended June 30, 2020. This contribution was computed using the aggregate cost method, assuming a 6.00% annual return on investments and 4.5% projected salary increases. The City is neither trustee nor manager of the Wilmington Parking Authority's plan and has no legal responsibility to make contributions to the pension plan, and no City employee participates in the Authority's pension plan. Pension disclosures for the Authority's pension plan are presented in the Authority's financial statements. The Wilmington Parking Authority's financial statements can be obtained by contacting the Authority's Finance Director at 625 North Orange Street, Wilmington Delaware 19801.

**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)

	<b>Firefighters Pension</b>	<b>Police Pension</b>	<b>Plan I Non- uniformed Pension</b>	<b>Plan II Non- uniformed Pension</b>	<b>Plan III Non- uniformed Pension</b>	<b>Wilmington Park Trust Pension</b>	<b>County &amp; Municipal Police and Firefighters (9)</b>	<b>County &amp; Municipal Other Employees (9)</b>
<b>Plan Type</b>	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Single Employer	Cost sharing Multi-Employer	Cost sharing Multi-Employer
<b>Employer Contributions</b>								
Required Contribution	\$ 4,482,869	\$ 7,577,035	\$ -	\$ 87,721	\$ 4,808,468	\$ 4,716	\$ 5,148,322	\$ 1,062,337
Actual Contribution	5,485,114	7,464,815	47,342	272,739	4,959,670	-	5,148,322	1,062,337
Contribution Excess (Deficiency)	\$ 1,002,245	\$ (112,220)	\$ 47,342	\$ 185,018	\$ 151,202	\$ (4,716)	\$ -	\$ -
<b>Actuarial Valuation Date</b>	July 1, 2018 (2)	July 1, 2018 (2)	July 1, 2018 (2)	July 1, 2018 (2)	July 1, 2018 (2)	July 1, 2018 (2)	June 30, 2018	June 30, 2018
<b>Measurement Date</b>	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2019	June 30, 2019
<b>Net Pension Liability</b>								
Total Pension Liability	81,548,039	146,466,667	4,295,825	13,718,410	112,360,761	293,720	141,275,604	17,519,701
Plan Fiduciary Net Position	51,041,298	93,056,838	5,128,868	13,937,449	82,652,941	254,372	131,740,085	16,248,130
Net Pension Liability (Asset)	\$ 30,506,741	\$ 53,409,829	\$ (833,043)	\$ (219,039)	\$ 29,707,820	\$ 39,348	\$ 9,535,519	\$ 1,271,571
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.59%	63.53%	119.39%	101.60%	73.56%	86.60%	93.25%	92.74%
City's Proportionate Share of the Net Pension Liability	100%	100%	100%	100%	100%	100%	33%	28%



**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 the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	Fire fighters 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
<b>Deferred Outflows of Resources</b>								
Net Difference Due to Change in Proportion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,478	\$ 171,990
Net Difference Between Projected and Actual Earnings on Plan Investments	417,616	395,888	-	24,731	1,477,690	36,479	91,729	21,075
Differences Between Expected and Actual Experience	-	-	-	-	-	-	5,830,005	498,404
Changes Of Assumption	-	-	-	-	1,102,314	-	2,197,698	422,959
Contributions Made After the Measurement Date	-	-	-	-	-	-	5,148,322	1,062,337
	<u>\$ 417,616</u>	<u>\$ 395,888</u>	<u>\$ -</u>	<u>\$ 24,731</u>	<u>\$ 2,580,004</u>	<u>\$ 36,479</u>	<u>\$ 13,355,232</u>	<u>\$ 2,176,765</u>
<b>Deferred Inflows of Resources</b>								
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ -	\$ -	\$ 19,511	\$ -	\$ -	\$ 22,472	\$ -	\$ -
Net Difference Due to Change in Proportion	-	-	-	-	-	-	75,760	1,440
Changes Of Assumption	-	-	-	-	124,424	-	924,916	-
Differences Between Expected and Actual Experience	-	-	-	-	1,547,904	-	1,864,762	419,256
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,511</u>	<u>\$ -</u>	<u>\$ 1,672,328</u>	<u>\$ 22,472</u>	<u>\$ 2,865,438</u>	<u>\$ 420,696</u>
<b>Amortization of Net Difference Between Projected and Actual Earnings on Plan Investments, Plan Experience, and Changes in assumptions</b>								
2021	(153,845)	(461,272)	(48,610)	(88,072)	(375,754)	1,555	1,315,500	178,321
2022	125,857	116,085	(4,828)	7,478	252,629	2,309	(282,993)	(7,654)
2023	223,883	355,411	14,061	48,355	612,523	1,562	448,695	77,007
2024	221,721	385,664	19,866	56,970	418,278	8,581	1,185,031	187,481
2025	-	-	-	-	-	-	643,568	121,419
Thereafter	-	-	-	-	-	-	2,031,671	137,158
Total	<u>\$ 417,616</u>	<u>\$ 395,888</u>	<u>\$ (19,511)</u>	<u>\$ 24,731</u>	<u>\$ 907,676</u>	<u>\$ 14,007</u>	<u>\$ 5,341,472</u>	<u>\$ 693,732</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 the multi-employer plans administered by the Delaware Public Employees' Retirement System (1)

	<b>Firefighters Pension</b>		<b>Police Pension</b>		<b>Plan I Non-uniformed Pension</b>		<b>Plan II Non-uniformed Pension</b>		<b>Plan III Non-uniformed Pension</b>		<b>Wilmington Park Trust Pension</b>		<b>County &amp; Municipal Police and Firefighters</b>		<b>County &amp; Municipal Other Employees</b>	
<b>Actuarial Assumptions</b>																
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%	28.3%	6.5%	29.5%	5.7%	29.5%	5.7%
International 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%	13.5%	5.7%	13.5%	5.7%
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%	0.0%	0.0%	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%	60.7%	3.7%	27.1%	2.0%	27.1%	2.0%
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%	22.4%	7.8%	22.4%	7.8%
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%	7.5%	0.0%	7.5%	0.0%
Projected Salary Increases	3.00%		3.00%		4.00% per year graded to 3.00% per year based on age (8)						4.00%		2.5% + Merit		2.5% + Merit	
	Projected Salary Increases includes inflation of 2.50%															
Includes Inflation Rate of Cost-of-Living Adjustments	3.00%		3.00%		3.00%		3.00%		3.00%		n/a		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>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 Sacc AA for 15 years			
<b>Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate</b>																
1% Decrease	\$	36,940,298	\$	66,657,243	\$	(556,244)	\$	1,020,429	\$	41,977,027	\$	76,801	\$	31,323,498	\$	3,987,087
Discount Rate	30,506,741		53,409,829		(833,043)		(219,039)		29,707,280		39,348		9,535,519		1,271,571	
1% Increase	24,917,377		42,074,046		(1,078,122)		(1,282,361)		19,286,025		7,452		(8,236,805)		(958,466)	
<b>Money-Weighted Rate of Return</b>	6.83%		6.11%		6.10%		5.52%		8.88%		6.50%		n/a		n/a	

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, 2018. 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, 2020 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, 2020 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 so GASBS No. 67. The discount rate was reduced from 7.4% to 7.2% for the June 30, 2019 measurement date.
5. The discount rate as of June 30, 2020 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 so GASBS No. 67.
6. The discount rate used to measure the total pension liability as of June 30, 2020 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 officers and firefighters and their surviving spouses, The related contributions were not made in relation to the Actuarially Determined Contribution. These one time contributions of \$2,325,000 and \$1,578,000, for the Police and Fire plans, respectively, were for a one-time payment made to retirees, and were excluded from the actual employer contributions
10. Effective 10/25/2019, the Board of Pension and Retirement amended the Plans' Investment Policy statement as follows: Insert chart on next page / excel also provided.

**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, 2020, the plan's participants are summarized as follows:

Inactive Plan Members Currently Receiving Benefits	
Retirees	305
Spouses and Widows	57
Inactive Plan Members Entitled to Receive Future Benefits	13
Active Plan Members	<u>987</u>
Total Plan Members	<u>1,362</u>

**Statement of Fiduciary Net Position**

	<u>2020</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 185,238
Accrued Interest & Other Receivables	-
Due From Pension Trust Fund	2,166,246
Investments, at Fair Value:	
Money Market Funds	4,666
Mutual Funds	
Global & International Funds	4,605,537
Domestic Equity Funds	11,799,507
Fixed Income Funds	<u>8,758,095</u>
Total Investments	<u>25,167,805</u>
<b>Total Assets</b>	<u>27,519,289</u>
<b>LIABILITIES</b>	
Accounts Payable	11,844
Accrued Expenses	-
<b>Total Liabilities</b>	<u>11,844</u>
<b>NET POSITION</b>	
Restricted for OPEB	<u>\$ 27,507,444</u>

### Statement of Changes in Fiduciary Net Position

	<b>2020</b>
<b>ADDITIONS</b>	
<b>Contribution:</b>	
Paid Directly by the City	\$ 4,240,630
Employees	949,470
Federal Drug Subsidies & Other	-
<b>Total Contributions</b>	5,190,100
<b>Investment Income</b>	
Investment Earnings	547,036
Net Appreciation in Fair Value	926,305
Total Investment Earnings	1,473,341
Less: Investment Expense	(7,120)
<b>Net Investment Income</b>	1,466,221
<b>Total Additions</b>	6,656,321
<b>DEDUCTIONS</b>	
Benefits Paid	2,498,752
Administrative Expenses	50,273
<b>Total Deductions</b>	2,549,025
<b>Net Increase in Plan Net Position</b>	4,107,296
<b>Net Position Restricted For OPEB - Beginning</b>	23,400,148
<b>Net Position Restricted For OPEB - Ending</b>	\$ 27,507,444

### 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, 2020, the City contributed \$4,240,630 and retiree premium sharing added \$949,470.

### 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, 2020.

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, 2020 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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 6.05%. 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, 2020:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance June 30, 2019	\$ 69,468,976	\$ 23,400,148	\$ 46,068,828
Changes for the Year			
Service Cost	2,186,769	-	2,186,769
Interest	4,990,730	-	4,990,730
Differences between expected and actual Experience	-	-	-
Changes of assumptions	-	-	-
Contributions - State	-	-	-
Contributions - Employees	-	949,470	(949,470)
Contributions - Employer	-	4,240,630	(4,240,630)
Net Investment Income	-	1,466,221	(1,466,221)
Benefit Payments	(2,498,752)	(2,498,752)	-
Administrative Expense	-	(50,273)	50,273
Net Changes	<u>4,678,747</u>	<u>4,107,296</u>	<u>571,451</u>
Balance June 30, 2020	<u>\$ 74,147,723</u>	<u>\$ 27,507,444</u>	<u>\$ 46,640,279</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability			37.10%
Covered Payroll			\$ 55,773,289
Net OPEB Liability as a Percentage of Covered Payroll			83.62%



**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, 2020, updated from the June 30, 2018 actuarial valuation
Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	7.2%
Cash Flows	Pay as you go contributions plus an additional \$600,000 to \$800,000 per year
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 .3% per year from 8.1% to 4.5% in 2032
Medicare Eligible	Decreasing .1% per year from 5.7% to 4.5% in 2032
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 2018-2019 of \$34.91 and \$51.57 for Pre-Medicare and Medicare participants, respectively.

The actuarial assumptions used in the June 30, 2018 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	\$ -	\$ 1,427,278
Changes in assumptions	3,828,828	-
Net difference between projected and actual earnings on OPEB plan investments	105,136	-
	<u>\$ 3,933,964</u>	<u>\$ 1,427,278</u>

**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	\$ 83,708,050	\$ 74,147,723	\$ 66,389,914
Plan Fiduciary Net Position	27,507,444	27,507,444	27,507,444
Net OPEB Liability	<u>\$ 56,200,606</u>	<u>\$ 46,640,279</u>	<u>\$ 38,882,470</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.9%	37.1%	41.4%

**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	\$ 66,927,784	\$ 74,147,723	\$ 83,338,924
Plan Fiduciary Net Position	27,507,444	27,507,444	27,507,444
Net OPEB Liability	<u>\$ 39,420,340</u>	<u>\$ 46,640,279</u>	<u>\$ 55,831,480</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	41.1%	37.1%	33.0%

## 17. Tax Abatements

The City of Wilmington offers a comprehensive array of services designed to assist businesses considering a move to or expansion 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 city currently has four active head tax abatements.
  - A Chemical Company – Under the abatement program and an agreement with the City, the Company retained approximately 550 full time employees in the City. The City of Wilmington forgoes \$99,000 a year in head tax revenue but in return receives \$875,000 a year in wage tax revenue. The Company agrees 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.
  - A Financial Services Company – This Company has relocated approximately 135 full time employees to the City. The City of Wilmington will forgo \$22,500 per year in head tax revenue but in return receives \$285,000 per year in wage tax revenue.
  - An Advertising & Marketing Company – This company must retain at least 70 full time employees and an annual payroll of at least \$6.5M for 10 ½ years. In return the City forgoes \$8,400 a year in head tax revenue but receives \$81,250 a year in wage tax revenue. Additionally, the company received \$300,000 for capital improvements to its leased space.
  - A Port Operator and Logistics Company – Under the abatement program and an agreement with the City effective October 3, 2018, this Company has 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.

- A 10-year abatement of City Real Estate Taxes on a citywide basis for commercial new construction, commercial redevelopment, or commercial renovation, regardless of use. The abatement is applied to the incremental increase in the building assessment resulting from the project. During years 1-5, 100% of the incremental assessment is abated. Throughout years 6-10, the incremental assessment value is phased in 20% per year. Effective July 1, 2019, the abatement of City Real Estate Taxes for commercial property was changed, by Ordinance, to a straight 5 year, 100% abatement program with no phase-in. The City of Wilmington also offers a 20-year abatement of Real Estate Taxes for off-street parking structures. The Property Tax abatement is authorized under several sections in City Code Chapter 44. As of June 30, 2020, the City of Wilmington had an assessment reduction of \$65,018,700, resulting in a \$1,297,123 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.

**18. Internal Service Fund and General Fund Merger**

The City's General Fund Information Technologies Department was created on July 1, 2019 by the FY 2020 budget ordinance. The services provided by the City's new Information Technologies Department were previously accounted for in the following Internal Service Funds: Data Processing, Document Management, Mail Service, Duplication and Reproduction, Mapping and Graphics, and Communications (together the "IT ISFs.") The assets, liabilities and net position of the IT ISFs were transferred to the General Fund on July 1, 2019. As detailed below, the IT ISFs current net position was transferred to the General Fund Governmental Funds on July 1, 2019 resulting in a one-time charge of \$2,076,719. The IT ISFs non-current net position was transferred to the General Fund and is reported in the Government Wide Governmental Activities on pages 18 and 19.

June 30, 2019 Summarized IT ISF Statement of Net Position							
	Data Processing	Document Management	Mail Service	Duplication and Reproduction	Mapping and Graphics	Communications	Total IT ISFs
<b>Assets</b>							
Current	\$ 3,525	\$ 25,558	\$ 29,717	\$ 12,451	\$ 41,610	\$ 103	\$ 112,964
Noncurrent	2,628,299	-	-	-	-	811,688	3,439,987
<b>Total Assets</b>	<b>2,631,824</b>	<b>25,558</b>	<b>29,717</b>	<b>12,451</b>	<b>41,610</b>	<b>811,791</b>	<b>3,552,951</b>
Deferred Outflows	12,980	-	-	-	-	4,726	17,706
<b>Liabilities</b>							
Current	1,370,359	8,635	24,778	7,512	28,165	750,234	2,189,683
Noncurrent	1,296,135	16,923	4,939	4,939	13,445	68,424	1,404,805
<b>Total Liabilities</b>	<b>2,666,494</b>	<b>25,558</b>	<b>29,717</b>	<b>12,451</b>	<b>41,610</b>	<b>818,658</b>	<b>3,594,488</b>
<b>Net Position</b>							
Current	(1,366,834)	16,923	4,939	4,939	13,445	(750,131)	(2,076,719)
Noncurrent	1,345,144	(16,923)	(4,939)	(4,939)	(13,445)	747,990	2,052,888
<b>Total Net Position</b>	<b>\$ (21,690)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,141)</b>	<b>\$ (23,831)</b>

	Transferred from	Transferred to	
	Total IT ISFs	General Fund	Government Wide
<b>Assets</b>			
Current	\$ 112,964	\$ 112,964	\$ -
Noncurrent	3,439,987	-	3,439,987
<b>Total Assets</b>	<b>3,552,951</b>	<b>112,964</b>	<b>3,439,987</b>
Deferred Outflows	17,706	-	17,706
<b>Liabilities</b>			
Current	2,189,683	2,189,683	-
Noncurrent	1,404,805	-	1,404,805
<b>Total Liabilities</b>	<b>3,594,488</b>	<b>2,189,683</b>	<b>1,404,805</b>
<b>Net Position</b>			
Current	(2,076,719)	(2,076,719)	-
Noncurrent	2,052,888	-	2,052,888
<b>Total Net Position</b>	<b>\$ (23,831)</b>	<b>\$ (2,076,719)</b>	<b>\$ 2,052,888</b>

**19. COVID-19 Global Pandemic**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City.

On March 13, 2020, Governor John Carney declared a state of emergency in Delaware due to the COVID-19 public health pandemic. The State of Delaware emergency required the City to take the following actions:

- Delay of Sherriff sales for delinquent utility service charges and property taxes.
- Suspend termination of water services to residential locations due to non-payment.
- Suspend the billing or collection of penalties and interest on any account that serves a dwelling unit or residence.

On March 13, 2020, Mayor Michael S. Purzycki also declared a state of emergency in the City of Wilmington due to the COVID-19 public health pandemic. As part of the state of emergency directive, the City suspended the following revenue producing activities:

- Suspended all Sherriff sales during the period March 13, 2020 through October 13, 2020.
- Indefinitely suspended termination of water services to residential locations due to non-payment.
- Indefinitely suspended parking enforcement for metered parking as well as limited time parking in neighborhoods.
- Extended the April 15, 2020 filing and payment due date for tax returns to July 15, 2020.

**20. Subsequent Events**

On November 12, 2020, the City issued \$88,880,000 of General Obligation Bonds, Series 2020A and \$4,575,000 of General Obligation Bonds, Series 2020B (Federally Taxable). The proceeds of the 2020 Bonds will be applied to: (i) finance various capital projects of the City, (ii) refund certain of the City's outstanding general obligation bonds, (iii) refund certain outstanding general obligation bond anticipation notes, and (iv) pay the costs of issuance of the 2020 Bonds.

On July 27, 2020, the City issued a \$2,120,708 General Obligation Bond (Series 2020B-SEPRLF) through the Delaware State Energy Program Revolving Loan Fund to finance the replacement of 1,732 lighting fixtures owned and maintained by the City with LED lamps and pay the costs of issuing the Bond.

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 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	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%
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	-	0.00%
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%



**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>
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	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.

† The FYE 2020 Contributions in Relation to the Actuarially Determined Contribution exclude the additional State contributions of \$2,325,000 and \$1,578,000 for the Police and Fire plans, respectively, due to the plan change that provided a one-time increase to retiree pension benefits.

**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.

	<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>Fiscal Year Ended June 30,</i>	<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.)**

	<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>Fiscal Year Ended June 30,</i>	<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%

**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>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						
Covered Payroll	1420.70%	1463.10%	0.00%	1011.30%	165.68%	3.75%

**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>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%

**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>2015</i>	<i>2015</i>	<i>2015</i>	<i>2015</i>	<i>2015</i>	<i>2015</i>
<b>Total Pension Liability</b>						
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>
<b>Plan Fiduciary Net Position</b>						
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>
<b>Plan Fiduciary Net Position as a % of</b>						
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
<b>Net Pension Liability as a % of</b>						
Covered Payroll	1362.72%	1301.04%	807.49%	844.50%	168.65%	-47.76%

**Sch. 2 (Cont.)**

**Schedule of Net Pension Liability of Pension Plans Administered by the Delaware Public Employees Retirement System**

	<b>Proportion of Collective Net Pension Asset</b>	<b>Proportion of Total Pension Asset (Liability)</b>	<b>Covered Payroll</b>	<b>Net Pension Asset as a Percentage of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a Percentage of Total Pension Asset / Liability</b>
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.



Sch. 2 (Cont.)

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>	
	<u>June 30, 2020</u>											
Actuarial Valuation Date	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	
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		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%	60.7%	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%		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	<p><i>Pre-retirement:</i> None</p> <p><i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA</p> <p><i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.</p> <p><i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants</p> <p><i>Disabled Lives:</i> RP-2000 Disabled Mortality Table</p> <p><i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.</p>											
<b>June 30, 2019</b>												
Actuarial Valuation Date	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	
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	7.40%		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>	<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%		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	<p><i>Pre-retirement:</i> None</p> <p><i>Healthy Lives:</i> RP-2000 Mortality Table projected with Scale AA</p> <p><i>Healthy Lives:</i> RP-2000 Combined Healthy Mortality Table projected fully generational with Scale AA.</p> <p><i>Disabled Lives:</i> 2011 Sex Distinct PBGC Disability Mortality Tables, 100% Non-Social Security Eligible Participants</p> <p><i>Disabled Lives:</i> RP-2000 Disabled Mortality Table</p> <p><i>Post-Retirement:</i> RP-2000 Mortality Table projected with Sacc AA for 15 years.</p>											

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

**Sch. 2 (Cont.)**

**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>		
	<b>June 30, 2018</b>												
Actuarial Valuation Date	July 1, 2017	July 1, 2017	July 1, 2017	July 1, 2017	July 1, 2017	July 1, 2017	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	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											Level Dollar	
Remaining Amortization	Fully amortized on June 30, 2029											15 years	
Asset Valuation Method	5 Year Smoothed Market											Market Value	
Discount Rate	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	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%	7.40%	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>	<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													
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%	
Includes Inflation Rate of	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	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 Sace 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								
	<b>June 30, 2017</b>												
Actuarial Valuation Date	July 1, 2016	July 1, 2016	July 1, 2016	July 1, 2016	July 1, 2016	July 1, 2016	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	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											Level Dollar	
Remaining Amortization	Fully amortized on June 30, 2029											15 years	
Asset Valuation Method	5 Year Smoothed Market											Market Value	
Discount Rate	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	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%	7.40%	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>	<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%	49.0%	7.0%	49.0%	7.0%	30.0%	6.5%	
Non-U.S. Equity	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	16.0%	8.3%	5.4%	6.5%	
Fixed Income	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	35.0%	1.5%	37.5%	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%	27.0%	0.0%	
Projected Salary Increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	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%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	Not Provided	
Cost-of-Living Adjustments	Ad Hoc	Ad Hoc	Ad Hoc	Ad Hoc	None	None	None	None	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.)**

**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>
	<b>June 30, 2016</b>					
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					

	<b>June 30, 2015</b>					
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.)**

**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>
<u>June 30, 2014</u>						
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>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>
<u>June 30</u>						
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.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 2,186,769	\$ 2,072,507	\$ 2,077,031	\$ 1,829,043
Difference between expected and actual experience		(1,998,188)	-	-
Changes of assumptions		5,360,358	-	-
Interest Cost	4,990,730	4,605,559	4,404,968	4,218,769
Benefit Payments	<u>(2,498,752)</u>	<u>(3,518,770)</u>	<u>(4,010,507)</u>	<u>(3,308,910)</u>
Net Change in Total OPEB Liability	4,678,747	6,521,466	2,471,492	2,738,902
Total OPEB Liability, beginning	<u>69,468,976</u>	<u>62,947,510</u>	<u>60,476,018</u>	<u>57,737,116</u>
Total OPEB Liability, ending (a)	<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	4,240,630	\$ 4,525,548	\$ 3,237,230	\$ 3,468,492
Contributions from Member	949,470	933,503	948,969	98,998
Contributions from State/Other		26,985	123,141	749,554
Net Investment Income	1,466,220	1,511,431	1,438,784	1,741,353
Administrative Expenses	(50,272)	(57,292)	(42,347)	(52,610)
Benefit Payments	<u>(2,498,752)</u>	<u>(3,518,770)</u>	<u>(4,010,507)</u>	<u>(3,308,910)</u>
Net Change in Fiduciary Net Position	4,107,296	3,421,405	1,695,270	2,696,877
Plan Fiduciary Net Position, Beginning	<u>23,400,148</u>	<u>19,978,743</u>	<u>18,283,473</u>	<u>15,586,596</u>
Plan Fiduciary Net Position, Ending (b)	<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>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	37.10%	33.68%	31.74%	30.23%
Covered Payroll	55,773,289	\$ 53,652,529	\$ 52,664,700	\$ 57,356,023
Net OPEB Liability as a % of Covered Employee Payroll	83.62%	85.87%	81.59%	73.56%

**Schedule 4 (Cont.)**

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

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: 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.	

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>
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%

Notes to the Schedule of Actuarially Determined Contributions

Notes to Schedule of Contribution

**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:	30-year closed amortization as of July 1, 2016
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 for 2018-2019 of \$34.91 and \$51.57 for Pre-Medicare and Medicare participants, respectively.



**Schedule 5 (Cont.)****June 30, 2019**


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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**


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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, 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>
2020	6.05%
2019	6.57%
2018	13.32%
2017	10.60%



**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, 2018, 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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>MAYOR'S OFFICES</b>				
<b>Office of the Mayor</b>				
Personal Services	\$ 1,506,801	\$ 1,602,476	\$ 1,658,753	\$ (56,277)
Materials, Supplies and Equipment	824,434	1,063,434	1,027,361	36,073
Special Purpose	672,000	34,521	-	34,521
Debt Service	1,088,856	1,088,856	1,145,649	(56,793)
<b>Office of the Mayor</b>	<u>4,092,091</u>	<u>3,789,287</u>	<u>3,831,763</u>	<u>(42,476)</u>
<b>Management and Budget</b>				
Personal Services	542,279	542,835	580,570	(37,735)
Materials, Supplies and Equipment	23,461	23,461	19,763	3,698
<b>Management and Budget</b>	<u>565,740</u>	<u>566,296</u>	<u>600,333</u>	<u>(34,037)</u>
<b>Office of Emergency Management</b>				
Personal Services	72,768	72,768	74,918	(2,150)
Materials, Supplies and Equipment	208,579	208,579	221,263	(12,684)
Debt Service	100,935	100,935	100,936	(1)
<b>Office of Emergency Management</b>	<u>382,282</u>	<u>382,282</u>	<u>397,117</u>	<u>(14,835)</u>
<b>Economic Development</b>				
Personal Services	723,780	627,549	524,991	102,558
Materials, Supplies and Equipment	158,815	167,602	146,870	20,732
Debt Service	3,274,579	3,274,579	3,291,802	(17,223)
<b>Economic Development</b>	<u>4,157,174</u>	<u>4,069,730</u>	<u>3,963,663</u>	<u>106,067</u>
<b>Cultural Affairs</b>				
Personal Services	290,205	290,205	292,214	(2,009)
Materials, Supplies and Equipment	462,800	705,884	694,567	11,317
<b>Cultural Affairs</b>	<u>753,005</u>	<u>996,089</u>	<u>986,781</u>	<u>9,308</u>
<b>Constituent Services</b>				
Personal Services	588,458	588,458	579,481	8,977
Materials, Supplies and Equipment	93,561	93,561	48,233	45,328
<b>Constituent Services</b>	<u>682,019</u>	<u>682,019</u>	<u>627,714</u>	<u>54,305</u>
<b>Mayor's Offices Total</b>				
Personal Services	3,724,291	3,724,291	3,710,927	13,364
Materials, Supplies and Equipment	1,771,650	2,262,521	2,158,057	104,464
Special Purpose	672,000	34,521	-	34,521
Debt Service	4,464,370	4,464,370	4,538,387	(74,017)
<b>Mayor's Offices Total</b>	<u>\$ 10,632,311</u>	<u>\$ 10,485,703</u>	<u>\$ 10,407,371</u>	<u>\$ 78,332</u>
<b>CITY COUNCIL</b>				
<b>City Council</b>				
Personal Services	\$ 665,754	\$ 665,754	\$ 631,834	\$ 33,920
Materials, Supplies and Equipment	438,616	438,368	395,560	42,808
Special Purpose	19,000	19,000	8,665	10,335
Debt Service	1,034	1,034	1,034	-
<b>City Council</b>	<u>\$ 1,124,404</u>	<u>\$ 1,124,156</u>	<u>\$ 1,037,093</u>	<u>\$ 87,063</u>

**City of Wilmington, Delaware**  
**General Fund**  
**Schedule of Departmental Expenditures - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CITY COUNCIL (Continued)</b>				
<b>City Clerk</b>				
Personal Services	\$ 875,412	\$ 875,412	\$ 667,508	\$ 207,904
Materials, Supplies and Equipment	98,306	98,554	80,799	17,755
<b>City Clerk</b>	<u>973,718</u>	<u>973,966</u>	<u>748,307</u>	<u>225,659</u>
<b>City Council Offices Total</b>				
Personal Services	1,541,166	1,541,166	1,299,342	241,824
Materials, Supplies and Equipment	536,922	536,922	476,359	60,563
Special Purpose	19,000	19,000	8,665	10,335
Debt Service	1,034	1,034	1,034	-
<b>City Council Offices Total</b>	<u>\$ 2,098,122</u>	<u>\$ 2,098,122</u>	<u>\$ 1,785,400</u>	<u>\$ 312,722</u>
<b>AUDIT</b>				
<b>Audit Department</b>				
Personal Services	\$ 601,266	\$ 601,266	\$ 601,834	\$ (568)
Materials, Supplies and Equipment	213,969	231,969	205,573	26,396
<b>Audit Department</b>	<u>\$ 815,235</u>	<u>\$ 833,235</u>	<u>\$ 807,407</u>	<u>\$ 25,828</u>
<b>LAW</b>				
<b>Law Department</b>				
Personal Services	\$ 2,066,068	\$ 2,066,068	\$ 2,023,153	\$ 42,915
Materials, Supplies and Equipment	583,790	617,040	548,357	68,683
<b>Law Department</b>	<u>\$ 2,649,858</u>	<u>\$ 2,683,108</u>	<u>\$ 2,571,510</u>	<u>\$ 111,598</u>
<b>FINANCE</b>				
<b>Finance Administrative</b>				
Personal Services	\$ 301,522	\$ 304,322	\$ 305,564	\$ (1,242)
Materials, Supplies and Equipment	61,106	82,006	84,262	(2,256)
Debt Service	53,090	53,090	53,090	-
<b>Finance Administrative</b>	<u>415,718</u>	<u>439,418</u>	<u>442,916</u>	<u>(3,498)</u>
<b>Earned Income Tax</b>				
Personal Services	1,468,763	1,469,363	1,414,607	54,756
Materials, Supplies and Equipment	409,618	394,118	367,417	26,701
<b>Earned Income Tax</b>	<u>1,878,381</u>	<u>1,863,481</u>	<u>1,782,024</u>	<u>81,457</u>
<b>Accounting</b>				
Personal Services	847,764	845,844	801,616	44,228
Materials, Supplies and Equipment	111,509	74,509	61,971	12,538
<b>Accounting</b>	<u>\$ 959,273</u>	<u>\$ 920,353</u>	<u>\$ 863,587</u>	<u>\$ 56,766</u>



**City of Wilmington, Delaware**  
**General Fund**  
**Schedule of Departmental Expenditures - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>FINANCE (Continued)</b>				
<b>Procurement and Records</b>				
Personal Services	\$ 421,072	\$ 421,592	\$ 423,633	\$ (2,041)
Materials, Supplies and Equipment	81,908	80,908	108,157	(27,249)
<b>Procurement and Records</b>	<u>502,980</u>	<u>502,500</u>	<u>531,790</u>	<u>(29,290)</u>
<b>Delinquent Accounts Division</b>				
Personal Services	268,517	268,517	246,876	21,641
Materials, Supplies and Equipment	205,682	165,882	108,028	57,854
<b>Delinquent Accounts Division</b>	<u>474,199</u>	<u>434,399</u>	<u>354,904</u>	<u>79,495</u>
<b>Central Cashier</b>				
Personal Services	559,275	557,275	504,040	53,235
Materials, Supplies and Equipment	348,287	446,250	407,076	39,174
<b>Central Cashier</b>	<u>907,562</u>	<u>1,003,525</u>	<u>911,116</u>	<u>92,409</u>
<b>Billing &amp; Customer Service</b>				
Personal Services	184,611	184,611	211,432	(26,821)
Materials, Supplies and Equipment	47,088	44,088	53,438	(9,350)
<b>Billing &amp; Customer Service</b>	<u>231,699</u>	<u>228,699</u>	<u>264,870</u>	<u>(36,171)</u>
<b>Finance Parking</b>				
Personal Services	1,364,177	1,364,177	1,389,708	(25,531)
Materials, Supplies and Equipment	2,849,785	3,085,694	2,851,151	234,543
<b>Finance Parking</b>	<u>4,213,962</u>	<u>4,449,871</u>	<u>4,240,859</u>	<u>209,012</u>
<b>Finance Department Total</b>				
Personal Services	5,415,701	5,415,701	5,297,476	118,225
Materials, Supplies and Equipment	4,114,983	4,373,455	4,041,500	331,955
Debt Service	53,090	53,090	53,090	-
<b>Finance Department Total</b>	<u>\$ 9,583,774</u>	<u>\$ 9,842,246</u>	<u>\$ 9,392,066</u>	<u>\$ 450,180</u>
<b>HUMAN RESOURCES</b>				
<b>Personnel - Admin</b>				
Personal Services	\$ 279,862	\$ 279,862	\$ 284,615	\$ (4,753)
Materials, Supplies and Equipment	115,343	115,343	85,901	29,442
<b>Personnel - Admin</b>	<u>395,205</u>	<u>395,205</u>	<u>370,516</u>	<u>24,689</u>
<b>Human Resource and Services</b>				
Personal Services	1,558,345	1,558,345	1,080,370	477,975
Materials, Supplies and Equipment	361,152	361,152	97,997	263,155
Debt Service	40,281	40,281	40,280	1
<b>Human Resource and Services</b>	<u>1,959,778</u>	<u>1,959,778</u>	<u>1,218,647</u>	<u>741,131</u>
<b>Human Resources Department Total</b>				
Personal Services	1,838,207	1,838,207	1,364,985	473,222
Materials, Supplies and Equipment	476,495	476,495	183,898	292,597
Debt Service	40,281	40,281	40,280	1
<b>Human Resources Department Total</b>	<u>\$ 2,354,983</u>	<u>\$ 2,354,983</u>	<u>\$ 1,589,163</u>	<u>\$ 765,820</u>
<b>TREASURER</b>				
<b>Treasurer's Office</b>				
Personal Services	\$ 358,130	\$ 358,130	\$ 370,803	\$ (12,673)
Materials, Supplies and Equipment	105,096	105,096	94,503	10,593
<b>Treasurer's Office</b>	<u>\$ 463,226</u>	<u>\$ 463,226</u>	<u>\$ 465,306</u>	<u>\$ (2,080)</u>

**City of Wilmington, Delaware**  
**General Fund**  
**Schedule of Departmental Expenditures - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PLANNING</b>				
<b>Planning</b>				
Personal Services	\$ 1,096,826	\$ 1,096,826	\$ 1,092,471	\$ 4,355
Materials, Supplies and Equipment	318,231	318,572	260,450	58,122
Debt Service	<u>175,557</u>	<u>175,557</u>	<u>175,557</u>	<u>-</u>
<b>Planning</b>	<u>\$ 1,590,614</u>	<u>\$ 1,590,955</u>	<u>\$ 1,528,478</u>	<u>\$ 62,477</u>
<b>REAL ESTATE &amp; HOUSING</b>				
<b>Real Estate and Housing - Admin</b>				
Personal Services	\$ 85,339	\$ 85,339	\$ 158,069	\$ (72,730)
Materials, Supplies and Equipment	532,083	534,143	549,181	(15,038)
Debt Service	<u>641,820</u>	<u>641,820</u>	<u>654,152</u>	<u>(12,332)</u>
<b>Real Estate and Housing - Admin</b>	<u>1,259,242</u>	<u>1,261,302</u>	<u>1,361,402</u>	<u>(100,100)</u>
<b>Real Estate and Housing - Rehabilitation</b>				
Personal Services	80,593	80,593	339,838	(259,245)
Materials, Supplies and Equipment	409,200	407,158	396,061	11,097
Debt Service	<u>90,000</u>	<u>90,000</u>	<u>91,104</u>	<u>(1,104)</u>
<b>Real Estate and Housing - Rehabilitation</b>	<u>579,793</u>	<u>577,751</u>	<u>827,003</u>	<u>(249,252)</u>
<b>Real Estate &amp; Housing Department Total</b>				
Personal Services	165,932	165,932	497,907	(331,975)
Materials, Supplies and Equipment	941,283	941,301	945,242	(3,941)
Debt Service	<u>731,820</u>	<u>731,820</u>	<u>745,256</u>	<u>(13,436)</u>
<b>Real Estate &amp; Housing Department Total</b>	<u>\$ 1,839,035</u>	<u>\$ 1,839,053</u>	<u>\$ 2,188,405</u>	<u>\$ (349,352)</u>
<b>PUBLIC WORKS</b>				
<b>Public Works - Admin</b>				
Personal Services	\$ 847,068	\$ 847,068	\$ 845,455	\$ 1,613
Materials, Supplies and Equipment	338,539	345,842	411,602	(65,760)
Debt Service	<u>65,264</u>	<u>65,264</u>	<u>67,912</u>	<u>(2,648)</u>
<b>Public Works - Admin</b>	<u>1,250,871</u>	<u>1,258,174</u>	<u>1,324,969</u>	<u>(66,795)</u>
<b>Street Maintenance</b>				
Personal Services	68,080	68,080	68,788	(708)
Materials, Supplies and Equipment	473,109	473,132	475,730	(2,598)
Debt Service	<u>2,869,452</u>	<u>2,869,452</u>	<u>2,925,482</u>	<u>(56,030)</u>
<b>Street Maintenance</b>	<u>3,410,641</u>	<u>3,410,664</u>	<u>3,470,000</u>	<u>(59,336)</u>
<b>Transportation/WILDOT</b>				
Personal Services	1,427,346	1,427,346	1,235,179	192,167
Materials, Supplies and Equipment	1,331,320	1,404,254	1,183,100	221,154
Debt Service	<u>1,065,689</u>	<u>1,065,689</u>	<u>1,108,928</u>	<u>(43,239)</u>
<b>Transportation/WILDOT</b>	<u>\$ 3,824,355</u>	<u>\$ 3,897,289</u>	<u>\$ 3,527,207</u>	<u>\$ 370,082</u>

**City of Wilmington, Delaware**  
**General Fund**  
**Schedule of Departmental Expenditures - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance from Final Budget -</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
<b>PUBLIC WORKS (Continued)</b>				
<b>Street Cleaning</b>				
Personal Services	\$ 3,235,966	\$ 3,235,966	\$ 2,825,919	\$ 410,047
Materials, Supplies and Equipment	<u>2,237,688</u>	<u>2,382,673</u>	<u>1,945,936</u>	<u>436,737</u>
<b>Street Cleaning</b>	<u>5,473,654</u>	<u>5,618,639</u>	<u>4,771,855</u>	<u>846,784</u>
<b>Rubbish Collection</b>				
Personal Services	3,834,386	3,834,386	3,582,740	251,646
Materials, Supplies and Equipment	3,936,888	3,975,570	3,627,327	348,243
Debt Service	-	-	108,428	(108,428)
<b>Rubbish Collection</b>	<u>7,771,274</u>	<u>7,809,956</u>	<u>7,318,495</u>	<u>491,461</u>
<b>Property Maintenance</b>				
Personal Services	487,559	487,559	476,145	11,414
Materials, Supplies and Equipment	3,179,433	3,179,433	2,901,873	277,560
Debt Service	<u>810,976</u>	<u>810,976</u>	<u>805,613</u>	<u>5,363</u>
<b>Property Maintenance</b>	<u>4,477,968</u>	<u>4,477,968</u>	<u>4,183,631</u>	<u>294,337</u>
<b>Public Works Department Total</b>				
Personal Services	9,900,405	9,900,405	9,034,226	866,179
Materials, Supplies and Equipment	11,496,977	11,760,904	10,545,568	1,215,336
Debt Service	<u>4,811,381</u>	<u>4,811,381</u>	<u>5,016,363</u>	<u>(204,982)</u>
<b>Public Works Department Total</b>	<u>\$ 26,208,763</u>	<u>\$ 26,472,690</u>	<u>\$ 24,596,157</u>	<u>\$ 1,876,533</u>
<b>PARKS &amp; RECREATION</b>				
<b>Parks and Recreation - Admin</b>				
Personal Services	\$ 543,385	\$ 543,385	\$ 521,085	\$ 22,300
Materials, Supplies and Equipment	239,889	239,989	255,572	(15,583)
Debt Service	<u>711,806</u>	<u>711,806</u>	<u>740,249</u>	<u>(28,443)</u>
<b>Parks and Recreation - Admin</b>	<u>1,495,080</u>	<u>1,495,180</u>	<u>1,516,906</u>	<u>(21,726)</u>
<b>Park Maintenance</b>				
Personal Services	1,893,708	1,893,708	1,891,275	2,433
Materials, Supplies and Equipment	1,389,511	1,389,515	1,567,301	(177,786)
Debt Service	<u>936,912</u>	<u>936,912</u>	<u>916,563</u>	<u>20,349</u>
<b>Park Maintenance</b>	<u>4,220,131</u>	<u>4,220,135</u>	<u>4,375,139</u>	<u>(155,004)</u>
<b>Recreation</b>				
Personal Services	685,487	685,487	581,379	104,108
Materials, Supplies and Equipment	<u>342,969</u>	<u>345,054</u>	<u>332,930</u>	<u>12,124</u>
<b>Recreation</b>	<u>\$ 1,028,456</u>	<u>\$ 1,030,541</u>	<u>\$ 914,309</u>	<u>\$ 116,232</u>

**City of Wilmington, Delaware**  
**General Fund**  
**Schedule of Departmental Expenditures - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PARKS &amp; RECREATION (Continued)</b>				
<b>William Hicks Anderson Center</b>				
Personal Services	\$ 633,378	\$ 633,378	\$ 503,267	\$ 130,111
Materials, Supplies and Equipment	396,969	524,585	481,803	42,782
Debt Service	<u>124,765</u>	<u>124,765</u>	<u>124,765</u>	<u>-</u>
<b>William Hicks Anderson Center</b>	<u>1,155,112</u>	<u>1,282,728</u>	<u>1,109,835</u>	<u>172,893</u>
<b>Youth and Families</b>				
Personal Services	974,164	974,164	757,072	217,092
Materials, Supplies and Equipment	<u>156,670</u>	<u>156,720</u>	<u>162,735</u>	<u>(6,015)</u>
<b>Youth and Families</b>	<u>1,130,834</u>	<u>1,130,884</u>	<u>919,807</u>	<u>211,077</u>
<b>Parks and Recreation Department Total</b>				
Personal Services	4,730,122	4,730,122	4,254,078	476,044
Materials, Supplies and Equipment	2,526,008	2,655,863	2,800,341	(144,478)
Debt Service	<u>1,773,483</u>	<u>1,773,483</u>	<u>1,781,577</u>	<u>(8,094)</u>
<b>Parks and Recreation Department Total</b>	<u>\$ 9,029,613</u>	<u>\$ 9,159,468</u>	<u>\$ 8,835,996</u>	<u>\$ 323,472</u>
<b>LICENSE &amp; INSPECTION</b>				
<b>License and Inspection</b>				
Personal Services	\$ 4,222,783	\$ 4,222,783	\$ 4,030,410	\$ 192,373
Materials, Supplies and Equipment	1,023,230	1,023,230	933,549	89,681
Special Purpose	307,500	307,500	256,385	51,115
Debt Service	<u>7,255</u>	<u>7,255</u>	<u>7,255</u>	<u>-</u>
<b>License and Inspection</b>	<u>\$ 5,560,768</u>	<u>\$ 5,560,768</u>	<u>\$ 5,227,599</u>	<u>\$ 333,169</u>
<b>FIRE DEPARTMENT</b>				
<b>Fire - Admin</b>				
Personal Services	\$ 6,019,789	\$ 6,019,789	\$ 5,746,930	\$ 272,859
Materials, Supplies and Equipment	532,690	507,775	526,378	(18,603)
Debt Service	<u>1,453,727</u>	<u>1,453,727</u>	<u>1,222,300</u>	<u>231,427</u>
<b>Fire - Admin</b>	<u>8,006,206</u>	<u>7,981,291</u>	<u>7,495,608</u>	<u>485,683</u>
<b>Fire - Suppression</b>				
Personal Services	15,192,968	15,192,968	15,979,907	(786,939)
Materials, Supplies and Equipment	<u>1,890,140</u>	<u>1,893,524</u>	<u>2,057,713</u>	<u>(164,189)</u>
<b>Fire - Suppression</b>	<u>17,083,108</u>	<u>17,086,492</u>	<u>18,037,620</u>	<u>(951,128)</u>
<b>Fire - Prevention</b>				
Personal Services	761,876	761,876	997,967	(236,091)
Materials, Supplies and Equipment	<u>297,556</u>	<u>322,781</u>	<u>487,471</u>	<u>(164,690)</u>
<b>Fire - Prevention</b>	<u>1,059,432</u>	<u>1,084,657</u>	<u>1,485,438</u>	<u>(400,781)</u>
<b>Fire Department Total</b>				
Personal Services	21,974,633	21,974,633	22,724,804	(750,171)
Materials, Supplies and Equipment	2,720,386	2,724,080	3,071,562	(347,482)
Debt Service	<u>1,453,727</u>	<u>1,453,727</u>	<u>1,222,300</u>	<u>231,427</u>
<b>Fire Department Total</b>	<u>\$ 26,148,746</u>	<u>\$ 26,152,440</u>	<u>\$ 27,018,666</u>	<u>\$ (866,226)</u>

**City of Wilmington, Delaware**  
**General Fund**  
**Schedule of Departmental Expenditures - Budget and Actual (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>POLICE DEPARTMENT</b>				
<b>Police - Admin</b>				
Personal Services	\$ 5,654,863	\$ 5,654,863	\$ 5,821,593	\$ (166,730)
Materials, Supplies and Equipment	1,153,361	1,115,751	1,240,571	(124,820)
Debt Service	<u>76,495</u>	<u>76,495</u>	<u>62,720</u>	<u>13,775</u>
<b>Police - Admin</b>	<u>6,884,719</u>	<u>6,847,109</u>	<u>7,124,884</u>	<u>(277,775)</u>
<b>Police - Patrol</b>				
Personal Services	25,188,650	25,188,650	24,091,012	1,097,638
Materials, Supplies and Equipment	2,581,940	2,581,940	3,169,650	(587,710)
Debt Service	<u>170,602</u>	<u>170,602</u>	<u>199,689</u>	<u>(29,087)</u>
<b>Police - Patrol</b>	<u>27,941,192</u>	<u>27,941,192</u>	<u>27,460,351</u>	<u>480,841</u>
<b>Police - Special Operations</b>				
Personal Services	4,731,016	4,731,016	4,251,958	479,058
Materials, Supplies and Equipment	<u>430,510</u>	<u>435,120</u>	<u>529,633</u>	<u>(94,513)</u>
<b>Police - Special Operations</b>	<u>5,161,526</u>	<u>5,166,136</u>	<u>4,781,591</u>	<u>384,545</u>
<b>Police - Support Services</b>				
Personal Services	1,264,041	1,264,041	1,228,890	35,151
Materials, Supplies and Equipment	<u>1,091,618</u>	<u>1,158,458</u>	<u>1,051,936</u>	<u>106,522</u>
<b>Police - Support Services</b>	<u>2,355,659</u>	<u>2,422,499</u>	<u>2,280,826</u>	<u>141,673</u>
<b>Police - Investigations</b>				
Personal Services	11,153,325	11,153,325	10,714,568	438,757
Materials, Supplies and Equipment	<u>995,698</u>	<u>994,698</u>	<u>1,115,767</u>	<u>(121,069)</u>
<b>Police - Investigations</b>	<u>12,149,023</u>	<u>12,148,023</u>	<u>11,830,335</u>	<u>317,688</u>
<b>Police - Communications</b>				
Personal Services	4,415,136	4,415,136	4,661,684	(246,548)
Materials, Supplies and Equipment	438,176	438,176	714,185	(276,009)
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Police - Communications</b>	<u>4,853,312</u>	<u>4,853,312</u>	<u>5,375,869</u>	<u>(522,557)</u>
<b>Police Operations</b>				
Materials, Supplies and Equipment	<u>489,606</u>	<u>489,606</u>	<u>589,627</u>	<u>(100,021)</u>
<b>Police Operations</b>	<u>489,606</u>	<u>489,606</u>	<u>589,627</u>	<u>(100,021)</u>
<b>Police Department Total</b>				
Personal Services	52,407,031	52,407,031	50,769,705	1,637,326
Materials, Supplies and Equipment	7,180,909	7,213,749	8,411,369	(1,197,620)
Debt Service	<u>247,097</u>	<u>247,097</u>	<u>262,409</u>	<u>(15,312)</u>
<b>Police Department Total</b>	<u>\$ 59,835,037</u>	<u>\$ 59,867,877</u>	<u>\$ 59,443,483</u>	<u>\$ 424,394</u>

**City of Wilmington, Delaware**

**General Fund**

**Schedule of Departmental Expenditures - Budget and Actual (Continued)  
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance from Final Budget -
	Original	Final		Positive (Negative)
<b>INFORMATION TECHNOLOGIES</b>				
<b>Data Processing</b>				
Personal Services	\$ 1,529,546	\$ 1,527,296	\$ 1,399,586	\$ 127,710
Materials, Supplies and Equipment	4,342,299	4,196,399	\$ 3,795,717	400,682
Debt Service	315,757	315,757	338,908	(23,151)
<b>Data Processing</b>	<u>6,187,602</u>	<u>6,039,452</u>	<u>5,534,211</u>	<u>505,241</u>
<b>Document Management</b>				
Personal Services	148,600	149,000	99,426	49,574
Materials, Supplies and Equipment	22,520	22,520	13,131	9,389
<b>Document Management</b>	<u>171,120</u>	<u>171,520</u>	<u>112,557</u>	<u>58,963</u>
<b>Mail Service</b>				
Personal Services	33,940	35,190	35,510	(320)
Materials, Supplies and Equipment	171,700	171,700	137,023	34,677
<b>Mail Service</b>	<u>205,640</u>	<u>206,890</u>	<u>172,533</u>	<u>34,357</u>
<b>Duplication &amp; Printing</b>				
Personal Services	33,941	33,941	33,987	(46)
Materials, Supplies and Equipment	210,121	210,121	164,316	45,805
<b>Duplication &amp; Printing</b>	<u>244,062</u>	<u>244,062</u>	<u>198,303</u>	<u>45,759</u>
<b>Mapping &amp; Graphics</b>				
Personal Services	220,194	220,194	218,190	2,004
Materials, Supplies and Equipment	57,500	57,500	54,775	2,725
<b>Mapping &amp; Graphics</b>	<u>277,694</u>	<u>277,694</u>	<u>272,965</u>	<u>4,729</u>
<b>Communications</b>				
Personal Services	282,998	283,598	282,456	1,142
Materials, Supplies and Equipment	1,197,390	1,355,290	1,345,258	10,032
Debt Service	11,148	11,148	10,959	189
<b>Communications</b>	<u>1,491,536</u>	<u>1,650,036</u>	<u>1,638,673</u>	<u>11,363</u>
<b>Information Technologies Total</b>				
Personal Services	2,249,219	2,249,219	2,069,155	180,064
Materials, Supplies and Equipment	6,001,530	6,013,530	5,510,220	503,310
Debt Service	326,905	326,905	349,867	(22,962)
<b>Information Technologies Total</b>	<u>\$ 8,577,654</u>	<u>\$ 8,589,654</u>	<u>\$ 7,929,242</u>	<u>\$ 660,412</u>
<b>TOTAL EXPENDITURES</b>	<u><b>\$ 167,387,739</b></u>	<u><b>\$ 167,993,528</b></u>	<u><b>\$ 163,786,249</b></u>	<u><b>\$ 4,207,279</b></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 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 **Home for People with AIDS (HOPWA) Grant Fund** accounts for a United States Department of Housing & Urban Development Grant dedicated to providing living areas to individuals with AIDS.

The **Delaware Neighborhood Stabilization Program Fund** provides assistance for the acquisition, demolition and redevelopment of foreclosed or abandoned properties to be rehabilitated for resale in order to stabilize the neighborhoods by the non-profit agencies.

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, 2020**

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)	\$ 1,287,575	\$ 550,228	\$ -	\$ 1,645,727	\$ 424,740	\$ 575,426	\$ 109,793	\$ 429,334	\$ 2,154,403	\$ 1,483,866	\$ 8,661,092
Restricted Assets:											
Cash and Investments (Note 3)	-	4,718,259	-	-	-	166,676	-	-	-	39,218	4,924,153
Receivables, Net (Note 4)	-	19,847	-	-	-	-	-	43,214	-	715,660	778,721
Due from Other Funds (Note 7)	-	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	533,506	-	681,357	190,667	-	-	684,985	-	-	1,558,250	3,648,765
Property Held for Future Use	-	-	-	-	200,000	-	-	-	-	-	200,000
Prepaid Items & Other Assets	-	-	-	-	-	-	-	4,012	-	-	4,012
<b>Total Assets</b>	<b>1,821,081</b>	<b>5,288,334</b>	<b>681,357</b>	<b>1,836,394</b>	<b>624,740</b>	<b>742,102</b>	<b>794,778</b>	<b>476,560</b>	<b>2,154,403</b>	<b>3,796,994</b>	<b>18,216,743</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities:</b>											
Accounts Payable	739,997	-	422,195	40,641	379,261	-	160,774	24,336	6,664	816,944	2,590,812
Salaries and Benefits Payable	1,563	6,478	39,883	307	-	-	60,144	-	43,587	84,301	236,263
Due to Other Funds	-	80,611	226,184	-	48,757	47,082	135,861	-	57,630	1,093,694	1,689,819
Unearned Revenue	144,689	-	-	-	-	-	258,157	-	-	1,005,647	1,408,493
Other Liabilities	207,594	-	-	-	1,047,785	-	-	-	-	-	1,255,379
<b>Total Liabilities</b>	<b>1,093,843</b>	<b>87,089</b>	<b>688,262</b>	<b>40,948</b>	<b>1,475,803</b>	<b>47,082</b>	<b>614,936</b>	<b>24,336</b>	<b>107,881</b>	<b>3,000,586</b>	<b>7,180,766</b>
<b>Deferred Inflows of Resources:</b>											
Unavailable Revenues	-	-	5,678	-	-	-	619,572	-	-	1,354,409	1,979,659
<b>Fund Balances:</b>											
Nonspendable	-	930,851	-	-	-	-	-	4,012	-	-	934,863
Restricted	-	4,270,394	-	1,795,446	-	695,020	-	-	2,046,522	187,032	8,994,414
Committed	727,238	-	-	-	-	-	-	448,212	-	-	1,175,450
Unassigned	-	-	(12,583)	-	(851,063)	-	(439,730)	-	-	(745,033)	(2,048,409)
<b>Total Fund Balances</b>	<b>727,238</b>	<b>5,201,245</b>	<b>(12,583)</b>	<b>1,795,446</b>	<b>(851,063)</b>	<b>695,020</b>	<b>(439,730)</b>	<b>452,224</b>	<b>2,046,522</b>	<b>(558,001)</b>	<b>9,056,318</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,821,081</b>	<b>\$ 5,288,334</b>	<b>\$ 681,357</b>	<b>\$ 1,836,394</b>	<b>\$ 624,740</b>	<b>\$ 742,102</b>	<b>\$ 794,778</b>	<b>\$ 476,560</b>	<b>\$ 2,154,403</b>	<b>\$ 3,796,994</b>	<b>\$ 18,216,743</b>



**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, 2020**

	<u>Park Recreation Assistance</u>	<u>Wilmington Park Related Commissions</u>	<u>Community Development &amp; Recovery Block Grants</u>	<u>Home Partnership Program</u>	<u>Housing Strategic</u>	<u>Economic Strategic</u>	<u>Delaware Criminal Justice Planning</u>	<u>City Fest</u>	<u>Cable Television</u>	<u>Other Non-Major Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>											
Intergovernmental	\$ 2,763,408	\$ -	\$ 2,049,733	\$ 208,137	\$ 465,159	\$ 1,000,000	\$ 1,971,648	\$ 204,867	\$ -	\$ 6,770,759	\$ 15,433,711
Franchise Tax Revenue	-	-	-	-	-	-	-	1,027,081	-	-	1,027,081
Program Revenue	142,339	-	93,621	1,549,420	694,511	200,000	-	173,995	60,000	1,047,108	3,960,994
Public Contributions	-	-	-	-	-	-	-	628,661	-	-	628,661
Investment Earnings	-	172,951	-	-	-	-	-	-	-	-	172,951
<b>Total Revenues</b>	<u>2,905,747</u>	<u>172,951</u>	<u>2,143,354</u>	<u>1,757,557</u>	<u>1,159,670</u>	<u>1,200,000</u>	<u>1,971,648</u>	<u>1,007,523</u>	<u>1,087,081</u>	<u>7,817,867</u>	<u>21,223,398</u>
<b>EXPENDITURES</b>											
Current:											
General Governmental Services	-	82,057	-	-	-	1,590,343	-	983,808	1,139,859	1,049,313	4,845,380
Real Estate and Housing	-	-	2,226,313	211,061	1,894,547	-	-	-	-	1,331,565	5,663,486
Public Works	-	-	-	-	-	-	-	-	-	948,389	948,389
Parks and Recreation	2,261,547	151,714	-	-	-	-	-	-	-	68,865	2,482,126
Public Safety	-	-	-	-	-	-	2,426,082	-	-	5,752,708	8,178,790
Capital Outlays	-	-	-	-	-	-	-	2,599	-	-	2,599
<b>Total Expenditures</b>	<u>2,261,547</u>	<u>233,771</u>	<u>2,226,313</u>	<u>211,061</u>	<u>1,894,547</u>	<u>1,590,343</u>	<u>2,426,082</u>	<u>986,407</u>	<u>1,139,859</u>	<u>9,150,840</u>	<u>22,120,770</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>644,200</u>	<u>(60,820)</u>	<u>(82,959)</u>	<u>1,546,496</u>	<u>(734,877)</u>	<u>(390,343)</u>	<u>(454,434)</u>	<u>21,116</u>	<u>(52,778)</u>	<u>(1,332,973)</u>	<u>(897,372)</u>
<b>Other Financing Sources(Uses)</b>											
Net appreciation(depreciation) in in Fair Value of Investments	-	(611,195)	-	-	-	-	-	-	-	-	(611,195)
Transfers In	-	-	-	-	378,609	-	-	279,241	-	133,033	790,883
Transfers Out	-	-	-	-	-	-	-	-	-	(15,033)	(15,033)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(611,195)</u>	<u>-</u>	<u>-</u>	<u>378,609</u>	<u>-</u>	<u>-</u>	<u>279,241</u>	<u>-</u>	<u>118,000</u>	<u>164,655</u>
<b>Extraordinary Item</b>											
Loan Forgiveness	-	-	-	-	2,845,684	-	-	-	-	-	2,845,684
<b>Net change in Fund Balances</b>	<u>644,200</u>	<u>(672,015)</u>	<u>(82,959)</u>	<u>1,546,496</u>	<u>2,489,416</u>	<u>(390,343)</u>	<u>(454,434)</u>	<u>300,357</u>	<u>(52,778)</u>	<u>(1,214,973)</u>	<u>2,112,967</u>
<b>Fund Balance - Beginning</b>	<u>83,038</u>	<u>5,873,260</u>	<u>70,376</u>	<u>248,950</u>	<u>(3,340,479)</u>	<u>1,085,363</u>	<u>14,704</u>	<u>151,867</u>	<u>2,099,300</u>	<u>656,972</u>	<u>6,943,351</u>
<b>Fund Balance - Ending</b>	<u>\$ 727,238</u>	<u>\$ 5,201,245</u>	<u>\$ (12,583)</u>	<u>\$ 1,795,446</u>	<u>\$ (851,063)</u>	<u>\$ 695,020</u>	<u>\$ (439,730)</u>	<u>\$ 452,224</u>	<u>\$ 2,046,522</u>	<u>\$ (558,001)</u>	<u>\$ 9,056,318</u>

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Park Recreation Assistance</b>				
Revenues	\$ 2,905,747	\$ 2,905,747	\$ 2,905,747	\$ -
Expenditures	<u>2,905,747</u>	<u>2,905,747</u>	<u>2,261,547</u>	<u>644,200</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644,200</u>	<u>\$ (644,200)</u>
<b>Community Development Block Grant</b>				
Revenues	\$ 2,143,354	\$ 2,143,354	\$ 2,143,354	\$ -
Expenditures	<u>2,143,354</u>	<u>2,143,354</u>	<u>2,226,313</u>	<u>(82,959)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,959)</u>	<u>\$ 82,959</u>
<b>Home Partnership Program</b>				
Revenues	\$ 1,757,556	\$ 1,757,556	\$ 1,757,556	\$ -
Expenditures	<u>1,757,556</u>	<u>1,757,556</u>	<u>211,060</u>	<u>1,546,496</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,546,496</u>	<u>\$ (1,546,496)</u>
<b>Housing Strategic</b>				
Revenues	\$ -	\$ -	\$ 1,159,670	\$ 1,159,670
Expenditures	<u>74,285</u>	<u>74,285</u>	<u>1,894,547</u>	<u>(1,820,262)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ (74,285)</u>	<u>\$ (74,285)</u>	<u>\$ (734,877)</u>	<u>\$ (660,592)</u>
<b>Economic Strategic</b>				
Revenues	\$ 4,631,001	\$ 4,631,001	\$ 1,200,000	\$ (3,431,001)
Expenditures	<u>4,516,364</u>	<u>5,716,364</u>	<u>1,590,343</u>	<u>4,126,021</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ 114,637</u>	<u>\$ (1,085,363)</u>	<u>\$ (390,343)</u>	<u>\$ (695,020)</u>
<b>Delaware Criminal Justice Planning</b>				
Revenues	\$ 1,971,648	\$ 1,971,648	\$ 1,971,648	\$ -
Expenditures	<u>1,971,648</u>	<u>1,971,648</u>	<u>2,426,082</u>	<u>(454,434)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (454,434)</u>	<u>\$ 454,434</u>
<b>Cable Television</b>				
Revenues	\$ 1,087,081	\$ 1,087,081	\$ 1,087,081	\$ -
Expenditures	<u>1,087,081</u>	<u>1,087,081</u>	<u>1,139,859</u>	<u>(52,778)</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,778)</u>	<u>\$ 52,778</u>

## CITY OF WILMINGTON, DELAWARE

### INTERNAL SERVICE FUNDS

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

The primary services, accounted for in similarly named funds, include motor vehicle. The costs of these funds are charged to the operating departments based on usage.

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, 2020**

	Data Processing	Document Management	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Internal Service Funds
<b>ASSETS</b>											
<b>Current Assets:</b>											
Cash and Cash Equivalents (Note 3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,282,253	\$ 17,371,509	\$ 5,058,507	\$ 30,712,269
Receivables, Net (Note 4)	-	-	-	-	-	26,709	-	-	-	-	26,709
Due From Other Governments	-	-	-	-	-	-	-	19,891	88,132	22,133	130,156
Prepaid Items & Other Assets	-	-	-	-	-	-	-	-	355,000	-	355,000
<b>Total Current Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,709</u>	<u>-</u>	<u>8,302,144</u>	<u>17,814,641</u>	<u>5,080,640</u>	<u>31,224,134</u>
<b>Noncurrent Assets:</b>											
Restricted Assets:											
Cash and Investments (Note 3)	-	-	-	-	-	-	-	-	-	-	-
Capital Assets, Net:											
Construction in Progress	-	-	-	-	-	336,232	-	-	-	-	336,232
Building and Improvements	-	-	-	-	-	2,932,453	-	-	-	-	2,932,453
Machinery & Equipment	-	-	-	-	-	828,560	-	-	8,407	-	836,967
Vehicles	-	-	-	-	-	13,989,480	-	-	-	-	13,989,480
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,086,725</u>	<u>-</u>	<u>-</u>	<u>8,407</u>	<u>-</u>	<u>18,095,132</u>
<b>Total Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,113,434</u>	<u>-</u>	<u>8,302,144</u>	<u>17,823,048</u>	<u>5,080,640</u>	<u>49,319,266</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>											
Deferred on Refunding of Bonds	-	-	-	-	-	98,677	-	-	-	-	98,677
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,677</u>
<b>LIABILITIES</b>											
<b>Current Liabilities:</b>											
Accounts Payable	-	-	-	-	-	526,632	-	565,033	269,656	857,899	2,219,220
Salaries and Benefits Payable	-	-	-	-	-	-	-	7,878	38,702	15,475	62,055
Accrued Interest Payable	-	-	-	-	-	26,132	-	8,072	8,072	-	42,276
Due to Other Funds	-	-	-	-	-	10,204,292	-	2,446,934	-	795,688	13,446,914
Bonds Payable	-	-	-	-	-	735,650	-	-	-	-	735,650
Capital Lease	-	-	-	-	-	1,345,309	-	-	-	-	1,345,309
Claims Liability	-	-	-	-	-	-	-	1,705,378	3,032,226	1,389,000	6,126,604
Compensated Absences	-	-	-	-	-	-	-	14,333	36,166	22,578	73,077
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,838,015</u>	<u>-</u>	<u>4,747,628</u>	<u>3,384,822</u>	<u>3,080,640</u>	<u>24,051,105</u>
<b>Noncurrent Liabilities:</b>											
Advances to Other Funds (Note 7)	-	-	-	-	-	2,869,385	-	-	-	-	2,869,385
Bonds Payable	-	-	-	-	-	1,298,740	-	-	-	-	1,298,740
Capital Leases	-	-	-	-	-	351,937	-	-	-	-	351,937
Claims Liabilities	-	-	-	-	-	-	-	3,051,012	14,438,226	-	17,489,238
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,520,062</u>	<u>-</u>	<u>3,051,012</u>	<u>14,438,226</u>	<u>-</u>	<u>22,009,300</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,358,077</u>	<u>-</u>	<u>7,798,640</u>	<u>17,823,048</u>	<u>3,080,640</u>	<u>46,060,405</u>
<b>NET POSITION</b>											
Net investment in capital assets	-	-	-	-	-	11,242,477	-	-	8,407	-	11,250,884
Unassigned	-	-	-	-	-	(10,388,443)	-	503,504	(8,407)	2,000,000	(7,893,346)
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,034</u>	<u>\$ -</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, 2020

	Data Processing	Document Management	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
<b>OPERATING REVENUES</b>											
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,593,790	\$ -	\$ 3,837,700	\$ 5,891,500	\$ 18,378,835	\$ 35,701,825
Employee Contributions	-	-	-	-	-	-	-	-	-	2,087,667	2,087,667
Other	-	-	-	-	-	-	-	80,100	103,205	22,134	205,439
<b>Total Operating Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,593,790</u>	<u>-</u>	<u>3,917,800</u>	<u>5,994,705</u>	<u>20,488,636</u>	<u>37,994,931</u>
<b>OPERATING EXPENSES</b>											
Personal Services	-	-	-	-	-	-	-	195,455	519,048	392,039	1,106,542
Materials, Supplies, Equipment and Contracted Services	-	-	-	-	-	4,379,483	-	220,232	322,304	227,672	5,149,691
Depreciation and Amortization	-	-	-	-	-	3,438,367	-	-	391	-	3,438,758
Claims Expense	-	-	-	-	-	-	-	2,722,778	5,050,624	17,112,594	24,885,996
Insurance Premiums	-	-	-	-	-	-	-	863,576	186,579	2,756,331	3,806,486
<b>Total Operating Expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,817,850</u>	<u>-</u>	<u>4,002,041</u>	<u>6,078,946</u>	<u>20,488,636</u>	<u>38,387,473</u>
<b>Operating Income (Loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,060)</u>	<u>-</u>	<u>(84,241)</u>	<u>(84,241)</u>	<u>-</u>	<u>(392,542)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>											
Investment Earnings	-	-	-	-	-	-	-	84,241	84,241	-	168,482
Interest Expense	-	-	-	-	-	(131,009)	-	-	-	-	(131,009)
Gain on Sales of Assets	-	-	-	-	-	355,069	-	-	-	-	355,069
Transfers In	21,690	-	-	-	-	-	2,141	-	-	-	23,831
<b>Total Non-Operating Revenues (Expenses)</b>	<u>21,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,060</u>	<u>2,141</u>	<u>84,241</u>	<u>84,241</u>	<u>-</u>	<u>416,373</u>
<b>Income before Capital Grants and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,831</u>
<b>Change in Net Position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,831</u>
<b>Total Net Position - Beginning</b>	<u>(21,690)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>854,034</u>	<u>(2,141)</u>	<u>503,504</u>	<u>-</u>	<u>2,000,000</u>	<u>3,333,707</u>
<b>Total Net Position - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,034</u>	<u>\$ -</u>	<u>\$ 503,504</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 3,357,538</u>

**City of Wilmington, Delaware**  
**Combining Statement of Cash Flows**  
**Internal service funds**

**June 30, 2020**

	Data Processing	Document Management	Mail Service	Duplication and Reproduction	Mapping and Graphics	Motor Vehicle	Communications	Risk Management	Workers' Compensation	Health and Welfare	Total Internal Service Funds
<b>Cash Flows From Operating Activities:</b>											
Receipts from Customers and Users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,590,166	\$ -	\$ 3,837,700	\$ 5,891,499	\$ 20,466,502	\$ 37,785,867
Payments to Suppliers	-	-	-	-	-	(5,146,835)	-	(3,641,705)	(4,322,700)	(20,877,246)	(33,988,486)
Payments to Employees	-	-	-	-	-	-	-	(193,277)	(516,432)	(384,944)	(1,094,653)
Cash Other	-	-	-	-	-	-	-	60,209	15,073	-	75,282
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,443,331</b>	<b>-</b>	<b>62,927</b>	<b>1,067,440</b>	<b>(795,688)</b>	<b>2,778,010</b>
<b>Cash Flows from Noncapital Financing Activities</b>											
Net Advances From Other Funds	-	-	-	-	-	2,787,111	-	-	-	-	2,787,111
Advances (To) Other Funds	-	-	-	-	-	-	-	(62,927)	-	795,688	732,761
Investment Earnings	-	-	-	-	-	-	-	84,241	84,241	-	168,482
Transfers to Other Funds	(3,525)	(25,558)	(29,717)	(12,451)	(41,610)	-	(103)	-	-	-	(112,964)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>(3,525)</b>	<b>(25,558)</b>	<b>(29,717)</b>	<b>(12,451)</b>	<b>(41,610)</b>	<b>2,787,111</b>	<b>(103)</b>	<b>21,314</b>	<b>84,241</b>	<b>795,688</b>	<b>3,575,390</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>											
Acquisition and Construction of Capital Assets	-	-	-	-	-	(3,886,932)	-	-	-	-	(3,886,932)
Principal Paid on Bonds	-	-	-	-	-	(363,041)	-	-	-	-	(363,041)
Interest Paid / Accrued on Bonds	-	-	-	-	-	(57,251)	-	-	-	-	(57,251)
Principal Paid on Capital Leases	-	-	-	-	-	(1,345,310)	-	-	-	-	(1,345,310)
Interest Paid on Capital Leases	-	-	-	-	-	(72,563)	-	-	-	-	(72,563)
Disposal Fixed Assets	-	-	-	-	-	494,655	-	-	-	-	494,655
<b>Net Cash Used in) Noncapital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,230,442)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,230,442)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,525)</b>	<b>(25,558)</b>	<b>(29,717)</b>	<b>(12,451)</b>	<b>(41,610)</b>	<b>-</b>	<b>-</b>	<b>84,241</b>	<b>1,151,681</b>	<b>-</b>	<b>1,122,958</b>
<b>Cash and Cash Equivalents - June 30, 2019</b> (including \$3,525 for the Data Processing Fund reported in restricted accounts)	<b>3,525</b>	<b>25,558</b>	<b>29,717</b>	<b>12,451</b>	<b>41,610</b>	<b>-</b>	<b>103</b>	<b>8,198,012</b>	<b>16,219,828</b>	<b>5,058,507</b>	<b>29,589,311</b>
<b>Cash and Cash Equivalents - June 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,282,253</b>	<b>\$ 17,371,509</b>	<b>\$ 5,058,507</b>	<b>\$ 30,712,269</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>											
Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (224,060)	\$ -	\$ (84,241)	\$ (84,241)	\$ -	\$ (392,542)
Adjustments to Reconcile Operating Income to Cash Provided by (Use in ) Operating Activities:											
Depreciation and Amortization	-	-	-	-	-	3,438,367	-	-	391	-	3,438,758
Changes in assets and liabilities:											
(Increase) Decrease in Receivables	-	-	-	-	-	(3,624)	-	-	-	-	(3,624)
(Increase) Decrease in Due From Other Governments	-	-	-	-	-	-	-	(19,891)	(88,132)	(22,133)	(130,156)
Increase (Decrease) in Accounts Payable	-	-	-	-	-	(767,352)	-	457,929	209,113	(726,650)	(826,960)
Increase (Decrease) in Compensated Absences	-	-	-	-	-	-	-	2,718	4,252	5,404	12,374
Increase (Decrease) in Accrued Salaries	-	-	-	-	-	-	-	(540)	(1,637)	1,691	(486)
Increase (Decrease) in Accrued Interest	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Claims Liability	-	-	-	-	-	-	-	(293,048)	1,027,694	(54,000)	680,646
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash Provided (Used) by Operating Activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,443,331</b>	<b>\$ -</b>	<b>\$ 62,927</b>	<b>\$ 1,067,440</b>	<b>\$ (795,688)</b>	<b>\$ 2,778,010</b>
<b>Non -Cash Capital Activities</b>											
Capital Asset Acquired with Accounts Payable	-	-	-	-	-	243,227	-	-	-	-	243,227
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 243,227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 243,227</b>

**CITY OF WILMINGTON, DELAWARE**

**FIDUCIARY FUNDS**

**PENSION TRUST 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

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 Employees Plan is a single-employer defined benefit plan that covers all Park Trust Commission 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, 2020**

	<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>Total Retirement Funds</u>	<u>Post - Retirement Healthcare Benefit</u>	<u>Total Pension Trust Funds</u>
<b>ASSETS</b>									
Cash and Cash Equivalents (Note 3)	\$ 1,554,883	\$ 192,382	\$ 1,593	\$ 1,500	\$ 6,483,238	\$ 48,094	\$ 8,281,690	\$ 185,238	\$ 8,466,928
Receivables:									
Accrued Interest & Other Receivables	60,300	113,144	6,294	16,984	86,112	-	282,834	-	282,834
Total Receivables	<u>60,300</u>	<u>113,144</u>	<u>6,294</u>	<u>16,984</u>	<u>86,112</u>	<u>-</u>	<u>282,834</u>	<u>-</u>	<u>282,834</u>
Investments, at Fair Value:									
Money Market Funds	598,161	1,122,366	62,436	168,474	1,025,440	-	2,976,877	4,666	2,981,543
U.S. Treasury Obligations	3,646,548	6,842,248	380,625	1,027,061	6,251,357	-	18,147,839	-	18,147,839
U.S. Government Agencies - Guaranteed	323,982	607,907	33,817	91,250	555,409	-	1,612,365	-	1,612,365
U.S. Government Agencies - Other	93,576	175,582	9,767	26,356	160,419	-	465,700	-	465,700
Corporate & Foreign Bonds	4,062,144	7,622,057	424,005	1,144,115	6,963,822	-	20,216,143	-	20,216,143
Common Equity & Marketable Securities	13,927,922	26,133,838	1,453,790	3,922,841	23,876,940	80,721	69,396,052	-	69,396,052
Mutual Funds									
Global & International Funds	11,562,677	21,695,779	1,206,907	3,256,663	19,822,149	-	57,544,175	4,605,537	62,149,712
Domestic Equity Funds	5,002,869	9,387,199	522,197	1,409,073	8,576,528	131,497	25,029,363	11,799,507	36,828,870
Fixed Income Funds	6,462,311	12,125,642	674,533	1,820,130	11,078,481	-	32,161,097	8,758,095	40,919,192
Real Estate Investment Trust	3,807,414	7,144,091	397,416	1,072,370	6,527,133	-	18,948,424	-	18,948,424
Total Investments	<u>49,487,604</u>	<u>92,856,709</u>	<u>5,165,493</u>	<u>13,938,333</u>	<u>84,837,678</u>	<u>212,218</u>	<u>246,498,035</u>	<u>25,167,805</u>	<u>271,665,840</u>
Due from Other Pension Trust Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,166,246</u>	<u>2,166,246</u>
<b>Total Assets</b>	<u>51,102,787</u>	<u>93,162,235</u>	<u>5,173,380</u>	<u>13,956,817</u>	<u>91,407,028</u>	<u>260,312</u>	<u>255,062,559</u>	<u>27,519,289</u>	<u>282,581,848</u>
<b>LIABILITIES</b>									
Accounts Payable	6,275	11,123	1,583	2,836	18,479	5,940	46,236	11,844	58,080
Salaries and Benefits Payable	2,864	5,147	833	1,414	11,216	-	21,474	-	21,474
Due to Other Pension Trust Fund	-	-	-	-	2,166,246	-	2,166,246	-	2,166,246
Due to Other Governments	-	-	-	-	6,530,965	-	6,530,965	-	6,530,965
Compensated Absences	6,924	11,788	3,185	6,602	18,728	-	47,227	-	47,227
Liability for State-dated Pension Checks	45,426	77,339	38,911	8,517	8,453	-	178,646	-	178,646
<b>Total Liabilities</b>	<u>61,489</u>	<u>105,397</u>	<u>44,512</u>	<u>19,369</u>	<u>8,754,087</u>	<u>5,940</u>	<u>8,990,794</u>	<u>11,844</u>	<u>9,002,638</u>
<b>Net Position</b>									
Held in Trust for Pension & OPEB Benefits	<u>\$ 51,041,298</u>	<u>\$ 93,056,838</u>	<u>\$ 5,128,868</u>	<u>\$ 13,937,448</u>	<u>\$ 82,652,941</u>	<u>\$ 254,372</u>	<u>\$ 246,071,765</u>	<u>\$ 27,507,445</u>	<u>\$ 273,579,210</u>



**City of Wilmington, Delaware**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the Year Ended June 30, 2020**

	<b>Firefighters Pension</b>	<b>Police Pension</b>	<b>Plan I Non- uniformed Pension</b>	<b>Plan II Non- uniformed Pension</b>	<b>Plan III Non- uniformed Pension</b>	<b>Wilmington Park Trust Pension</b>	<b>Total Retirement Funds</b>	<b>Post - Retirement Healthcare Benefit</b>	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>									
<b>Contributions:</b>									
City									
Paid Directly by the City	\$ 1,393,193	\$ 5,771,270	\$ 47,342	\$ 260,859	\$ 4,958,725	\$ -	\$ 12,431,389	\$ 4,240,630	\$ 16,672,019
Paid by the State									
On-Behalf of the City	5,669,921	4,018,545	-	-	-	-	9,688,466	-	9,688,466
Employees	73,927	89,944	-	1,279	339,158	-	504,309	949,470	1,453,779
Other Revenue	-	-	-	11,880	945	-	12,825	-	12,825
<b>Total Contributions</b>	<b>7,137,041</b>	<b>9,879,759</b>	<b>47,342</b>	<b>274,018</b>	<b>5,298,828</b>	<b>-</b>	<b>22,636,988</b>	<b>5,190,100</b>	<b>27,827,088</b>
<b>Investment Income</b>									
Investment Earnings	3,016,690	5,642,533	331,487	854,480	4,433,716	8,567	14,287,473	547,036	14,834,509
Net Appreciation									
(Depreciation) in Fair Value	(428,603)	(801,675)	(47,097)	(121,402)	(629,930)	(32,874)	(2,061,581)	926,305	(1,135,276)
Total Investment Earnings	2,588,087	4,840,858	284,390	733,078	3,803,786	(24,307)	12,225,892	1,473,341	13,699,233
Less: Investment Expense	(113,554)	(212,720)	(12,499)	(32,218)	(164,508)	-	(535,499)	(7,120)	(542,619)
<b>Net Investment Income</b>	<b>2,474,533</b>	<b>4,628,138</b>	<b>271,891</b>	<b>700,860</b>	<b>3,639,278</b>	<b>(24,307)</b>	<b>11,690,393</b>	<b>1,466,221</b>	<b>13,156,614</b>
<b>Total Additions</b>	<b>9,611,574</b>	<b>14,507,897</b>	<b>319,233</b>	<b>974,878</b>	<b>8,938,106</b>	<b>(24,307)</b>	<b>34,327,381</b>	<b>6,656,321</b>	<b>40,983,702</b>
<b>DEDUCTIONS</b>									
Benefits Paid	9,380,799	14,871,077	596,553	1,093,542	6,183,705	11,879	32,137,555	2,498,751	34,636,306
Administrative Expenses	113,332	185,274	38,386	72,644	253,345	2,913	665,894	50,273	716,167
<b>Total Deductions</b>	<b>9,494,131</b>	<b>15,056,351</b>	<b>634,939</b>	<b>1,166,186</b>	<b>6,437,050</b>	<b>14,792</b>	<b>32,803,449</b>	<b>2,549,024</b>	<b>35,352,473</b>
<b>Net Increase in Plan Net Position</b>	<b>117,443</b>	<b>(548,454)</b>	<b>(315,706)</b>	<b>(191,308)</b>	<b>2,501,056</b>	<b>(39,099)</b>	<b>1,523,932</b>	<b>4,107,297</b>	<b>5,631,229</b>
<b>Net Position - Beginning</b>	<b>50,923,855</b>	<b>93,605,292</b>	<b>5,444,574</b>	<b>14,128,756</b>	<b>80,151,885</b>	<b>293,471</b>	<b>244,547,833</b>	<b>23,400,148</b>	<b>267,947,981</b>
<b>Net Position - Ending</b>	<b>\$ 51,041,298</b>	<b>\$ 93,056,838</b>	<b>\$ 5,128,868</b>	<b>\$ 13,937,448</b>	<b>\$ 82,652,941</b>	<b>\$ 254,372</b>	<b>\$ 246,071,765</b>	<b>\$ 27,507,445</b>	<b>\$ 273,579,210</b>

**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.

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	146
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most consistent year-to-year revenue source, the property tax.	151
<b>Debt Capacity</b> 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.	155
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	159
<b>Operating Information</b> 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.	162

**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)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 82,216,326	\$ 79,317,727	\$ 68,699,894	\$ 70,032,240	\$ 74,784,855	\$ 73,262,924	\$ 80,030,613	\$ 85,923,514	\$ 92,711,517	\$ 100,713,342
Restricted	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160	8,771,679	8,984,278	10,079,262
Unrestricted	23,402,664	25,864,401	17,545,747	(119,636,657)	(116,324,021)	(104,130,565)	(123,390,154)	(120,687,342)	(115,292,703)	(106,335,174)
<b>Total Governmental Activities Net Position</b>	<b>\$ 111,089,827</b>	<b>\$ 111,116,467</b>	<b>\$ 107,648,958</b>	<b>\$ (30,918,607)</b>	<b>\$ (29,158,252)</b>	<b>\$ (25,374,162)</b>	<b>\$ (35,775,381)</b>	<b>\$ (25,992,149)</b>	<b>\$ (13,596,908)</b>	<b>\$ 4,457,430</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 112,071,075	\$ 118,391,959	\$ 118,345,142	\$ 116,604,537	\$ 116,858,039	\$ 117,697,946	\$ 120,943,085	\$ 127,230,361	\$ 131,329,111	\$ 141,559,269
Restricted	-	-	-	-	-	-	-	35,165,006	39,571,786	35,649,991
Unrestricted	(14,446,190)	(16,294,598)	(8,337,387)	(3,290,174)	5,835,485	17,194,095	27,456,260	-	2,215,818	1,057,494
<b>Total Business-type Activities Net Position</b>	<b>\$ 97,624,885</b>	<b>\$ 102,097,361</b>	<b>\$ 110,007,755</b>	<b>\$ 113,314,363</b>	<b>\$ 122,693,524</b>	<b>\$ 134,892,041</b>	<b>\$ 148,399,345</b>	<b>\$ 162,395,367</b>	<b>\$ 173,116,715</b>	<b>\$ 178,266,754</b>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 194,287,401	\$ 197,709,686	\$ 187,045,036	\$ 186,636,777	\$ 191,642,894	\$ 190,960,870	\$ 200,973,698	\$ 213,153,875	\$ 224,040,628	\$ 242,272,611
Restricted	5,470,837	5,934,339	21,403,317	18,685,810	12,380,914	5,493,479	7,584,160	43,936,685	48,556,064	45,729,253
Unrestricted	8,956,474	9,569,803	9,208,360	(122,926,831)	(110,488,536)	(86,936,470)	(95,933,894)	(120,687,342)	(113,076,885)	(105,277,680)
<b>Total Primary Government Net Position</b>	<b>\$ 208,714,712</b>	<b>\$ 213,213,828</b>	<b>\$ 217,656,713</b>	<b>\$ 82,395,756</b>	<b>\$ 93,535,272</b>	<b>\$ 109,517,879</b>	<b>\$ 112,623,964</b>	<b>\$ 136,403,218</b>	<b>\$ 159,519,807</b>	<b>\$ 182,724,184</b>

Note: Net position reflects any prior year restatements.

Table II

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>EXPENSES</b>										
<b>Governmental Activities:</b>										
General Government	\$ 29,488,557	\$ 35,708,148	\$ 28,485,274	\$ 27,630,002	\$ 28,495,073	\$ 28,460,217	\$ 33,209,538	\$ 28,701,894	\$ 31,837,983	\$ 43,376,300
Real Estate and Housing	9,558,053	10,276,370	4,925,920	5,431,791	6,434,211	6,874,842	6,310,506	6,708,205	5,934,884	7,577,533
Public Works	23,033,197	23,177,193	23,242,074	23,807,433	23,447,957	25,374,633	24,429,688	24,080,545	25,703,685	24,813,642
Parks and Recreation	9,423,690	9,632,204	9,196,053	9,077,378	10,317,892	9,939,326	11,161,909	11,098,419	13,040,301	11,898,388
Public Safety	82,913,341	84,777,539	90,571,399	90,737,719	83,938,497	89,768,212	103,283,261	90,296,885	92,335,897	91,077,683
Interest on Long-Term Debt	5,616,097	4,768,486	5,150,078	4,743,372	4,342,767	4,602,942	4,316,733	3,883,054	5,096,566	3,439,214
Total Governmental Activities Expenses	160,032,935	168,339,940	161,570,798	161,427,695	156,976,397	165,020,172	182,711,635	164,769,002	173,949,316	182,182,760
<b>Business-type Activities:</b>										
Water/Sewer	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604	73,655,464	75,342,455	81,414,113
Total Business-Type Activities Expenses	54,723,619	60,884,644	59,908,774	64,984,276	64,092,907	65,443,575	70,327,604	73,655,464	75,342,455	81,414,113
<b>Total Primary Government Expenses</b>	<b>\$ 214,756,554</b>	<b>\$ 229,224,584</b>	<b>\$ 221,479,572</b>	<b>\$ 226,411,971</b>	<b>\$ 221,069,304</b>	<b>\$ 230,463,747</b>	<b>\$ 253,039,239</b>	<b>\$ 238,424,466</b>	<b>\$ 249,291,771</b>	<b>\$ 263,596,873</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$ 8,906,826	\$ 8,937,613	\$ 9,710,578	\$ 10,378,709	\$ 10,471,882	\$ 11,935,090	\$ 13,029,923	\$ 12,349,560	\$ 14,809,049	\$ 15,790,231
Real Estate and Housing	795,318	1,915,305	-	-	247,075	339,598	317,489	576,854	135,260	264,168
Public Works	374,128	283,289	294,972	224,135	162,702	148,264	165,377	154,446	181,463	138,563
Parks and Recreation	59,026	284,258	312,783	190,332	79,359	20,714	510,646	226,823	151,455	67,339
Public Safety	13,774,372	16,408,085	10,843,278	15,380,748	14,612,394	14,447,109	12,147,225	12,752,764	12,110,695	13,029,392
Operating Grants and Contributions	20,569,251	19,362,707	17,388,953	16,907,582	19,095,300	18,746,664	14,684,689	16,805,129	18,001,181	26,658,603
Capital Grants and Contributions	1,908,256	1,311,524	1,933,252	1,377,611	2,341,802	1,136,175	1,544,083	202,539	2,872,181	5,546,307
Total Governmental Activities Revenues	46,387,177	48,502,781	40,483,816	44,459,117	47,010,514	46,773,614	42,399,432	43,068,115	48,261,284	61,494,603
<b>Business-type Activities:</b>										
Charges for Services:										
Water	58,346,241	64,744,275	67,065,579	76,491,666	73,926,346	77,136,007	83,541,753	83,329,958	84,633,077	79,971,543
Capital Grants and Contributions	9,092,105	574,876	469,271	67,784	167,892	502,438	293,155	4,264,405	1,320,726	6,592,609
Total Business-type Activities Revenues	67,438,346	65,319,151	67,534,850	76,559,450	74,094,238	77,638,445	83,834,908	87,594,363	85,953,803	86,564,152
<b>Total Primary Government Revenues</b>	<b>\$ 113,825,523</b>	<b>\$ 113,821,932</b>	<b>\$ 108,018,666</b>	<b>\$ 121,018,567</b>	<b>\$ 121,104,752</b>	<b>\$ 124,412,059</b>	<b>\$ 126,234,340</b>	<b>\$ 130,662,478</b>	<b>\$ 134,215,087</b>	<b>\$ 148,058,755</b>

Table II

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental Activities:</b>										
Taxes										
Property Taxes	\$ 39,428,237	\$ 39,334,457	\$ 38,383,979	\$ 40,031,479	\$ 40,289,471	\$ 40,785,515	\$ 40,691,422	\$ 42,912,480	\$ 43,926,250	\$ 42,656,450
Income Taxes	55,958,208	63,519,580	61,873,590	62,058,990	62,286,478	63,093,666	66,747,652	67,549,952	69,881,277	66,599,449
Other Taxes	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923	3,182,700	3,508,035	5,918,475
Lodging & Natural Gas Taxes	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278	3,366,921	3,466,672	2,968,181
Investment Earnings	1,287,448	494,437	1,049,413	1,004,623	324,461	270,511	1,254,149	1,253,510	2,499,919	735,622
Other Revenues including Capital Asset Sales Gains	-	-	-	84,681	-	-	176,448	347,572	191,643	370,142
Grants, Entitlements, and Contributions not Restricted to Specific Programs	11,897,908	12,437,046	12,505,037	13,621,030	14,137,931	14,539,204	14,743,680	15,726,381	16,484,735	16,648,490
Loan Forgiveness	-	-	-	-	-	-	-	-	-	2,845,684
Transfers	-	-	(232,176)	-	2,976	-	-	-	-	-
Total Governmental Activities	<u>111,378,392</u>	<u>119,863,799</u>	<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>
<b>Business-type Activities:</b>										
Investment Earnings	15,000	37,969	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>15,000</u>	<u>37,969</u>	<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>
<b>Total Primary Government</b>	<u>\$ 111,393,392</u>	<u>\$ 119,901,768</u>	<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>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ (2,267,366)	\$ 26,640	\$ (3,467,509)	\$ 3,134,114	\$ 10,847,316	\$ 3,784,090	\$ (11,031,651)	\$ 12,638,629	\$ 14,270,499	\$ 18,054,336
Business-type Activities	<u>12,729,727</u>	<u>4,472,476</u>	<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>
Total Primary Government	<u>\$ 10,462,361</u>	<u>\$ 4,499,116</u>	<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>

Table III

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL FUND</b>										
Nonspendable										
Long-term Note Receivable	\$ 6,500,000	\$ 9,988,293	\$ 8,771,914	\$ 5,460,671	\$ 3,184,707	\$ 3,121,642	\$ 3,058,580	\$ 2,995,512	\$ 2,932,453	\$ 2,869,385
Committed										
Budget Reserve Account	13,933,709	14,292,802	14,537,615	15,003,965	15,169,686	15,403,864	15,730,559	15,730,559	16,229,900	16,350,105
Other Purposes	430,000	-	-	-	-	-	-	-	-	-
Tax Stabilization Reserve	-	-	-	-	-	-	-	21,348,108	27,434,463	28,725,708
Unassigned										
Other Purposes	16,937,671	20,964,373	23,262,923	25,592,630	24,694,765	23,788,856	15,139,635	-	-	-
<b>Total General Fund</b>	<b>\$ 37,801,380</b>	<b>\$ 45,245,468</b>	<b>\$ 46,572,452</b>	<b>\$ 46,057,266</b>	<b>\$ 43,049,158</b>	<b>\$ 42,314,362</b>	<b>\$ 33,928,774</b>	<b>\$ 40,074,179</b>	<b>\$ 46,596,816</b>	<b>\$ 47,945,198</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable										
Park Operations	\$ 820,344	\$ 799,803	\$ 879,788	\$ 991,205	\$ 977,910	\$ 968,468	\$ 1,023,792	\$ 1,059,631	\$ 1,084,776	\$ 934,863
Restricted										
Capital Projects Funds	11,301,494	22,033,428	14,826,533	11,551,577	6,778,734	21,340,305	16,024,754	9,815,380	6,113,837	166,676
Park Operations	4,650,493	5,134,536	5,696,996	6,143,028	5,123,545	4,931,600	5,163,418	5,215,212	4,809,017	4,270,394
Other Purposes	-	-	-	245,392	478,635	433,004	78,540	2,761,566	3,090,485	4,029,000
Committed										
Affordable Housing	2,219,614	1,329,261	1,178,585	631,127	(346,207)	1,115,369	386,312	-	-	-
Economic Development	6,685,727	5,639,243	5,550,802	5,550,802	5,215,443	6,732,194	2,924,787	2,059,323	742,102	528,344
Other Purposes	790,556	775,204	1,644,281	1,742,099	1,891,276	1,694,095	2,064,464	-	214,372	1,175,450
Unassigned										
Other Purposes	-	-	-	(118,672)	(127,655)	(100,017)	(263,146)	(2,546,052)	(3,340,662)	(4,389,798)
<b>Total All Other Governmental Funds</b>	<b>\$ 26,468,228</b>	<b>\$ 35,711,475</b>	<b>\$ 29,776,985</b>	<b>\$ 26,736,559</b>	<b>\$ 19,991,681</b>	<b>\$ 37,115,018</b>	<b>\$ 27,402,921</b>	<b>\$ 18,365,060</b>	<b>\$ 12,713,927</b>	<b>\$ 6,714,929</b>

Table IV

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Taxes, Related Penalties and Interest										
Property Taxes	\$ 39,187,019	\$ 39,013,879	\$ 38,181,077	\$ 38,140,803	\$ 40,046,863	\$ 40,246,355	\$ 40,596,912	\$ 43,266,138	\$ 42,747,587	\$ 43,698,151
Wage Taxes	51,732,408	55,815,188	56,558,250	55,819,469	57,891,999	57,554,177	60,334,780	60,924,351	61,686,959	58,325,963
Net Profit	4,818,119	5,040,088	5,439,220	5,547,134	5,746,392	5,545,183	6,577,048	6,449,989	6,746,611	7,311,221
Franchise	1,771,473	1,716,982	1,863,137	916,631	899,239	952,421	921,140	2,082,618	2,110,972	1,791,204
Real Estate Transfer	1,561,633	2,971,602	2,999,468	2,117,563	2,501,244	2,174,189	4,459,923	3,182,700	3,508,035	5,918,475
Head Taxes	3,665,320	3,662,183	3,538,656	4,071,552	4,260,172	3,926,973	3,853,010	3,693,366	3,764,224	3,532,970
Lodging & Natural Gas	1,244,958	1,106,677	1,040,162	1,184,326	1,270,638	1,167,563	1,207,278	1,268,092	1,425,278	1,184,616
Intergovernmental	34,753,438	34,272,415	32,911,841	32,162,180	36,276,503	35,513,456	31,643,707	31,468,695	33,970,313	44,132,779
Licenses and Permits	3,987,861	4,843,537	4,573,516	3,880,469	4,296,561	4,829,292	4,694,187	5,734,367	5,108,362	5,925,045
Fines and Forfeitures	8,698,896	9,484,531	7,096,186	8,466,787	7,387,420	7,889,370	5,936,872	5,670,871	6,553,856	5,129,680
Charges for Services	5,958,581	7,495,032	5,865,902	6,626,184	6,826,272	7,083,670	8,815,269	10,244,245	12,403,678	14,328,858
Investment Earnings	1,287,448	494,437	1,049,413	1,004,623	324,455	326,238	997,789	1,321,628	2,176,752	1,474,094
Other	-	-	-	-	-	1,704,229	-	-	-	-
<b>Total Revenues</b>	<b>158,667,154</b>	<b>165,916,551</b>	<b>161,116,828</b>	<b>159,937,721</b>	<b>167,727,758</b>	<b>168,913,116</b>	<b>170,037,915</b>	<b>175,307,060</b>	<b>182,202,627</b>	<b>192,753,056</b>
<b>EXPENDITURES</b>										
General Government	31,650,965	34,037,673	26,751,489	26,295,676	28,053,730	27,773,804	30,533,408	26,747,981	31,978,559	36,375,921
Real Estate and Housing	9,543,270	10,253,569	4,909,695	5,411,073	6,544,038	6,849,812	6,407,812	6,902,264	6,448,197	7,106,635
Public Works	18,619,338	18,629,588	18,596,378	19,342,030	19,682,837	20,505,252	19,744,936	20,642,668	21,399,743	20,609,358
Parks and Recreation	8,452,461	8,607,042	8,145,406	8,104,354	9,537,746	8,861,133	10,081,649	10,248,387	10,249,471	9,760,979
Public Safety	79,671,627	80,231,287	85,840,469	87,586,989	91,138,795	88,769,676	100,782,119	94,437,075	93,196,217	98,639,258
Debt Service:										
Principal	2,775,559	5,615,432	7,177,478	6,840,368	7,570,521	8,041,584	8,540,841	7,507,637	9,900,113	9,250,285
Interest	5,403,006	5,315,850	5,071,563	5,196,196	4,937,476	5,087,280	4,988,228	4,796,604	4,574,958	4,386,425
Capital Outlay - Capital Projects	2,021,953	7,198,258	9,121,210	4,775,999	6,747,270	8,634,350	6,957,569	8,822,122	12,612,170	20,499,140
<b>Total Expenditures</b>	<b>158,138,179</b>	<b>169,888,699</b>	<b>165,613,688</b>	<b>163,552,685</b>	<b>174,212,413</b>	<b>174,522,891</b>	<b>188,036,562</b>	<b>180,104,738</b>	<b>190,359,428</b>	<b>206,628,001</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>528,975</b>	<b>(3,972,148)</b>	<b>(4,496,860)</b>	<b>(3,614,964)</b>	<b>(6,484,655)</b>	<b>(5,609,775)</b>	<b>(17,998,647)</b>	<b>(4,797,678)</b>	<b>(8,156,801)</b>	<b>(13,874,945)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Sales of Capital Assets	3,566,586	-	-	-	-	-	-	-	-	-
Capital Lease Issued	-	-	-	-	413,828	-	-	505,499	658,289	1,425,265
Bond Anticipation Notes	-	-	-	-	-	-	-	1,399,724	5,532,872	10,655,965
Bond Anticipation Note Repayment	-	-	-	-	-	-	(232,485)	-	-	-
Bonds Issued	799,014	33,404,051	16,853,656	-	-	18,317,711	-	-	12,084,876	-
Bond Refunding	-	-	-	-	-	-	18,887,944	-	-	-
Premium on Debt Issued	-	686,181	3,604,591	-	-	3,145,040	-	-	850,073	-
Payment to Refunded Bond Escrow Agent	-	(12,012,682)	(20,275,357)	-	-	(238,505)	(21,523,660)	-	(6,662,166)	-
Transfers In	1,549,497	6,500,356	676,363	139,434	43,421	2,125,000	1,841,656	523,244	1,889,746	775,850
Transfers Out	(1,549,497)	(6,500,356)	(969,899)	(54,753)	(40,445)	(2,180,727)	(1,841,656)	(523,244)	(1,889,746)	(363,576)
Bond Issuance Cost	-	-	-	-	-	-	-	-	-	(48,575)
Net Appreciation (Depreciation) in Fair Value	-	-	-	-	-	-	-	-	-	(611,195)
Internal Service Fund Integration (Note 19)	-	-	-	-	-	-	-	-	-	(2,076,719)
Bank Line of Credit Repayment	-	-	-	-	-	-	-	-	-	(3,378,370)
<b>Total Other Financing Sources (Uses)</b>	<b>4,365,600</b>	<b>22,077,550</b>	<b>(110,646)</b>	<b>84,681</b>	<b>416,804</b>	<b>21,168,519</b>	<b>-</b>	<b>1,905,223</b>	<b>12,463,944</b>	<b>6,378,645</b>
<b>EXTRAORDINARY ITEM</b>										
Loan Forgiveness	-	-	-	-	-	-	-	-	-	2,845,684
<b>Net Change in Fund Balances</b>	<b>4,894,575</b>	<b>18,105,402</b>	<b>(4,607,506)</b>	<b>(3,530,283)</b>	<b>(6,067,851)</b>	<b>15,558,744</b>	<b>(17,998,647)</b>	<b>(2,892,455)</b>	<b>4,307,143</b>	<b>(4,650,616)</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,329)</b>	<b>(372,073)</b>	<b>-</b>	<b>134,752</b>	<b>-</b>	<b>(3,435,639)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,894,575</b>	<b>\$ 18,105,402</b>	<b>\$ (4,607,506)</b>	<b>\$ (3,555,612)</b>	<b>\$ (6,439,924)</b>	<b>\$ 16,388,601</b>	<b>\$ (17,863,895)</b>	<b>\$ (2,892,455)</b>	<b>\$ 871,504</b>	<b>\$ (4,650,616)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.24%</b>	<b>6.72%</b>	<b>7.83%</b>	<b>7.58%</b>	<b>7.47%</b>	<b>7.91%</b>	<b>7.47%</b>	<b>7.18%</b>	<b>8.14%</b>	<b>7.33%</b>

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 <sup>1</sup>	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate
	Residential Property <sup>1</sup>	Commercial / Industrial <sup>1</sup>	Public Utilities <sup>1</sup>	Other <sup>1</sup>			
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
2012	1,023,334,086	1,093,993,660	118,312,800	1,375,814,250	1,388,865,950	2,222,588,846	1.7670
2011	1,026,282,336	1,112,256,660	110,102,079	1,387,286,850	1,396,000,000	2,239,927,925	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.

<sup>1</sup> 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 School District	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Millage	
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
2012	1.6470	0.1200	1.7670	0.2192	0.0244	0.2436	1.6620	-	1.6620	3.4534
2011	1.6770	0.0900	1.7670	0.2192	0.0244	0.2436	1.6870	-	1.6870	3.6976

**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.

Table VII

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

Taxpayer	2011			2020		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Buccini Pollin Group	\$ 100,000,000	1	2.71%	\$ 160,519,700	1	4.49%
JP Morgan Chase	-	-	-	56,616,300	2	1.58%
M&T Bank	-	-	0.00%	52,722,360	3	1.48%
Delmarva Power & Light	80,824,200	2	2.19%	47,671,700	4	1.33%
1313 Owner, LLC	-	-	0.00%	41,000,000	5	1.15%
CCI-Bracebridge	-	-	0.00%	37,002,700	6	1.04%
1201 Market Street LLC	51,775,000	7	1.40%	35,000,000	7	0.98%
Calpine Mid-Atlantic	-	-	-	32,703,400	8	0.92%
TRC 300 Delaware, LLC	-	-	-	28,548,300	9	0.80%
Verizon	-	-	-	23,725,600	10	0.66%
Variable Annuity Life Inc	-	-	-	22,000,000	11	0.62%
CODE001, LLC	-	-	-	20,319,900	12	0.57%
DCL Leasing Partners	58,084,300	5	1.57%	-	-	-
Bank of America (MBNA)	78,107,700	3	2.12%	15,674,900	13	0.43%
Hub Properties Trust	31,119,900	8	0.84%	-	-	-
MacQuarie BDN Christina	63,704,500	4	1.73%	-	-	-
E.I. DuPont Nemours & Co	52,839,800	6	1.43%	-	-	-
Rodney Square Investors, LP	27,608,600	10	0.75%	-	-	-
Delaware Trust Rehab	37,681,100	9	1.02%	-	-	-
Totals	\$ 581,745,100		15.76%	\$ 573,504,860		16.05%

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 Levy <sup>1</sup> for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2012	39,745,263	38,702,002	97.4%	n/a	38,702,002	97.4%
2011	38,895,688	38,125,142	98.0%	197,494	38,322,636	98.5%

**Source:** City of Wilmington, Finance Department

**Note:** <sup>1</sup> 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 <sup>1</sup>
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
2012	138,515,466	5,563,191	154,748,260	-	298,826,917	16.03%	4,103
2011	121,026,852	5,622,812	141,934,292	-	268,583,956	15.48%	3,791

**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.

<sup>1</sup> 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)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
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
2012	293,263,726	11.62%	4,025
2011	262,961,144	11.74%	3,711

**Source:** City of Wilmington, Treasurer's Office

**Notes:** <sup>1</sup> See Table V for Actual Taxable Value of Property data.  
<sup>2</sup> See Table XIII for population data.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2020  
(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	\$ 518,930,000	15.3%	\$ 79,396,290
Various School Districts	<u>325,391,778</u>	15.6%	<u>50,761,117</u>
Subtotal - Overlapping Debt	844,321,778		130,157,407
City of Wilmington Direct Debt	191,488,837	100%	<u>191,488,837</u>
Totals			<u>\$ 321,646,244</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.

Table XII

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating Budget	\$ 143,952,638	\$ 140,363,055	\$ 145,043,428	\$ 147,325,316	\$ 150,039,645	\$ 151,696,858	\$ 154,038,640	\$ 154,923,078	\$ 162,299,001
Debt Service Limit	25,191,712	24,563,535	25,382,600	25,781,930	26,256,938	26,546,950	26,956,762	27,111,539	28,402,325
Total Net Debt Service Applicable to Limit	<u>8,178,565</u>	<u>10,931,282</u>	<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>
Legal Debt Service Margin	<u>\$ 17,013,147</u>	<u>\$ 13,632,253</u>	<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>
Total Net Debt Service Applicable to the Limit as a Percentage of Debt Limit	32.00%	45.00%	48.00%	42.00%	48.00%	49.00%	50.00%	45.00%	45.00%

**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)**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Employment</b>	<b>Unemployment Rate</b>	<b>Median Age</b>	<b>Median Household Effective Buying Income</b>
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
2012	71,305	1,824,694,950	25,590	27,718	10.30%	34.40	37,352
2011	70,851	1,734,928,437	24,487	27,418	12.10%	34.90	38,325

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

**Notes:** <sup>1</sup> 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 2012			Calendar Year 2020		
	Employees	Rank	Percentage of Total <sup>1</sup> Employment	Employees	Rank	Percentage of Total <sup>1</sup> Employment
State of Delaware	13,000	1	4.62%	14,199	1	5.18%
Christiana Care Health System	10,400	2	3.69%	12,100	2	4.41%
JPMorgan Chase	-	-	0.00%	11,500	3	4.19%
Bank of America (MBNA)	7,100	4	2.52%	6,400	4	2.33%
University of Delaware	4,000	7	1.42%	4,759	5	1.74%
Nemours Children's Health System	-	-	0.00%	4,309	6	1.57%
DuPont	-	-	0.00%	3,500	7	1.28%
Delaware Technical Community College	-	-	0.00%	2,100	8	0.77%
Christina School District	2,300	9	0.82%	2,600	9	0.95%
Amazon	-	-	0.00%	2,500	10	0.91%
Red Clay School District	1,750	12	0.62%	2,300	11	0.84%
New Castle County Government	1,250	22	0.44%	2,092	12	0.76%
Capital One	-	-	0.00%	2,000	13	0.73%
M&T Bank (Wilmington Trust Corp.)	1,700	13	0.60%	1,987	14	0.72%
The Y of Delaware	2,300	10	0.82%	1,905	15	0.69%
Acme Markets	-	-	0.00%	1,553	16	0.57%
Brandywine School District	1,450	17	0.52%	1,541	17	0.56%
Amtrak	1,400	20	0.50%	1,502	18	0.55%
AstraZeneca Pharmaceuticals LP	4,500	6	1.60%	1,500	19	0.55%
Barclays Bank Delaware	-	-	0.00%	1,500	20	0.55%
Discover Financial Services	-	-	0.00%	1,400	21	0.51%
Walgreen's Inc	1,700	14	0.60%	1,385	22	0.51%
Siemens	1,630	15	0.58%	1,300	23	0.47%
CSC	-	-	0.00%	1,241	24	0.45%
Delaware Park	1,550	16	0.55%	1,230	25	0.45%
E.I. Du Pont Nemours & Company	8,100	3	2.88%	-	-	0.00%
Wal-mart Stores, Inc.	4,700	5	1.67%	-	-	0.00%
A. I. DuPont Institute	2,821	8	1.00%	-	-	0.00%
Citibank Delaware	2,000	11	0.71%	-	-	0.00%
Comcast	1,450	18	0.52%	-	-	0.00%
Delmarva Power/Pepco. (Connectiv)	1,438	19	0.51%	-	-	0.00%
Colonial School District	1,271	21	0.45%	-	-	0.00%
St. Francis Hospital	1,200	23	0.43%	-	-	0.00%
ING Direct	1,122	24	0.40%	-	-	0.00%
PNC Financial Services Group	1,100	25	0.39%	-	-	0.00%
<b>Totals</b>	<b>81,232</b>		<b>28.86%</b>	<b>88,403</b>		<b>32.24%</b>

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

**Note:** <sup>1</sup> Total Employment in New Castle County

Table XV

**TEN LARGEST WAGE TAX WITHHOLDERS <sup>(1)</sup>**  
**CURRENT YEAR**  
 (Unaudited)

Company	2020 Withholdings	% of Total
Total of Ten Largest	\$ 21,900,201	35.80%
Total Wage Tax Collected	\$ 61,319,939	100.00%

Source: City Finance Department - Wage Tax

<sup>(1)</sup> Prepared on a calendar year basis.

Table XVI

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Government</b>										
Mayor's Office	59	58	57	60	59	59	59	57	55	34
City Council	29	28	27	29	29	29	29	29	29	28
Audit	5	4	4	4	4	4	4	4	5	5
Law	23	21	21	21	20	20	20	18	17	17
Finance	97	93	90	87	88	88	86	85	84	85
Human Resources	23	22	22	21	22	22	24	23	24	26
Treasurer	7	6	6	6	6	6	6	7	7	7
Planning	12	11	11	11	11	11	10	10	10	10
Information Technologies	-	-	-	-	-	-	-	-	-	22
<b>Real Estate &amp; Housing</b>	17	16	15	15	12	12	11	11	11	11
<b>Parks &amp; Recreation</b>	50	44	44	44	42	41	41	40	39	41
<b>Public Safety</b>										
Police	402	390	382	382	382	382	381	376	378	380
Fire	172	177	177	177	177	177	177	161	161	161
License and Inspection	42	38	38	38	38	38	38	38	42	43
<b>Public Works</b>	229	226	226	224	223	223	221	219	221	223
<b>Totals</b>	<b>1,167</b>	<b>1,134</b>	<b>1,120</b>	<b>1,119</b>	<b>1,113</b>	<b>1,112</b>	<b>1,107</b>	<b>1,078</b>	<b>1,083</b>	<b>1,093</b>

**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)**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public Safety</b>										
Physical Arrests/Charges	n/a	16,051	12,991	17,143	9,765	10,259	10,335	10,578	10,892	11,134
Police Calls - Incident	n/a	183,041	106,470	102,903	96,703	103,786	97,747	130,263	116,708	100,588
Police Calls - Administrative	n/a	28,449	31,345	60,972	61,544	50,863	104,208	174,733	164,093	152,618
Fire/EMS Calls	18,448	18,932	20,201	20,401	21,992	22,448	23,829	19,819	24,367	24,362
Inspections	1,589	1,677	1,416	1,959	1,756	1,682	1,538	2,356	1,625	1,799
Parking Violations Issued	83,149	71,229	68,465	68,365	66,300	68,365	60,069	55,228	60,475	44,932
Redlight Tickets Issued	25,318	58,708	60,004	41,861	37,764	42,711	38,044	30,080	29,174	34,176
Building Permits Issued	4,077	3,419	3,119	3,150	2,818	2,818	2,961	2,882	3,105	3,045
<b>Health and Welfare</b>										
Meals served-Summer	235,608	211,263	213,549	161,948	225,392	209,052	169,486	169,994	150,160	696,778
Meals served-Evening	112,850	114,201	98,555	91,888	136,437	150,120	154,000	207,415	120,352	181,390
Emergency Shelter	438	230	516	1,370	1,449	672	2,649	2,010	471	396
HOPWA (Housing) *	230	177	147	114	114	210	211	191	121	102
HPRP	726	24	-	-	-	-	-	-	37	340
<b>Water</b>										
Water Production (millions of gallons)	6,541	6,541	5,835	5,749	5,561	5,547	5,760	5,785	5,740	5,464
Water Sold (millions of gallons)	6,690	6,690	3,286	3,262	3,270	3,152	3,337	3,383	3,308	3,301
<b>Wastewater</b>										
Average Daily Sewage Treatment (Millions of gallons)	72.35	72.35	75.00	75.00	70.38	65.83	65.83	65.00	81.40	66.00
<b>Landfill</b>										
Annual Tons of Refuse	30,331	20,904	16,838	17,922	20,329	19,853	21,016	23,353	19,331	20,090

**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)**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public Safety</b>										
Police Patrol Units	247	241	233	213	213	206	203	211	209	260
Paramedic Units	3	3	3	3	3	3	3	3	3	3
Fire Units	44	41	42	42	42	41	41	38	38	26
<b>Highways, Streets, and Bridges</b>										
Roads & Streets (miles)	147	147	148	148	148	148	148	148	148	148
<b>Health and Welfare</b>										
Buses	2	2	2	3	3	3	3	3	3	3
<b>Water</b>										
Production Capacity (millions of gallons per day)	40	40	40	50	42	42	42	40	40	36
<b>Wastewater</b>										
Wastewater Treatment Capacity (millions of gallons per day)	105	105	105	168	168	168	168	168	105	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.

